



Selwyn District Council Long Term Plan 2012/2022

SELWYN DISTRICT COUNCIL

LONG TERM PLAN 2012/2022

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SELWYN DISTRICT COUNCIL 2012/2022 LONG TERM PLAN (LTP)

Mayor and Chief Executive's welcome

Welcome to the Selwyn District Council's Long Term Plan for the period from 1 July 2012 to 30 June 2022. The Long Term Plan sets out what the Council is planning to do over the next 10 years to ensure the Selwyn District continues to be a great place to live, work and play. So it's a very important document for the Council and the community.

The Long Term Plan draws together ideas, strategies and other plans that will shape the range of services and projects we will provide over the coming years. It also includes information on how these activities and projects will be paid for and the performance targets that we are seeking to achieve. The Council, like all residents in Selwyn has been affected by the earthquakes with our incomes falling and costs rising, and this Long Term Plan has been proposed within these constraints.

We formulate the Long Term Plan through continual conversations with our community – through our elected councillors, staff, community boards, and township committees, as well as input into other Council activities. Plus we have a good understanding through our own networks and knowledge about best practice and what makes a community thrive.

Most of the activities and projects outlined in the plan are a continuation of the programmes the Council has started over recent years to manage the effects of population growth in the District in a way that benefits both new and existing residents. These include programmes to improve a range of community facilities such as libraries, recreation facilities and the new aquatic centre. It also includes plans to improve our road network so that it is safer and better able to cope with increased traffic volumes, as well as offering some new cycle links which provide an alternative to taking the car.

We are all conscious of the need to keep our finances in good shape. The Long Term Plan includes a financial strategy that aims to provide a balanced approach to meeting costs over the next 10 years. It allows for an average rate increase of 1.4% for the 2012/13 year and an average of 4.2% over the 10 years. (This is an average based on the number of ratepayers paying the Uniform Annual General Charge and includes both targeted and general rate increases). Under the financial strategy, the Council's debt levels will be allowed to increase to higher levels than allowed

under previous Council policy. The debt will peak in the early part of the 10 year period and then reduce towards the end of the period as the income streams established to fund the debt allow for its repayment.

The Plan reflects the many submissions we received on the draft document. The Council considered each of the submissions and a summary of the Council's deliberations and decisions is included in the section 'Our Response to Your Submissions'. We would like to thank all submitters for the time and thought they put into their submissions.



Kelvin Coe **Mayor**



Paul Davey **Chief Executive**

SUMMARY

Introduction

Selwyn District is a great place to live, work and play. This is evident in numerous ways – we are once again New Zealand's fastest growing district, our townships are much sought-after, we are winning awards for the work we do with our communities and working on plans to future-proof our District.

The last couple of years have been tough on our residents emotionally, financially and socially. But we have discovered a resilience that draws from the rural roots of the community – our people have shown the true meaning of the word “neighbour” and we have looked out for each other. The implications will have a long-lasting effect. We have had to rebuild roads, fix pipes, shore up buildings and provide support and guidance for folk. And because Selwyn is seen as a good option, we are expecting continuing growth in the District's population.

With that growth comes expectations. This summary of the 2012/2022 LTP sets out how we will meet the community's expectations over the next 10 years, the rationale behind our projects and programmes, and a guide to expected costs and timeframes for achieving those.

The plan is based on the overall community outcomes our residents have told us they want us to achieve:

- a safe place to live, work and play
- a clean environment
- a rural district
- a healthy community
- an educated community
- a prosperous community
- an accessible district
- a community which values its culture and heritage.

What follows is a summary of the key parts of the plan.

The background for setting our plans

Our population is still growing

Growth brings benefits to the District in terms of more residents to support more amenities including health and social services, shops and recreation facilities. But unconstrained growth can result in unattractive urban sprawl, loss of green space/rural feel and traffic bottlenecks. The aim of Council is to manage growth so that we reap the benefits while minimising any negative aspects.

Historically the District's population growth has been linked to the rate of economic growth in the region. Because the economy has slowed, the growth forecast for the next 10 years is lower than previously forecast. But the impact of the earthquakes on the population of the region and District is hard to predict and we are currently observing more growth than expected.

Our plans need to be flexible and we must be capable of responding to demand if growth is faster than forecast.

Future for Selwyn

As part of its broad planning for the District, the Council's Future for Selwyn project was initiated to help shape the District's future economically, environmentally, socially and culturally, particularly in the area not included in the Urban Development Strategy. It is about how we will live over the next 20, 30 or even 60 years.

We have undertaken consultation so that we can be confident we have captured the views of local residents. It is clear already that residents want strong communities that take pride in their District and believe we should look after the environment, encourage learning and grow the rural and urban economy.

Over the coming year we will work through what we have found out and develop the forward-looking plans that will set our course for the future.

Recovering from the Canterbury earthquakes

Recovery from the Canterbury earthquakes is a priority for the greater Christchurch area and we will play our part.

The main focus for Selwyn over the next few years is the rebuild and new build of residential and commercial properties.

To help our residents, existing and new, we have minimised the time for processing any consents resulting from rebuilds.

We will also implement the lessons we have learned and continue to improve the community's preparedness and capacity to respond to future events.

Our strategy to manage the Council's finances

We have all faced difficult financial conditions over the past three years and the Council is no exception - costs have risen, investment revenue has fallen and community expectations remain high.

The Council is committed to careful financial management that will keep our finances in good shape while following policies that are fair to current and future ratepayers.

The Council has set a budget that aims to keep the average annual rate increases per ratepayer over the next 10 years to below 5% per year.

Debt levels will be managed so that they are affordable and do not leave too great a burden on future ratepayers. The maximum level of debt forecast is just over \$149 million. Further details of the Council's financial strategy is included on pages 98 to 110.

Our priority plans for the next 10 years

Improve our community facilities

Community facilities such as community centres, swimming pools, sports grounds and parks give residents and visitors the chance to gather, have fun and keep healthy.

Over recent years the Council has been working to increase and improve the facilities available, including reserve developments, the Lincoln Event Centre and Selwyn Aquatic Centre.

We intend to continue to work with local communities to introduce gradual improvements to community facilities over the next 10 years. This includes plans for new community centres in Dunsandel and Prebbleton and improvements to sporting facilities in West Melton, Prebbleton, Lincoln, Rolleston, Weedons, Darfield and Kirwee. These plans build on the significant investment already made by ratepayers in new facilities over the past few years.

The Council sought community feedback on the following three projects as part of the consultation on the Draft LTP:

- McHughs Plantation in Darfield

The Council has decided to purchase McHughs Plantation located near Darfield as a community asset. This is a 40 hectare block containing a nationally recognised stand of Douglas fir that has important heritage, scientific, education and environmental values. The Council's valuation of the land is \$1.5 million. The purchase and on-going maintenance costs will be funded by a new targeted rate.

- Dunsandel Community Centre

The Council is working with the community to build a new facility on Dunsandel Domain to complement other sports and recreation activities already located on this site. The estimated cost of the new purpose built facility is \$3 million. The purchase will be funded by a new targeted rate, existing resources and fund raising.

- Large Scale Park idea in Rolleston

The Council is considering a proposal to provide a large tract (100 hectares) of open space to accommodate a range of sports, recreation and community activities. The current (2009) rateable value for the property is \$4 million although, the purchase price would be negotiated with the owners, subject to the proposal proceeding. The Council decided to continue to investigate this idea, including a review of funding options.

Continue to roll out elements of our Libraries for Life strategy

Libraries provide services that are highly valued and very well used by local people. They reach out to all age groups and provide education, recreation and inspiration to many. They are at the heart of a strong community.

In 2008 the Council adopted a strategic plan for its library service – 'Libraries for Life'. The strategy is to develop a good library service for the entire District. The strategy focuses on improving library buildings so that they are welcoming and have sufficient space to meet the community's needs.

To date we have provided upgrades to the libraries in Leeston and Darfield with great success and we are currently building a large new library in Lincoln.

Provision of a larger library to service Rolleston has been included in year 10 of the Plan (2021/22). This is later than previously planned in the strategy and reflects the Council's decision to cap the library rate at a maximum of \$180.00. This project was not included in the Draft LTP but has been brought into the Plan in response to the submissions on this project.

Work on improving our roads

Selwyn has a large and well maintained roading network that for the most part copes easily with current traffic levels.

Over the next few years we will focus our efforts on keeping our existing roads in good condition.

But some routes, particularly the commuter routes into Christchurch are getting busier and this trend will increase once the Southern Motorway opens. This means we will need to continue to improve some key roads and intersections over the coming years, including an upgrade to the important commuter route along Ellesmere Road (2017/21).

This is expensive work and we rely on Government support to meet part of the cost. This work depends on the Government approval process before it can go ahead. As a result, some of our improvements may not be completed as soon as we would like.

We will also play our part in supporting sustainable transport options by enhancing and promoting walking, cycling and public transport options. Projects include the L1 River pathway in Lincoln, plus the Glentunnel to Coalgate and Leeston to Doyleston cycleways. Through the LTP submission process other walking and cycling projects were advocated by the public, including suggestions on how they may be made more affordable. The Council has agreed to investigate this further based on an agreed level of service that is both practical and in line with appropriate engineering standards.

Manage our water in partnership with others

Water is critical to the Selwyn economy now and in the future. Better irrigation will help Selwyn farmers make the most of their land and bring more jobs and prosperity to the District.

The Canterbury Water Management Strategy supported by the Council ensures due consideration be given to the environmental, social and cultural aspects of water use, along with business interests.

The most significant irrigation project planned in the region is the Central Plains Water (CPW) scheme. The CPW company is in the process of securing funding for the scheme and if it goes ahead it will be a major economic boost to the District. The Council planning to make a loan of \$5

million to CPW to help it progress with stage 1 of the scheme, subject to it being satisfied several criteria identified during the submission process can be achieved.

Boost our waste water capacity

By increasing the capacity of waste water systems more people can enjoy the benefits of living here.

The construction of the Eastern Selwyn Sewerage Scheme is very significant for the District, both in terms of the level of expenditure involved and the benefits it brings in opening up significant amounts of land for new housing developments. Construction is underway and the capital cost of the scheme will be funded by land developers. There remains some risk that if development does not proceed as expected, ratepayers connected to the scheme may need to help fund some of the cost.

Provide economic development support

The Council is playing its part in the sustainable economic development of the District. We will continue to promote the District so that we attract and support businesses and tourists.

We will continue to develop the Izone Southern Business Hub so that it meets its objective of bringing job opportunities to the District as well as providing a future financial return to the Council.

The Council will continue with the planning policies that have helped major businesses invest in the District including Fonterra, Synlait, Westland Milk and Porters Skifield.

New stormwater targeted rate

Stormwater services have become more significant in the last few years due to changes in the planning rules that require better protection than has been provided in the past. These services protect urban areas from flood risk, but the nature of the assets that have been constructed means that they often form part of reserve areas that everyone in the District can enjoy. The cost of this service is predicted to be \$500,000 each year and equates to an average of about \$50 per household in the serviced part of the District. The Council has decided to introduce a new targeted rate to fund the stormwater activity from 1 July 2012 and the rate will be set on a township by township basis.

Policy changes

The Council has made changes to the following policies:

Liability management (borrowing) policy – the changes will increase the amount that the Council can borrow to fund its capital programme. For example under the existing policy the limit for 2012 is around \$100m and under the new policy would be \$149million. This limit will increase over the life of the LTP.

Investment policy – the changes adjust the limits guiding the mix of the Council's investments with the effect of reducing the risk of over concentration in certain investments.

Revenue and financing policy – the changes make slight alterations to the funding of environmental services (to reflect the greater level of community benefit from some activities) and swimming pools (to reflect the single rate for swimming pools).

Development contributions policy – the Council has made the following changes to the development contributions policy:

- An updated schedule of charges to reflect the level of inflation and updated capital expenditure estimates.
- Amendments to the policy in relation to the assessment of contributions for reserves. The changes are to ensure that the policy operates as intended to provide appropriate reserves to meet community needs.
- Various wording changes to clarify the Council's policy and rationale for funding the costs of growth through development contributions.
- The inclusion of information on the revised development contribution for the Eastern Selwyn Sewerage Scheme in line with the recent amendments to the policy.

OUR RESPONSE TO YOUR SUBMISSIONS

We received 395 submissions on the Council's draft Long Term Plan (LTP) 2012/22. The submissions cover a wide range of issues, demonstrating the community's interest in the Council's activities and proposals for the coming 10 years. The Council heard from submitters wishing to speak on 28 and 29 May and deliberated on all submissions on 1 and 5 June. The outcome of the Council's deliberations in relation to the main matters raised by submitters is summarised below. A number of other submissions related to the maintenance of the Council's facilities and infrastructure and these were referred to the Helpline for immediate follow-up. Many submissions were general comments about the performance of the Council or about specific activities.

Loan to Central Plains Water Limited (CPWL)

CPWL asked the Council to consider a proposal to help it fund the next phase of the Central Plains irrigation project. The proposed \$5 million loan would part fund the detailed design work required for stage one of the scheme, and would help CPWL secure funding from the Government's Irrigation Acceleration Fund. CPWL has indicated that these two funding sources, together with existing cash balances, will provide sufficient funds to progress the scheme through the design phase and up to the point of construction.

Stage one of the scheme involves irrigation of 20,000 hectares to the south of the CPWL area. From a commercial point of view, this is the lowest risk area. This is because most land in this area is already irrigated from ground water (wells) and it is relatively easy for farmers to switch to water provided by CPWL. The decision to switch will be based on the relative cost of their existing irrigation compared with water provided by CPWL. Stage one brings limited economic benefits compared with the scheme as a whole as it will result in modest changes to land use. However, CPWL has indicated that stage one must be completed before it can develop stages two and three which involves the irrigation of 40,000 hectares. As this irrigation will allow large scale land use change it is higher risk (as farmers need to make the practical and financial decision to change land use) but consequently can bring greater economic benefits to the District.

The Council received 125 submissions on the proposed loan. In determining whether to proceed with the loan, the Council considered:

- the views of the Selwyn community
- financial risks associated with the proposal
- potential economic benefits of the CPWL scheme

- the environmental impact of the CPWL scheme.

The proposed loan raised strong arguments from both those who opposed the loan and those who supported it. Supporters of the proposed loan pointed to economic benefits that will flow through the region's economy and the environmental benefits in terms of farming practices. Those who opposed the proposed loan identified concerns about the financial risks to ratepayers and the environmental impact of the scheme. They also questioned the economic benefits of the scheme to the District.

After consideration of all the information available to it, the Council decided that it supports making the \$5 million loan to CPWL, subject to it being satisfied several criteria identified during the submission process can be achieved. It is the ability of the scheme to unlock economic potential for the District that guided the Council's decision. The Council is now in the process of negotiating the terms of the loan.

McHughs Plantation

McHughs Plantation in Darfield contains a nationally recognised stand of Douglas Fir and has important heritage, scientific, educational and environmental values. The land is owned by Selwyn Plantation Board Limited and the Council's valuation of the land is \$1.5 million.

The draft LTP included a proposal to purchase and maintain the land for the benefit of local residents and the District as a whole. The draft LTP included three options for funding the proposal:

- a two zone rate; \$21.50 in the Malvern Ward and \$7.20 across the rest of the District
- a \$35.95 rate in the Malvern Ward plus a general rate impact of 0.2%
- a uniform rate across the district of \$10.50.

There were 114 submissions on the proposal. A large majority of submitters favoured purchasing the land and it is clear that it is seen as an important recreational facility by the community. Although clearly in favour of acquiring the land, fewer submitters expressed a clear view on the funding options, although those who did tended to favour a uniform rate.

Following consideration of the submissions, the Council decided to seek to buy the land and will enter into negotiations with Selwyn Plantation Board in relation to the purchase. In considering the funding options the Council took account of the contribution of the purchase to the Council's community outcomes as well as how the purchase will benefit the local and wider district community now and in the future. After its deliberations, the Council decided that the purchase

and maintenance should be funded from a new two zone targeted rate from 1 July 2012 (this is a slightly amended version of the two zone rate proposed in the draft LTP):

- Zone 1 comprised of Darfield, Sheffield, Glenntunnel/Coalgate, Kirwee, Hororata, Greendale, Courtenay, Kimberley and Whitecliffs reserve rating areas with a rate of \$22.50 per year for each separately used or inhabited rating unit.
- Zone 2 comprised of the balance of the District with a rate of \$7.50 per year for each separately used or inhabited rating unit.

The amount of the rate is based on the Council's estimates of the value of the land and future maintenance costs.

Large scale park idea

A proposal to provide a large (100 hectare) park to provide for a range of sports, recreation and community activities was identified as part of the Rolleston Structure Plan. The concept was part of the long term vision for the District and would provide opportunity for activities that may not be available in urban areas. These include activities such as community gardens, a farm park, equestrian activities, cycling and a hub for major sports and recreation activities. The idea was included in the draft LTP as current circumstances – the impact of the earthquakes on regional sporting facilities and the opportunity to acquire the land – means the Council needs to consider the idea sooner than had been previously envisaged. The Council does not have a funding plan for the acquisition and development of the land and included the concept in the draft LTP to inform the community of the idea and gauge initial views on the idea.

There were 34 submissions on the proposal, with slightly more opposing the idea than supporting it. Those in favour referred to the long term benefits of the idea in meeting future recreational needs and attracting people to the District. Those who opposed the idea indicated that it is not a priority at this time. In considering whether to continue to investigate the idea further, the Council considered the potential benefits of a large scale park to help achieve the community outcomes for current and future residents as well as the potential funding implications of the idea.

On balance the Council decided to continue to explore the idea and asked staff to investigate it in terms of its viability from a financial, functional and locational perspective. This work will take account of the approaches that have been made by regional codes looking at options following damage to existing facilities and other short and long term options for its use. If, following the further work, the Council considers that the large scale park idea has merit, it will consult with the community on the proposal. This may be done as part of the Annual Plan for 2013/14.

Dunsandel community facility

Dunsandel community representatives have been advocating for a new community facility to replace the out-dated hall and meet the high demand for community and recreation space. The existing hall was damaged in the September 2010 earthquake and is uneconomic to repair. The draft LTP included a proposal to build a new modern facility on the Dunsandel Domain. The facility would cater for a variety of sporting, recreation and community uses that would complement the other sports and recreation activities located on this site.

The proposal is to construct a \$3 million facility that would be funded from a number of sources. These include existing funds, insurance proceeds, fundraising and a new targeted rate of \$131 per year for each separately used or inhabited rating unit in the Dunsandel/Mead reserve rating area. It may also require a review of the existing rate of \$32 per year to operate the facility.

The Council received 17 submissions on the proposal; eight that were for the proposal, eight that opposed it plus a 60 signature petition against. Those in favour of the proposal pointed to the community benefits of a new facility and the need to improve recreational facilities in the area. Those opposed pointed to the costs of the proposal and whether the whole community would benefit from the new facility.

In weighing up whether to proceed with the proposal, the Council also considered the findings of previous consultation in relation to a new facility, including a survey in 2010 and a public meeting in 2011 that had indicated strong support for a new facility.

After careful consideration the Council decided to continue with the proposal, including work on the design of the new facility and community fund raising. The new rate of \$131 will start on 1 July 2012, and the aim is to commence construction during the 2012/13 financial year. Construction will not start until the required funding is in place.

Libraries for life strategy

In 2008 the Council adopted a strategic plan for its library service that focused on improving library buildings. To date the Council has upgraded the mobile library and the libraries in Leeston and Darfield, and is currently developing a new library in Lincoln. It also plans a larger library for Rolleston. However, rising construction costs caused the Council to rethink its strategy. It decided

to limit the level of the library targeted rate and as a result the Rolleston library was no longer considered affordable within the next 10 years and was not included in the draft LTP.

After hearing submissions on this decision the Council decided that the larger Rolleston library should be included in year 10 of the plan (the 2021/22 financial year). This is a signal of its intent to provide an improved library facility in Rolleston. The actual timing, funding and location for the facility will be kept under review in the coming years.

Rates

As a result of submissions and the programme of community consultation meetings, the Council decided to adjust some of the targeted rates that were included in the draft LTP as follows:

| Rate | Draft LTP 2012/13 | Final LTP 2012/13 | Comment |
|---|-------------------|-------------------|--|
| | \$ | \$ | |
| Doyleston sewerage | \$550 | \$500 | Revised renewals programme. |
| Southbridge sewerage | \$460 | \$425 | Revised renewals programme. |
| Templeton (Claremont) sewerage | \$1,200 | \$840 | Reduced allowance for renewals funding. |
| Armack Drive water supply | \$700 | \$540 | The water rate has been reduced to the 2011/12 rate, and a new capital injection rate introduced to recover the deficit on the account over 5 years. |
| Armack Drive water supply capital injection | \$0 | \$485 | Injection rate introduced to recover the deficit on the account over 5 years. |
| Doyleston water supply | \$400 | \$350 | Reduced charge from Leeston water supply. |

| Rate | Draft LTP 2012/13 | Final LTP 2012/13 | Comment |
|---|-------------------|-------------------|---|
| | \$ | \$ | |
| Edendale water supply | \$350 | \$327 | Rate held at 2011/12 levels at the request of the user group. |
| Leeston water supply | \$300 | \$250 | Reduced allowance for renewals funding |
| Osborne land drainage (No 4 subdivision) – example property | \$30 | \$50 | Increased funding for renewals. |
| Doyleston Community Centre | \$30 | \$17 | Rate reduce after a review of forecast account balances. |
| Lakeside Community Hall | \$50 | \$37 | Hall currently closed due to earthquake damage. |
| Prebbleton Community Centre | \$30 | \$23 | Increase deferred as new facility planned for 2020/2021. |
| Whitecliffs reserve | \$70 | \$30 | Draft LTP did not take account of general rate contribution. |
| Osborne Park reserve | \$40 | \$17 | Rate reduce after a review of forecast account balances. |

A number of submitters questioned the new stormwater targeted rates. The Council decided to leave the rate as shown in the draft LTP, while awaiting a review of the issues raised by submitters.

Development Contributions policy

The Council received a submission to its draft LTP from the Eastern Selwyn Sewerage Scheme Planning Group. This submission made a number of points about the Council's development contribution being proposed in the LTP to fund the Eastern Selwyn Sewerage Scheme. These submissions have persuaded the Council to revisit its December 2011 decision in relation to the proposed ESSS development contribution. It has asked Council staff to undertake this review and report back to the Council on the ESSSPG's concerns. If the Council decides that the submissions have merit and there need to be changes made, the Council will make the necessary amendments.

ESSS development contributions will continue to be charged at the level set in December 2011 pending this further review. If the review results in the level of ESSS development contributions being reduced, the Council will refund the difference between the two amounts in respect of development contributions paid since December 2011.

Following a review of the development contribution charge for stormwater in Lincoln, the Council has decided to adjust the charge to reflect updated cost estimates and an agreement with a property developer to provide part of the system.

The Council has adjusted the development contribution for Darfield water. The charge included in the draft LTP was based on a revised approach for calculating the charge rather than the previously agreed approach. The charge in the final LTP is based on the originally agreed approach, increased by the rate of inflation at December 2011.

Other Issues

The Council's industrial park, Izone, has been experiencing strong sales activity since the adoption of the draft LTP in March. As a result, the Council has updated its projections for sales income and subdivision construction costs from 2012 to 2022. The financial forecasts which are reflected in this adopted LTP are significantly better and as a result assist in improving the values of the cash and financial investments projected to be held by the Council as at June 2022.

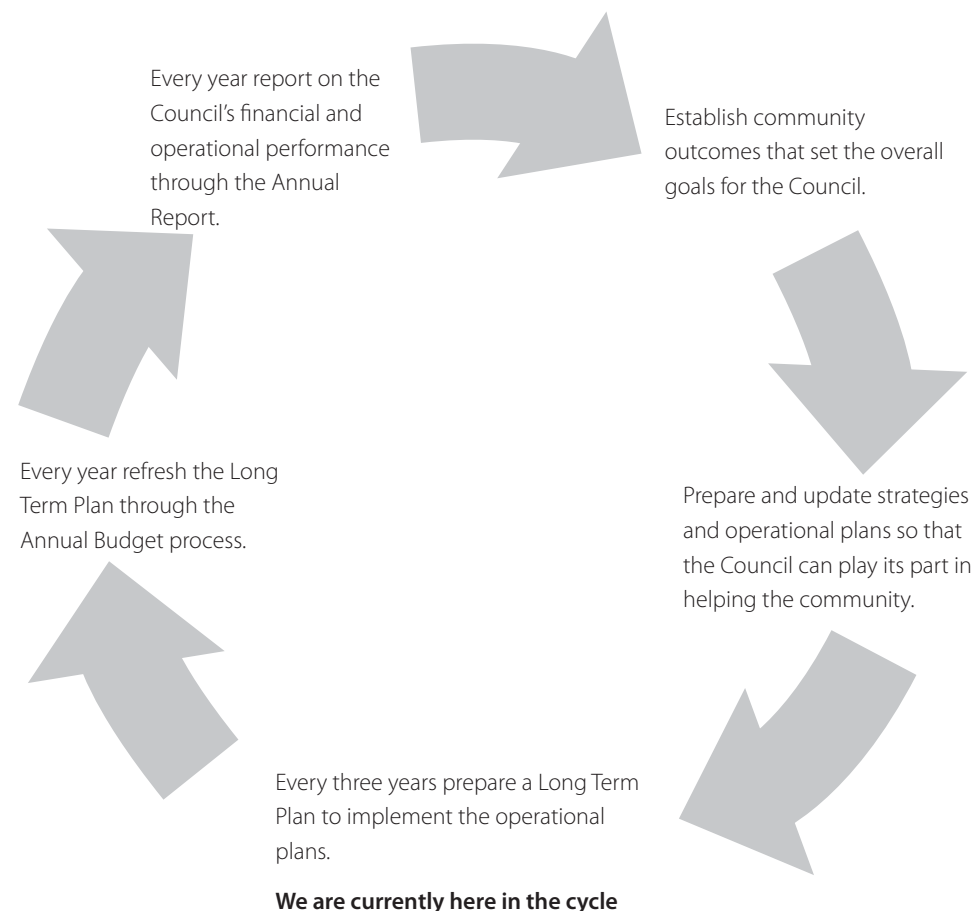
THE LONG TERM PLAN COVERS THE PERIOD FROM 1 JULY 2012 TO 30 JUNE 2022

A guide to the Long Term Plan (LTP)

Welcome to the Selwyn District Council 2012/2022 LTP. The LTP includes the Council's operational and financial plans for the coming 10 years. The LTP is just one stage in the Council's planning cycle as illustrated in the chart.

The LTP includes the following sections.

| Section | Pages | What is it about? |
|--|---------|--|
| Summary | 3-6 | The Summary provides the highlights from the LTP including the matters on which the Council would like community views. |
| Our Response to Your Submissions | 6-9 | This section identifies the main matters raised by submitters on the Draft LTP and the outcome of the Council's deliberation on these matters. |
| Community Outcomes | 11-18 | This section provides the Council and community's overall vision for the District. They guide the Council as it plans and delivers its services. |
| Significant Activities | 21-96 | This section describes each of the Council's service areas, including how the Council proposes to change them over the next 10 years. It includes performance targets for the main services plus information on how much they will cost and how the Council plans to pay for them. |
| Financial strategy | 97-110 | The financial strategy provides information on how the Council plans to manage its finances over the next 10 years. |
| Prospective Financial Statements | 111-144 | The financial statements show the impact of the Council's plans on its financial position. |
| Rating Information | 145-176 | This section provides information on the rates for 2012/13. |
| Fees and Charges | 177-184 | This section provides information on fees and charges for environmental services and waste disposal. |
| Council Controlled Organisations (CCO) | 185-190 | This section provides high level information on the Council's CCOs. |
| Council Policies | 191-270 | This section contains the Council's financial and other policies, including the policy to assess significance during the decision-making process and the development contributions policy. |
| Council Information | 271-277 | This section includes contact details for the Mayor, Councillors, Community Board Members and CCOs. |



COMMUNITY OUTCOMES

Community outcomes are the outcomes that the Council aims to achieve to promote the social, economic, environmental and cultural wellbeing of the District in the present and for the future. They represent the Council's and Community's overall vision for the District, and they guide the Council as it makes its plans and delivers its services.

The community outcomes were initially developed in 2006 based on a range of information sources and consultation processes. They were further developed in 2009 as part of the preparation of the Selwyn Community Plan 2009/19 and further refined as part of the preparation of the 2012/22 Long Term Plan (LTP).

The community outcomes are set out in the following table:

- The first column (key community outcomes) provides a broad statement of what the Council is seeking to achieve for the Selwyn community. This is the overall vision for the District.
- The second column (the Council will) sets out the Council's role in relation to achieving the key community outcomes. This role includes the direct provision of services, advocacy on behalf of the community as well as supporting, encouraging and working with the community and other organisations.
- The third column (key reporting document) provides a cross reference to the relevant strategies, plans and legislation that guide the Council's role in relation to the community outcome.
- The fourth column (key performance indicator) specifies how the Council will measure its performance in relation to its role for each community outcome.
- The fifth column (relevant Council activity) identifies the Council activity that delivers the Council's role for each community outcome.
- The last column (assistance will be sought from) identifies the organisations that the Council works with to help achieve the community outcomes.

The community outcomes underpin what the Council does. The 2012/2022 LTP includes information on how each group of activities will help us achieve the community outcomes.

| Key community outcomes | The Council will (the Council role is in bold) | Key reporting document | Key performance indicator | Relevant Council activity | Assistance will be sought from |
|---|--|--|--|---------------------------|---|
| Environment | | | | | |
| A clean environment | | | | | |
| Air, land, water and general environment to be kept in a healthy condition. | Advocate to ensure organisations responsible for protecting the environment have appropriate policies and strategies to achieve this outcome. | Selwyn District Plan. | Environment Canterbury do not deem it necessary to monitor air quality in the district. | Environmental Services | Environment Canterbury Ministry for the Environment Department of Conservation Fish and Game Ministry of Health Federated Farmers Forest and Bird |
| | | | Total hectares of vulnerable indigenous vegetation which are protected under management agreements, and the increase in total hectares of new indigenous vegetation which have been established. | | |
| | | | Environment Canterbury considers soil quality to be at an acceptable level. | | |
| | Provide water and sewerage systems that minimise the negative effects of their activity. | Selwyn District Council 5 Waters Activity Management Plan. | Compliance with DWSNZ 2008 criteria for water leaving treatment plant as reported by the Ministry of Health, for each registered water supply. | Water and Wastewater | |
| | | | Total number of sewer and sewer pump station overflows events (wet and dry weather). | | |
| | Provide a service to collect and dispose of solid waste in a manner that minimises any potential harm to people and to the environment. | Selwyn Waste Management and Minimisation Plan. | The percentage of the community that are satisfied with their rubbish collection service, as identified in the Residents’ Survey. | Waste management | Ministry for the Environment Canterbury Regional Landfill Joint Committee Canterbury Waste Joint Committee Waste Minz |

| Key community outcomes | The Council will (the Council role is in bold) | Key reporting document | Key performance indicator | Relevant Council activity | Assistance will be sought from |
|---|---|---|--|--|--|
| | Ensure services are available for the effective and affordable collection, processing and marketing or beneficial use of diverted materials. | | <p>The percentage of the community that are satisfied with their recycling collection service, as identified in the Residents' Survey.</p> <p>The annual reduction in the amount of residual waste per head of population.</p> <p>The increase of diverted material from landfill.</p> | Waste management | |
| A rural district | | | | | |
| A living environment where the rural theme of Selwyn is maintained. | Provide a District Plan which recognises, protects and enhances the natural environment while allowing appropriate development. | Selwyn District Plan. | <p>The percentage of the community that are satisfied that the District's towns and countryside are appropriately developed.</p> <p>The percentage of growth occurring inside Metropolitan Urban Limits or on zoned urban land.</p> | Environmental Services | Environment Canterbury Ministry for the Environment Department of Conservation Rural Stakeholders CERA |
| Social | | | | | |
| A healthy community | | | | | |
| Selwyn people have access to appropriate health, social and community services. | Advocate to ensure appropriate health and social services are accessible to Selwyn residents. | <p>Selwyn District Council Community Development Strategy.</p> <p>Canterbury District Health Board Rural Health Strategy.</p> | Increase in the number of health and social service providers present in the district. | Community Services Community Facilities | Canterbury District Health Board Partnership Health Canterbury (PHO) St Johns Health and social service providers |

| Key community outcomes | The Council will (the Council role is in bold) | Key reporting document | Key performance indicator | Relevant Council activity | Assistance will be sought from |
|---|--|--|--|---------------------------|---|
| | Facilitate and provide opportunities for Selwyn residents to enjoy healthy, active lifestyles including provision of recreational open space and community facilities. | Selwyn Physical Activity Strategy. Selwyn Walking and Cycling Strategy. Community Facilities Activity Management Plan. | Increase in the number of people participating in regular physical activity. | | SPARC Sport Canterbury Christchurch YMCA Health sector Schools Local recreation and sports clubs |
| A safe place in which to live, work and play | | | | | |
| We are safe at home and in the community. | Encourage neighbourhood support and other community support groups. | Selwyn District Council Community Development Strategy. | Increase in the number of neighbourhood support and other community support groups. | Community Services | NZ Police Neighbourhood Watch Neighbourhood Support Canterbury Safer Canterbury |
| | | | Increase in residents' perception of safety at home and in the community. | | |
| | Ensure that all buildings constructed in the District are safe, durable, accessible and fit for their intended purpose. | Building Act 2004. | Proportion of building consents issued within statutory timeframes. | Environmental Services | Department of Building and Housing |
| | | | Proportion of code compliance certificates issued within statutory timeframes. Proportion of building consent applicants satisfied or very satisfied. | | |
| | Promote walking and cycling as a safe, viable mode of transport and recreation. | Selwyn Walking and Cycling Strategy. | Increased numbers of Greater Christchurch residents using sustainable transport modes (shared indicator). | Transportation | |

| Key community outcomes | The Council will (the Council role is in bold) | Key reporting document | Key performance indicator | Relevant Council activity | Assistance will be sought from |
|--|---|--|---|--|--|
| We know and help our neighbours. | Encourage and support volunteers' involvement with safety initiatives. | Selwyn District Council Community Development Strategy. | | Community Services | Volunteering Canterbury Neighbourhood Support Canterbury Safer Canterbury |
| We maintain a coordinated and effective response to, and recovery from, emergency and disaster events. | Provide and maintain a Civil Defence Emergency organisation and a Rural Fire Organisation. | Canterbury Civil Defence Emergency Management Group Plan. | Requirements of the Canterbury Civil Defence Emergency Management Plan and Civil Defence Emergency Management Act 2002 met. | | Canterbury Civil Defence Emergency Group Emergency Services Government Departments Community groups and communities Township committees Community Boards |
| | | Civil Defence Emergency Management Act 2002. | Requirements of the Forest and Rural Fires Act 1977, the Forest and Rural Fires Regulations 2005 and National Standards met in terms of both legislation compliance and agreed standards. | | |
| | | Selwyn District Council Local Emergency Management Arrangements. | | | |
| | | Selwyn District Council Fire Plan. | | | |
| | Encourage and support community involvement in emergency management. | | Increase in number of volunteers and community groups involved in emergency management. | | |
| Pedestrians, cyclists and motor vehicle users can safely move around Selwyn District. | Maintain, operate and upgrade the transportation network and work with key stakeholders and the community to reduce fatal and injury crashes. | Selwyn Road Safety Strategy. | Progressively reduce the number of fatal and serious crashes per year on Selwyn roads (shared indicator). | Transportation | Police NZ Transport Agency ECAN ACC Age Concern |
| | | Selwyn Safety Management System. | | | |
| | | Selwyn Walking and Cycling Strategy. | | | |
| Our young people have access to safe entertainment and recreation activities. | Provide/facilitate safe entertainment/recreation activities for young people. | Selwyn District Council Community Development Strategy. | Increase in number of safe recreation and entertainment opportunities for young people in the district. | Community Services Community Facilities | Local youth organisations Youth workers |

| Key community outcomes | The Council will (the Council role is in bold) | Key reporting document | Key performance indicator | Relevant Council activity | Assistance will be sought from |
|--|--|---|---|--|--|
| An educated community | | | | | |
| Our District provides a range of quality, lifelong education and training opportunities. | Advocate for improvements to educational opportunities within the District. | Selwyn District Council Community Development Strategy. | | Community Services Community Facilities | Ministry of Education Local schools Community Boards Tertiary education providers |
| | Provide lifelong learning opportunities through its Libraries. | Selwyn District Council Libraries Strategic Plan 2008/18. | Increase in the number of lifelong learning opportunities provided by Selwyn Libraries. | | |

Economic

A prosperous community

| | | | | | |
|---|---|--|--|---|--|
| Selwyn has a strong economy which fits within and complements the environmental, social and cultural environment of the district. | Implement a 'business friendly' approach in its policies and practices. | Selwyn District Council Economic Development Strategy. | Increase in number of businesses registering for BizServices or BizOnline. | Community Services. Environmental Services. Asset Delivery Unit. Corporate Services. | Trade and Enterprise NZ Canterbury Regional Economic Development Strategy (CREDS) Canterbury Development Corporation Christchurch and Canterbury Marketing Lincoln University Izone Southern Business Hub Education sector Local businesses Canterbury regional economic development agencies Telecommunication providers Federated Farmers Farming and horticulture businesses and networks Department of Labour Ministry of Economic Development Economic Development Association of NZ Local promotion organisations Lincoln University |
| | Encourage new businesses to the District. | Canterbury Regional Economic Development Strategy. | Increase in number of 'welcome packs' issued. | | |
| | Work with local businesses and the education sector to ensure training matches local business needs. | Selwyn Visitor Strategy | The percentage of businesses using the Council's workshops expressing satisfaction or better with service. | | |
| | Advocate for improvements to telecommunications (e.g. broadband and other internet access options). | | Provision of Council-hosted training for business in the productive use of fast broadband. | | |
| | Support the District's strong existing agricultural and other land based sectors. | | Percentage increase in the use of the Council's agri-business services. | | |
| | Promote Selwyn as a tourism and lifestyle destination. | | The percentage increase in Sensational Selwyn Facebook 'likes'. | | |

| Key community outcomes | The Council will (the Council role is in bold) | Key reporting document | Key performance indicator | Relevant Council activity | Assistance will be sought from |
|--|--|---|---|---------------------------|---|
| | | Selwyn District Plan. | The District Plan provides for an appropriate supply of business, industrial and residential land in accordance with the requirements of the Greater Christchurch UDS appropriate locations. Land supply is monitored annually. | Environmental Services | |
| An accessible district | | | | | |
| Effective and accessible transport system. | Provide a well-maintained, operated and affordable land transport system. | Selwyn Land Transport Activity Management Plan | Residents' satisfaction with township and rural roads is greater than an average of 70% | Transportation | NZ Transport Agency Environment Canterbury |
| | Advocate for improvements to state highways (NZ Transport Agency) and public transport services (ECan) where community concerns are raised. | Selwyn Road Safety Strategy (includes Selwyn Safety Management System). | | | |

| Key community outcomes | The Council will (the Council role is in bold) | Key reporting document | Key performance indicator | Relevant Council activity | Assistance will be sought from |
|--|---|--|---|---|--|
| Cultural | | | | | |
| A community which values its culture and heritage | | | | | |
| Our District provides a range of arts and cultural experiences and facilities. | Provide information, recreational, cultural and learning opportunities through its network of Libraries. | Selwyn District Council Community Development Strategy | Increase in registered library users as a percentage of total population. | Community Service Community Facilities. | Canterbury Libraries Community Boards Schools Community groups Selwyn Gallery Community arts, heritage, historical and cultural groups Local artists Creative NZ Canterbury Museum Trust Board |
| | Provide support to local arts and cultural organisations. | Selwyn District Council Libraries Strategic Plan 2008/18 | Increase in number of local arts and cultural organisations/ activities. | | |
| | Provide support to the Canterbury Museum Trust. | | Our heritage is preserved and shared. | | |
| | Recognise and protect sites, buildings and significant trees with cultural or heritage values. | Selwyn District Plan. | | Review heritage provisions and the schedule of heritage buildings and protected trees in the District Plan at least every 10 years. | |
| | Work with Te Taumutu Rununga to ensure our commitments to the Treaty of Waitangi are met. | Local Government Act 2002 | Te Taumutu Rununga and Ngai Tahu involvement in major Council projects. | All Council activities | |

AUDIT REPORT

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Independent Auditor's Report To the readers of Selwyn District Council's Long-Term Plan for the ten years commencing 1 July 2012

The Auditor-General is the auditor of Selwyn District Council (the District Council). The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand, to report on the Long Term Plan (LTP), on her behalf. We have audited the District Council's LTP dated 27 June 2012 for the ten years commencing 1 July 2012.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

Opinion

Overall Opinion

In our opinion the District Council's LTP dated 27 June 2012 provides a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

In our view:

- **the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and**

- **the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.**

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 27 June 2012. This is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control relevant to the preparation of the District Council's LTP. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, and implications it faces and provides for participation by the public in decision making processes;

- the District Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;
- the District Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTP are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council

The Council is responsible for preparing a LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal control as it determines is necessary to enable the preparation of a LTP that is free from material misstatement

The Council's responsibilities arise from Section 93 of the Act.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP.

Independence

When reporting on the LTP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than this report and in conducting the audit of the LTP Statement of Proposal and the annual audit, we have no relationship with or interests in the District Council or any of its subsidiaries.



Ian Lothian

Audit New Zealand

On behalf of the Auditor-General

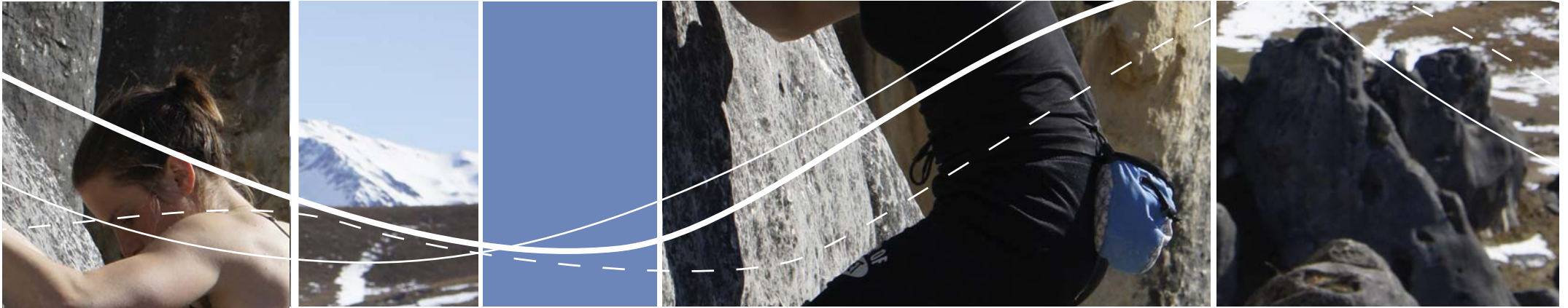
Christchurch, New Zealand

Matters relating to the electronic presentation of the report to the readers of the Long Term Plan

This report relates to the LTP of Selwyn District Council for the ten years commencing 1 July 2012 which was approved by the District Council on 27 June 2012 included on Selwyn District Council's web site. The District Council is responsible for the maintenance and integrity of the Selwyn District Council's web site. We have not been engaged to report on the integrity of the Selwyn District Council's web site. We accept no responsibility for any changes that may have occurred to the LTP since it was initially presented on the web site.

The report refers only to the LTP named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the LTP, including the adopted amendment to the LTP published by the 26 June 2013 and which has not been incorporated with the content of the LTP to which this report relates. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the LTP approved on 27 June 2012 and the related audit report dated 27 June 2012 to confirm the information included in the LTP presented on this web site.

The preparation and dissemination of the LTP is governed by New Zealand legislation.



SIGNIFICANT ACTIVITIES

- Community Facilities
- Community Services
- Democracy
- Environmental Services
- Transportation
- Solid Waste Management
- 5 Waters Services
- Izone Southern Business Hub
- Internal Council Services

INTRODUCTION TO THE SIGNIFICANT ACTIVITIES

The Long Term Plan includes information on each of the Council's groups of significant activities. The information includes:

- An overview of the group of activities that summarises services included in the group and the main long term issues relating to those activities.
- An explanation of why the Council is involved in providing the group of activities.
- A summary of how the activity helps the Council's community outcomes.
- Details of how the Council manages changing demand for any service, including the impact of population changes.
- Performance measures that illustrate the level of service the Council is aiming to provide for the group of activities. The measures will be used to assess the Council's performance over the next three years.
- A funding impact statement that shows how the group of activities will be paid for over the next 10 years. More information on the funding impact statement is provided below.

Funding impact statement

The funding impact statement is a forecast based on a series of estimates and assumptions and provides an indication of how the Council intends to fund its activities. In practice, actual income and expenditure is likely to differ from that forecast. Significant variances will be explained in future annual report and annual budget documents. The funding impact statement is cash-based and presented in the prescribed form required by Section 15 of Schedule 10 of the Local Government Act 2002. The statement excludes non-cash income and expenditure items such as vested asset revenue (income that represents the value of assets transferred to the Council by sub-dividers) and depreciation (expenditure that represents the estimated value of assets used up in any one year).

The statement provides information on estimated income sources, including general rates, targeted rates, fees and charges, subsidies, interest, dividends and development contributions. The income sources are split between those that fund operating items (day-to-day costs) and those that are specific to capital items (new and replacements assets). Where income funds both types of costs it is treated as operating income.

Similarly, expenditure is split between operating and capital items. The statement shows how the difference between income sources and expenditure will be met. This is through the use of borrowing, reserves or investments. For example, where operating and capital expenditure items exceed all income sources, the Council may borrow funds to meet the shortfall. This would typically occur during the development of a large capital project. Alternatively, the Council can use its investments to meet a shortfall. Investments include the use of general working capital (cash) balances, or the use of reserves that have been set aside for that activity. The use of reserves typically occurs where funds have been collected for a specific purpose, for example development or reserve contributions. The overall statement balances to nil as all differences between cash income and cash expenditure need to be funded by a combination of borrowing, investments and reserves.

The amount of general rate income allocated to each activity is based on the way the Council has determined it will fund specific activities. The Council's approach is set out in the Revenue and Financing Policy. The Council also receives income from dividends, interest and other sources that is used to reduce the amount of general rate income that needs to be charged to ratepayers. This income is treated as corporate income and included in the support services funding impact statement. This means that the general rate income line in this statement is actually a reduction in the general rate requirement, rather than an amount of income to be collected from ratepayers. In effect, it offsets the amount of general rate expenditure that would need to be charged to ratepayers if the Council did not have dividend and interest income.

Residents' survey

Some of the performance targets used to measure the level of service provided by the Council relies on a biennial residents' survey. The survey involves an independent telephone survey of 1,000 households in the Selwyn District. The results are expressed as a rating out of 100. The survey typically has a margin of error of +/-3%.

The survey will be conducted towards the end of the first year in the two year cycle. Information on the Council's actual performance (as reported in the Annual Report) for the second year of the cycle will not include the results of the residents' survey, but will include information on key performance issues for years in addition to the other performance targets set for the financial year.

COMMUNITY FACILITIES

Services covered

The services and assets covered by the Community Facilities Activity summary are described in the table below

| | | | |
|------------------------------------|---|------------------------------------|---|
| Recreation reserves | 29 main recreation reserves with a total area of over 440 ha. | Township reserves and streetscapes | 154 reserves and playgrounds covering over 54ha. |
| Cemeteries | 19 cemeteries (two closed). | Rental housing | 38 houses. |
| Public toilets | 17 facilities. | Gravel reserves | 200 sites in total with 20 operational. |
| Community centres and halls | 27 facilities. | Forestry | 57 sites with a total area of 162.7 ha. |
| Swimming pools | One District aquatic centre. Eight community pools. | Property and buildings | District Headquarters 27 strategic properties. |
| Libraries | At Rolleston, Lincoln, Leeston, Darfield plus two volunteer libraries and a mobile library. | Total asset value | \$167 million. |

Overview

Many people choose to live in Selwyn District because of its high quality natural environment populated with a number of townships, among what is essentially a working rural backdrop. Both the townships and the rural environments present opportunities for the Council to add significantly to people's enjoyment and wellbeing on an everyday basis. The Community Facilities activities have a major impact on both the social and cultural quality of life for the District's residents, while enabling the retention of the best elements of its natural environment.

The focus of the Community Facilities activity is on the things district residents have told us are important to them in helping to make Selwyn District a great place in which to live, work and play:

- a healthy community
- building strong, safe communities
- supporting local economic prosperity
- an accessible District
- enhancing the natural environment and landscape
- enabling residents to live healthy and active lives
- an educated community.

We do this through working with the community to plan and provide a range of services and facilities. Some activities, notably the provision of recreation reserves, community centres and swimming pools, enable residents to enjoy organised sport, leisure activities and informal recreation with all their accompanying benefits of health and social contact. Property and buildings are mainly provided to support the delivery of council services but also to preserve heritage, while rental housing serves an economic function. Cemeteries are important for their memorial and cultural links to the past as well as their present-day interment function. With their trees and tranquillity, cemeteries become valued areas of open space for remembrance and contemplation.

Community halls provide social venues and libraries are key facilities to enable people to meet, find out information, have access to reading and educational material, and keep up with news and events in the District. Library facilities are sometimes integrated with Council Service Centres, as in Leeston, Darfield and Lincoln to provide a community information hub. The network of community swimming pools and an indoor swimming complex (to be opened in 2013), provide recreation, health and social opportunities for residents and visitors as well as life skills such as learning to swim.

Open space in the townships, along streams, together with the larger parks in rural areas, provides relief from the intrusion of everyday noise and distractions, enabling people to relax and enjoy the natural surroundings. This is particularly important in a world where rapid development quickly erases traces of past flora and historical remnants. Open space is obtained, developed and maintained by the Council to allow natural elements to remain in harmony -water, trees, ecosystems, vegetation, wildlife - forming landscapes which preserve the District's character and have cultural and environmental values important to residents and visitors.

Public toilets are necessary services for visitors and residents alike, when they visit towns or enjoy facilities away from their homes. The Council provides public toilets to meet public health responsibilities, service township business precincts and tourist routes and therefore support the District's economic interests.

Gravel pits add economic value, but require significant areas of land and establishment costs, in order to become productive units. Gravel extraction supports road building, maintenance and construction and assists in servicing growth areas of the District. Forestry activities are a form of sustainable land management, controlling weeds and preventing soil erosion, and the Council is intending to write plans for both gravel reserves and forestry blocks, to ensure a strategic approach is taken to guide decision-making for these assets.

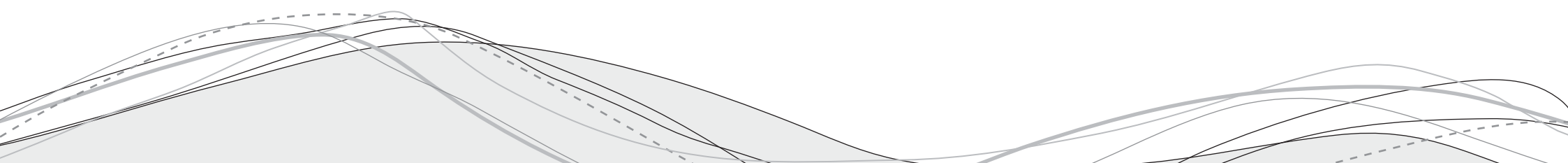
Over the next 10 years there are a number of key challenges for the Community Facilities activity. These include:

- Selwyn is the highest growth district in the South Island, largely as a result of internal migration, and on-going population growth is expected along with increasing urbanisation of rural townships which will lead to pressure to provide additional community facilities.
- There is uncertainty around the speed of growth especially in regard to the impact of the Canterbury earthquakes and growth could either flatten or accelerate.
- Funding may not be available for new facilities, especially big ticket items, to meet current and future demand particularly if slower growth occurs and development contribution revenues reduce and this may lead to the need for extra borrowing.
- There has been increasing awareness of the fragile state of the nation's biodiversity and the need to take action to conserve and protect it from further degradation.
- Some facilities, particularly in the growth towns, have or will reach capacity during the next 10 years and will need to be expanded to meet demand.
- As rural townships grow and are populated by people from more urban environments this is likely to result in increasing public expectations for higher quality recreational and community facilities.
- The impact of the earthquake events of 2010 and 2011 on the availability of sports and recreational facilities in the greater Christchurch area which may increase demand for use of facilities or space in Selwyn District where only minor damage occurred.

- Changing demographics in the District, including an ageing population, increasing numbers of children and youth in the higher growth areas and increasing diversity within the community.
- Changes in demand and preferences for recreational and leisure activities, including an increase in demand for organised sports' space in the growth towns and a move to more informal activities such as walking.
- As buildings age, the cost of renewals will escalate and also some of these facilities have a low level of usage which may mean they are uneconomic to retain.
- Increasing demands on volunteers as requirements become more complex and a potential decline in volunteer support.
- Increasing costs to look after and keep facilities in a serviceable condition will impact on targeted rate requirements.
- An increasing asset base from growth and improvements will impact on funding needed to operate and maintain them.
- More resilient building standards as a result of the earthquakes will lead to increased costs for new buildings and may mean it is uneconomic to upgrade or repair others.
- A number of buildings have been classified as 'earthquake prone' and will require strengthening work to make them safe.
- Changing demands for different burial options in our cemeteries will need to be considered.
- Demand from tourism and visitors to the District for facilities that meet their expectations.
- Ensuring facilities and services are provided in a way that sustains an acceptable quality of life to current and future residents, is affordable and reflects a balanced approach to inter-generational equity.

In response to these challenges, we plan to:

- Acquire and develop additional recreation reserves in high growth areas to meet demand for sports and recreational activities and create recreation hubs.
- Provide new neighbourhood and passive reserves in townships from development contributions to meet growth needs and to a standard that reflects community preferences.
- Plan and provide a network of reserves that create landscape amenity as well as walking



and cycling routes to support the Council's Walking and Cycling Strategy.

- Acquire land from development including esplanade reserves and strips to preserve natural features, ecosystems and create 'green corridors' as well as walking linkages.
- Acquire and develop large reserves that preserve existing environments and provide places for passive recreation.
- Improve existing community centres and halls to meet public expectations and expand or provide new facilities to meet forecast needs for additional capacity.
- Complete construction of the new indoor pool, the Selwyn Aquatic Centre.
- Prepare a plan to guide future decision-making and future provision of community centres and halls.
- Work with Sport Canterbury, Christchurch City Council and Waimakariri District Council to develop a plan for provision of sports and recreation space in the greater Christchurch region in response to earthquake impacts.
- Continue to implement elements of our Libraries for Life Strategy, including completion of a new library/service centre in Lincoln and replacement of the mobile library. The provision of a new library in Rolleston has been included in year 10 of the Plan (2021/22).
- Carry out renewal and building improvement programmes to ensure our facilities are well kept, safe and meet quality standards.
- Continue to support volunteer committees and consider alternative management approaches where needed.
- Investigate the provision of a 'natural burials area' and plan, develop and extend existing cemeteries to meet burial needs.
- Continue to replace and upgrade our public toilets.
- Develop and adopt strategies to guide future management of forestry and gravel reserves.
- Provide enough flexibility in the programmes to pause or delay if funding is unavailable.

Why is the Council involved?

The planning of Community Facilities activities requires a long-term, integrated strategy, in order to effectively contribute to the social, cultural, economic and environmental well-being of the community, as required by the Local Government Act 2002. Councils are obligated to consult with their communities to understand what is important to and valued by them.

The Council's involvement in the Community Facilities activity is considered to be an essential

component required to promote community wellbeing in the District. Involvement in this activity contributes, in some way, to achievement of many of the community outcomes but, in particular, the development of a healthy community. The provision of services comprising the Community Facilities activity is viewed as a critical element in attaining this goal.

Community facilities strengthen local communities in a number of ways, including providing places and spaces for people to meet and interact; supporting voluntary community committees in which people work together and develop a sense of common purpose; and facilitating community social, leisure, education and cultural activities. Community halls, swimming pools, libraries, service centres, heritage buildings, and reserves are an important part of the social fabric for many communities, providing a focal point and contributing to attaining a sustainable community with a sense of identity and belonging.

The benefits of physical activity are now widely accepted and recognised. Increasing peoples' physical activity has emerged in the last decade as a key international and national goal to improve health. The Council encourages residents to live healthy and active lives by providing a range of recreational and leisure facilities, including parks, playgrounds, swimming pools, halls and sport fields.

The natural environment and landscape, everything from parks and open countryside to playing fields and other green spaces, play an important part in promoting and maintaining good health and well-being. A healthy environment provides recreational opportunities and allows people to take part in activities they enjoy. The aesthetic quality of the environment is important for people's sense of wellbeing and the landscape is an integral part of the rural identity. The environment and landscape is enhanced by each township being served by a reserve, park or domain. Large rural recreation reserves and the smaller esplanade reserves provide environmental protection of riverbanks and lake margins and support the District's biodiversity. The network of reserves and open spaces creates green corridors for birds and animals.

A robust local economy is an important element of people's quality of life. A strong economy provides income and jobs, which influences people's ability to participate in, and contribute to, a community's wellbeing. Community facilities help to make Selwyn an attractive place to live and draw businesses and people to settle in the District. Some facilities are a destination in their own right and promote visitors and tourism that supports the District's economic interests.

People choose to live where they can enjoy a range of amenities and facilities, not just where they can be within easy reach of employment opportunities. The Council aims, through the Community Facilities activities, to create environments where there is a good balance of both

economic and the more intangible benefits people look for when they settle into a community.

Community facilities are generally land-based and the Council is in a very strong position to coordinate the acquisition and management of land of the right quality and in the right localities, on a district-wide basis. The Council is deeply involved in land use planning through the District Plan and Resource Management Act processes. If land use is planned ahead, then community facilities can be planned in advance, to serve the District. This puts the Council in a unique position to ensure that identified community needs can be progressed at the earliest opportunity, in an efficient and sustainable manner.

The Council is in a position to provide community facilities including planning, acquisition, development, operation, maintenance, renewal and replacement in an integrated and strategic way.

Reserves and public open spaces are an important element in both the residential and rural environment providing visual contrast with built form, a sense of spaciousness as well as opportunity for physical exercise, leisure activities and social contact. They also provide the opportunity to conserve and enhance the natural environment, rural landscape character and heritage features. Access to waterways and places of natural beauty produces a sense of custodianship which is essential for future preservation of the District's natural features, of enduring value to both residents and visitors.

Townships are planned to provide land and facilities that are woven into the integrated residential and retail/commercial sectors. Parks, reserves, waterways, halls, community centres, swimming pools and sports-fields linked together with integrated streets and walkways of open space enable members of the community to experience their living environment in a satisfying way, creating a sense of identity and belonging, which is essential to health and wellbeing. Taking a District-wide approach and agreeing on levels of service for the whole community prevents duplication and inconsistencies in service provision.

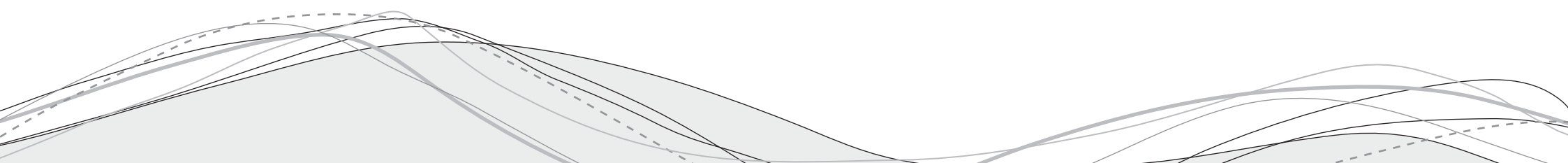
The provision of public toilets is required to protect the public health of district residents and has indirect economic benefits in supporting visitor destinations. Provision of cemeteries is necessary to meet the burial and remembrance needs of resident and has an important role in preserving the District's social history. The Council's involvement in gravel extraction supports

road maintenance and construction and assists in servicing growth areas of the District. Forestry activities are undertaken, in a sustainable way, to manage land that would otherwise be unused. The Council considers that it is necessary to own and manage a portfolio of properties and buildings to accommodate the Council's activities and support delivery of core services such as maintenance and operations. Ownership of these properties enables the Council to retain a range of strategic options for service delivery.

Activity goal

Selwyn District's goal for the Community Facilities Activities is:

"To provide community, cultural and recreational facilities that enhance the health and wellbeing of the District's communities and improve the overall quality of life for residents and to effectively manage the Council's property portfolio."



Council contribution to community outcomes

This activity contributes to the following community outcomes:

| Community outcome | How Community Facilities contribute: |
|---|--|
| A clean environment Air, land, water and general environment to be kept in a healthy condition. | Forests help lessen the effects of climate change by converting carbon dioxide from the atmosphere into carbon stored in wood. Open spaces and conservation areas provide environmental protection of riverbanks and lake margins. |
| A rural district A living environment where the rural theme of Selwyn is maintained. | Recreation reserves contribute to the landscape character of the District and enhancement of rural township environments. Council-forested areas contribute to the rural landscape character of the District. Community centres, halls and heritage buildings act as focal points for rural communities and contribute to township identity. Libraries/service centres act as focal points for rural communities and contribute to township identity. |
| A healthy community Selwyn people have access to appropriate health, social and community services. | The Council's libraries/service centres provide facilities for the delivery of community, social and health services and information. Community centres and halls provide venues for passive and active recreational and social activities which benefit physical and mental well-being and promote a sense of belonging/community to participants. By providing opportunities for Selwyn residents to enjoy healthy, active lifestyles including provision of recreational open space and community facilities. |
| A safe place in which to live, work and play We are safe at home and in the community. | Pools provide learn-to-swim opportunities which help ensure people are safe when in water. Passive reserves and access ways provide safe transport routes in neighbourhoods. |
| An educated community The District provides a range of quality, life-long education and training opportunities. | Provide libraries for lifelong learning and education. |
| A prosperous community Selwyn has a strong economy which fits within and complements the environmental, social and cultural environment of the District. | Gravel and forestry reserves provide work opportunities for local contractors and have a positive impact on business. Provision of public toilets supports growing tourism industry and business commercial hubs. The provision of community facilities supports the District as a tourist and lifestyle destination drawing new residents and workers to Selwyn. |
| A community which values its culture and heritage Our District provides a range of arts and cultural experiences and facilities. Our heritage is preserved and shared. | The library network provides information, learning, recreation and cultural opportunities. Support for preservation of heritage adds to the historical and cultural identity of the District. Cultural activities, events and facilities allow residents to experience the arts and culture. Residents have a place to remember the lives and contributions of past members of the District's communities. Heritage aspects of cemeteries are preserved. |

Demand management

The Council has the opportunity to apply a number of different approaches in providing the services for this activity, depending on specific requirements and resources available within both the Council and the community. In general the approaches taken are:

- Working in partnership with a network of local community committees and organisations to promote community ownership and empowerment by providing advice and support as required.
- Contracting to another agency to provide the services.
- Direct provision where no other provider is available.
- Facilitating or supporting other providers to undertake activities.

In order to determine future provision requirements we have:

- Identified demand drivers and influences for each service area.
- Assessed the current level of use of facilities.
- Calculated current capacity requirements.
- Calculated future requirements for the 10 year planning period taking into account the adopted growth model and identified demand factors.
- Considered other factors that might directly influence future provision and issues.
- Undertaken condition and performance assessments of existing assets.
- Examined the risks associated with the asset or service.
- Identified gaps in provision by applying standard criteria based on current service standards.

Demand may be driven by a combination of growth and desire for increased levels of service or other factors. The key demand factors for this activity are:

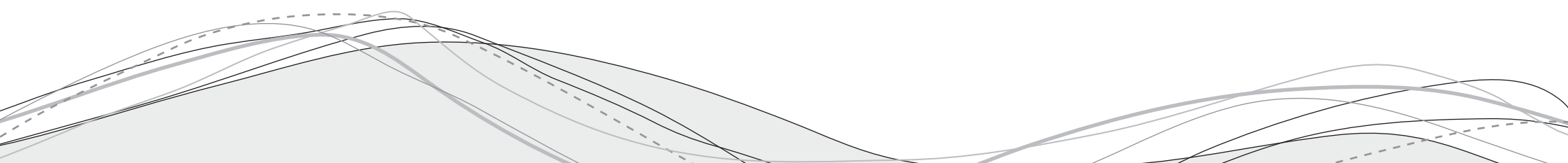
- On-going population growth in the District and increasing urbanisation of rural townships.
- Diverse and rapidly changing communities of interest, with changing expectations for levels of service.

- Desire to preserve and enhance natural environments.
- Changing demographics in the District with more children and youth along with an ageing population.
- Provision of services by other agencies including across boundary facility provision.
- Impact on sport and recreational facilities in Selwyn District from loss of facilities in the greater Christchurch area.
- Changes in demand and preferences for recreational and leisure activities.
- Technology changes as with internet access to library services.
- Changing demand from tourism and visitor activities.
- Increasing business activity.

Growth in the District is expected to continue, with the townships of Rolleston, Lincoln, Prebbleton, Darfield and West Melton being the main centres of expansion. Selwyn District may also be the recipient of additional growth from people displaced from Christchurch as a result of the earthquake events although the actual effects on growth patterns are, as yet, uncertain.

The levels of service described in the 2009/19 Selwyn Community Plan will generally continue. This is the current service the Council intends to provide for the public at an affordable cost. An increased level could be brought about either by public demand for an improved service level (e.g. a large indoor heated swimming pool), or simply that growth in the District creates a greater demand, requiring additional capacity in a service already provided (e.g. more sports fields). Whether the level is correctly pitched or not is measured through comparison with other similar sized districts, yardstick reports, community feedback and resident surveys. There has been a growing and sustained level of customer satisfaction across all the surveyed Community Facilities activities, apart from swimming pools. The main focus will be on maintaining present levels of service and addressing identified gaps and issues. It is intended that levels of service are sustainable and provide a balance between affordability and community preferences.

Our assessment indicates that there is a need to provide a better service for swimming pools, to continue to upgrade and increase capacity at public toilets, to provide additional space for organised sports to service growth, to provide larger, modern library facilities, to build new or expanded community centres to meet demand, address township reserve needs and deficiencies,



develop new operating quarries to service road maintenance needs and to extend cemeteries and provide a range of burial options.

In responding to demand, the Council has a range of options available including provision of new facilities or assets, improving or increasing the capacity of existing facilities, sharing facilities by working in partnership with another agency or regulating the demand by some other means. The Council is required to ensure demand is met in a sustainable way. To achieve this, the Council intends to provide a standard of assets/facilities that sustains an acceptable quality of life for current and future residents, fund projects with a balanced approach to inter-generational equity, invest in capital projects that support sustainable economic growth, coordinate provision of community facilities with other providers to reduce duplication and over supply, balance and prioritise asset/ facility provision with long term affordability, and build sustainable principles into design process where clear benefits can be shown.

In response to our assessment, the Council is planning to:

- Complete the Selwyn Aquatic Centre in 2013 and provide continued support for community pools over the 10 year period.
- Complete a new library/service centre in Lincoln in 2013. Provision of a larger library to service Rolleston has been included in year 10 of the Plan (2021/22).
- Upgrade the Rolleston Community Centre in 2016/17.
- Develop the Rolleston Recreation Precinct as a sports hub from 2012/13.
- Purchase and develop additional land for sports parks at Lincoln (2017/20) and Prebbleton (2016/19).
- Build a new sports and recreation centre for West Melton in 2019/20.
- Build a new community centre for Prebbleton in 2021.
- Upgrade the public toilet network over the 10 year period from 2012/13.

There are also some less significant issues that will be addressed as part of on-going renewal and development programmes. These include:

- Provide and develop additional neighbourhood and passive reserves in townships (14 hectares total).
- Develop 25 new or upgraded playgrounds over the 10 year period.
- Develop a new gravel extraction site in 2013/14.
- Continue restoration or disposal programmes for disused gravel reserves.

- Extend Springston Cemetery in 2018/19 and develop a 'natural burials' area in 2014/15 subject to site investigation.
- Upgrade the quality of facilities and environments in rural recreation reserves.
- Improve buildings and facilities to meet building regulations and ensure other health and safety requirements are achieved.

Where possible, the Council plans to dispose of its rental housing over time. The Council does not consider that it has a role as a significant provider of rental housing for the community and is only involved in this activity as a result of earlier management approaches. The Council intends to continue with its programme to dispose of disused gravel reserves subject to revoking the reserve status where required and ensuring there are no negative effects on the rural environment. The Council intends to dispose of property assets that are no longer required for their intended purpose and will also review its continued interest in forestry holdings.

Negative effects on the wellbeing of the community

There are no significant negative effects from this group of activities.

Key assumptions

The key assumptions underpinning this plan are:

- Growth in the District's communities will occur as stated in the Council's adopted forecasts and strategies.
- The demand for community facilities will increase in proportion to population growth and, in combination with other factors, will provide a realistic indication of future asset type and capacity requirements.
- Revenue from reserve development contributions will accrue in accordance with growth forecasts and the Council's Development Contributions Policy.
- Local management committees will continue to operate and provide the same level of voluntary support for the duration of this LTP.
- No significant changes in the management of reserves' assets and community facilities are expected from the District-wide Strategy outcomes.
- Condition and remaining useful life assessments will inform a realistic renewals programme that ensures assets continue to deliver services to required standards.
- The community outcomes which link to Levels of Service (LoS) will not change significantly and therefore funding to deliver levels of service will occur in accordance with the communities' stated priorities.

- Community expectations will not significantly change and current LoS will be maintained, apart from service adjustments to address identified gaps.
- Standards defined for future levels of reserve provision based on national benchmarking information provide an acceptable indication of open space requirements to maintain desired provision levels.
- Assets damaged during the earthquake events will be reinstated to their former condition via insurance, EQC or the Council's sponsored programmes.
- No major seismic strengthening works will be required on the Council's buildings apart from those necessary as part of earthquake repairs or planned major upgrades.
- The programme to dispose of surplus land and properties will continue and expected revenues will not change markedly during the planning period.
- Each capital project will be funded, based on the various funding sources available and depreciation will not generally be funded.
- The financial model prepared for the Selwyn Aquatic Centre provides a realistic indication of costs and revenues.
- There will be no significant changes to current modes of delivery for each service area or variations in terms of contract prices (above inflation and inventory adjustments).
- Charges and fees for services will vary little from present day apart from inflation adjustments.
- Gravel reserves identified as suitable for future extraction will deliver the volumes estimated and quality of material required.
- New council building designs will incorporate environmentally sustainable features that consider life-cycle costs, align with the Council's sustainability principles and are focussed to minimise the use of water and energy. Green building attributes will be included where proven by cost-benefit analysis.
- Forestry log prices will not deviate significantly over the LTP period.
- Gravel extraction volumes and royalty revenues will be in accordance with demand predictions.

Major projects

Key projects include:

• **McHughs Plantation in Darfield**

The Council is planning to purchase McHughs Plantation located near Darfield as a community asset. This is a 40 hectare block containing a nationally recognised stand of Douglas fir that has important heritage, scientific, education and environmental values. It is planned to develop it for recreation uses such as walking, cycling and picnics and would provide a wilderness recreation experience for both the local residents and as a wider district attraction.

The estimated purchase value of the property is \$1.52 million. This will be part funded by \$400,000 of Darfield funds. The balance, plus the cost of developing and maintaining the reserve for community use, will be met by a new targeted rate as follows:

- Zone 1 comprised of Darfield, Sheffield, Glenntunnel/Coalgate, Kirwee, Hororata, Greendale, Courtenay, Kimberley and Whitecliffs reserve rating areas with a rate of \$22.50 per year for each separately used or inhabited rating unit.
- Zone 2 comprised of the balance of the District with a rate of \$7.50 per year for each separately used or inhabited rating unit.

• **Dunsandel Community Centre**

Dunsandel community representatives have been advocating for a new community facility to replace the existing out-dated hall and to meet the high demand for community and recreation space. The existing hall was identified as "earthquake prone" and was damaged during the September 2010 earthquake event with the result that it is now unsafe to use and uneconomic to repair. There is now the opportunity to provide a new modern facility that will cater for a variety of sporting, recreation and community uses. The plan is to build a new facility on Dunsandel Domain to complement other sports and recreation activities already located on this site. The estimated cost of a new purpose built facility is \$3 million. A funding plan has been prepared that draws on a number of sources including special funds available for Dunsandel and land sales

revenue. There is a requirement to undertake community fund raising with the balance of the cost met from a loan over a 20 year period. The borrowing costs will be met from a special rate for Dunsandel. The existing targeted rate of \$31 for operating the community hall may need to increase in the future depending on operating costs and revenue for the new facility. Information on the proposed rate is shown in the table below:

| Dunsandel community facility Rate | Rate |
|--|-----------------|
| Current hall rate (to cover operating costs) | \$31.00 |
| Special rate for new facility development | \$131.00 |
| Total Rate/Household/Year | \$162.00 |

- ***Large Scale Park idea***

A proposal to provide a large tract (100 hectares) of open space to accommodate a range of sports, recreation and community activities was identified as part of preparing the Rolleston Structure Plan. This site, on the eastern edge of Rolleston, is located within an area that has limitations on residential development due to airport noise contours. The site has strategic advantages in being centrally located and close to major transport links. This proposal was not previously viewed as a priority for Council however, because of the loss of many recreational facilities in Christchurch and the population movement as a result of the earthquakes, there is likely to be a greater demand placed on open space needs and provision of facilities in Selwyn District. It is envisaged that this park would cater for district-wide recreational/community activities that may not be available in more urban open spaces. It also has the scale to accommodate larger district or even regional activities that would contribute to the growth, economy and attractiveness of Selwyn as a place to live. Possible district/regional-scaled uses include: community gardens, a farm park, equestrian activities, cycling (mountain biking or road riding), local energy generation, ecological areas, cemetery/ crematorium and a hub for major sports/ recreation activities.

No expenditure has been included in the prospective financial statements for the land purchase at this time. The current (2009) rateable value for the property is \$4 million although, the purchase price would be negotiated with the owners, subject to the proposal proceeding. The Council has decided to continue to explore this idea and asked staff to investigate it from a financial, functional and locational perspective. If, following

further work, the Council considers that the large scale park idea has merit, it will consult with the community on the proposal.

Other major projects planned for the next 10 years are:

- Continue to implement elements of the 'Libraries for Life Strategy' with the completion of a new library/service centre for Lincoln in 2012/13 (\$4.5 million) and an expanded library for Rolleston in 2021/22 (\$11million) - both funded from the libraries rate.
- Complete development of the Selwyn Aquatic Centre in 2013 (\$14.7 million - funded from a combination of Rolleston special funds, external revenues and targeted rates) to provide a year-round indoor facility for the District.
- Progressively develop the Rolleston Recreation Precinct to meet demand for sports facilities from 2012/13 (\$3.28 million total - funded from reserve development contributions).
- Continue to implement the programme to replace and upgrade the public toilet network over the 10 year period to meet user expectations from 2012/13 (\$1.3 million total - funded from general rates and revenues).
- Purchase and develop additional land for sports parks at Lincoln and Prebbleton to meet predicted demand (Lincoln - \$1.65 million in 2017/20; Prebbleton - \$1.85 million in 2016/19 - funded from reserve development contributions).
- Build a new sports and recreation centre for West Melton in 2019/20 (\$1.5 million - funded from development contributions and a special targeted rate) to consolidate facilities and meet demand subject to community approval.
- Build a new community centre for Prebbleton in 2021 (\$3 million - funded from development contributions and a special targeted rate) to replace the aging facility and to meet predicted population demands subject to community approval.

Service targets for community facilities

| | | | | | | Service Targets | | | |
|---|--|-------------------------|----------------------------|---|---------------------|-----------------|------------------------|---------|---------|
| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| Recreation Reserves | | | | | | | | | |
| Residents have opportunities to enjoy healthy, active lifestyles including provision of recreational open space and community facilities. | The quality of recreation reserves meets residents' service expectations. | | | The performance rating (out of 100) for parks and reserves in the Biennial Resident Survey. | 86 | ≥85 | Not measured this year | ≥85 | ≥85 |
| | There are sufficient reserves provided to meet the organised recreational needs of the District. | | | Hectares per 1000 population is above the average for similar sized district authorities (Minimum 3 ha/1000). | 4.97 ha | >4.5 ha | >4.5 ha | >4.5 ha | ≥4.5 ha |
| | Residents have convenient access to a recreation reserve and make use of them. | | | Percentage of residents who have used or visited a public park or reserve in the past 12 months. | 67% | ≥70% | Not measured this year | ≥70% | ≥75% |

| | | | | | | Service Targets | | | |
|--|--|--|--|--|---------------------|-----------------|------------------------|---------|---------|
| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| Township Reserves & Streetscapes | | | | | | | | | |
| Township reserves and streetscapes enhance the landscape character of the District and unique identity of township environments and provide places for recreational activities and social contact. | Township reserves are located within easy walking distance for township residents. | Township reserves are located within easy walking distance for township residents. | Township reserves are located within easy walking distance for township residents. | Percentage of townships where all residents are serviced by a reserve within 400 metres. | 71% | >70% | >70% | >70% | >75% |
| | The quality and provision of playgrounds meets customer expectations. | The quality and provision of playgrounds meets customer expectations. | The quality and provision of playgrounds meets customer expectations. | The performance rating (out of 100) for playgrounds in the Biennial Resident Survey. | 80 | >75 | Not measured this year | >75 | >80 |
| Community Centres and Halls | | | | | | | | | |
| Community centres and halls provide local venues for social, cultural, recreational and educational uses. | A range of facilities are provided of variable quality that meets functional requirements. | The standard of community centre/hall facilities reflects the community and user expectations. | The standard of community centre/hall facilities reflects the community and user expectations. | The performance rating (out of 100) for community centres/halls in the Biennial Resident Survey. | 79 | ≥75 | Not measured this year | ≥75 | ≥80 |
| | Community centres and halls are maintained to a level that ensures service availability and economic sustainability. | Community centres and halls are maintained to a level that ensures service availability and economic sustainability. | Community centres and halls are maintained to a level that ensures service availability and economic sustainability. | Number of buildings in average condition or below. | 23% | <25% | <25% | <25% | <20% |

| | | | | | | Service Targets | | | |
|--|---|---|---|---|---------------------|---------------------|------------------------|---------------------|---------------------|
| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| Swimming pools | | | | | | | | | |
| Public swimming pools contribute to Selwyn District being an attractive place to live and provide opportunities for residents to enjoy healthy, active lifestyles and to learn life skills such as swimming. | A network of local ‘open air’ pools is provided meeting the needs of some district communities. | Provide a network of local ‘open air’ pools for local communities and an indoor pool facility to service the District located in Rolleston. | Provide a network of local ‘open air’ pools for local communities and an indoor pool facility to service the District located in Rolleston. | Number of local and district public pools. | 8 local pools | 8 local 1 indoor | 8 local 1 indoor | 8 local 1 indoor | 8 local 1 indoor |
| | Open air pools are provided and well used by local communities. | Open air and indoor pools are provided and are well used by the District community. | Open air and indoor pools are provided and are well used by the District community. | Number of swims per capita of district population per year. | 0.52 | 1.8 | 3.5 | 4.0 | 4.0 |
| Public toilets | | | | | | | | | |
| Provision of public toilets helps to promote a healthy living environment for district residents and has economic benefits in supporting local businesses and visitor destinations. | The quality of public toilet facilities reflects minimum grade standards. | The quality of public toilet facilities is consistent with grade standards and customer expectations. | The quality of public toilet facilities is consistent with grade standards and customer expectations. | The performance rating (out of 100) for public toilets in the Biennial Resident Survey. | 66 | ≥65 | Not measured this year | ≥65 | >65 |
| | Facilities are cleaned, inspected and maintained to a serviceable standard. | Facilities are cleaned, inspected and maintained to a serviceable standard. | Facilities are cleaned, inspected and maintained to a serviceable standard. | Number of ‘failures’ ¹ per annum identified by independent audit. | 4 | Nil | Nil | Nil | Nil |

¹ A failure occurs when the results of audit do not meet specifications for cleanliness.

| | | | | | | Service Targets | | | |
|--|---|--|--|--|--------------------------------|------------------------------------|-------------------------|---------|---------|
| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| Cemeteries | | | | | | | | | |
| A network of cemeteries is provided to meet the District's burial and remembrance needs. | The quality of cemetery facilities and maintenance standards reflects the level of use. | The quality of cemetery facilities and maintenance standards meets residents' service expectations. | The quality of cemetery facilities and maintenance standards meets residents' service expectations. | The performance rating (out of 100) for cemeteries in the Biennial Resident Survey. | 73 | >70 | Not measured this year | >70 | ≥75 |
| | Cemetery operations are carried out in a respectful, accurate and efficient manner. | Cemetery operations continue to be carried out in a respectful, accurate and efficient manner. | Cemetery operations continue to be carried out in a respectful, accurate and efficient manner. | Number of complaints received per annum related to cemetery service. | 8 | <10 | <10 | <10 | <5 |
| Libraries | | | | | | | | | |
| Provide library and cultural services. | Selwyn library service is comprised of 13.5 FTE qualified library professionals and operates branch libraries in Darfield, Rolleston, Lincoln and Leeston, plus a Mobile library service. 16.5 | Lincoln Library to be built to improve facilities and services for the growing population. | Core service provision continues and review library provision for Rolleston. | Registered library users as a percentage of total population. | 57.45% | 58% | 59% | 60% | 70% |
| | | Staffing levels increased to meet demand. Increasing focus on online resources in line with increasing pattern of technology use and improvements to tele - communications in the District. | Staffing levels increased, to meet demand and to focus on local history collections, information services and education. | Issues per patron per annum. | 15.08 | 16.5 | 17 | 17.5 | 20 |
| | | | | The performance rating (out of 100) for libraries in the Biennial Residents' Survey. | 79 (Residents' Survey 2011) | 81 | Not measured this year. | 85 | 90 |
| | | | | Additional FTE to meet increased demand. | 13.5 FTE | 1 additional FTE (Lincoln Library) | - | - | - |

Community facilities funding impact statement

[illegible]

COMMUNITY SERVICES

Overview

The role of community services is to provide and promote a wide variety of services and facilities which make Selwyn District a great place in which to live, work and play. These services and facilities focus on what people have told us is important to them and valued by them:

- building strong, safe communities
- supporting local economic prosperity
- enabling residents to live healthy and active lives.

We do this through working with the community to plan, provide/facilitate and promote:

- Community development services, which help build the capacity of local communities to develop activities and services and build a sense of community and neighbourliness.
- Recreation programmes, including physical activity programmes to meet the needs and interests of residents of all ages and life stages.
- Business promotion activities, including working with local businesses, research centres and the agriculture sector to encourage local economic development and jobs.
- Tourist promotion activities.
- Communications.
- Community research and social policy.
- Emergency preparedness services, including rural fire services and civil defence.

We also work with, and advocate to, a range of agencies to secure the best possible health, education and wellbeing for our residents. Agencies that we work with include other local authorities, Central Government agencies, local iwi, Canterbury District Health Board, Partnership Health Canterbury (PHO), businesses, schools, universities, research institutes and other education groups, community groups, sports and recreation clubs and churches.

We encourage community participation in the Council decision-making by managing community consultation and communication.

Over the next 10 years, a number of factors will affect our services. These include:

- On-going population growth in the District and increasing urbanisation of rural townships, particularly those on the 'commuter belt' within 20 km of Christchurch.

- Impacts of the Canterbury earthquakes on population growth.
- Changing demographics in the District, including an ageing population, increasing numbers of children and youth and increasing diversity within the community.
- Increasing public expectations for higher quality recreation and community services.
- Increasing demands on volunteers (e.g. health and safety), which may mean the Council taking more of a leadership and facilitation/provision role.
- Provision of services by other agencies, and Central Government initiatives, including funding and provision, regulation and policy.
- Changes in demand and preferences for recreational and leisure activities, including an increasing focus on physical activity to counter illness.
- Changing demand from tourism and visitor activities, including increasing traveller numbers on main highway routes.
- Increasing business activity.

In response to these we plan to:

- Continue to develop community recreation, sports and community programmes and activities for all ages and stages of life around the District.
- Expand our community development activities.
- Provide advice and support to the Council's community committees.
- Support volunteers through the provision of advice and training.
- Advocate for improved health and social service provision in the District.
- Continue to develop Selwyn as a tourism destination.
- Continue to support businesses in the District.
- Continue to improve our communication with Selwyn residents and key stakeholders.

Why is the Council involved?

Local authorities are the only organisations in New Zealand mandated by law to look after the social, cultural, economic and environmental wellbeing of their residents. Councils are also obligated to consult with their communities to understand what is important to and valued by these communities and to work with other agencies and government departments to make this happen (Local Government Act 2002 Section 10).

There is mounting evidence of an association between strong safe communities and desirable outcomes, for example economic growth, social cohesion, improved health, more vibrant democratic institutions, and safety. People living in strong communities work together to solve problems and improve community life and are better able to cope with adversity or shocks. Strong communities are a place for people to have fun with others, laugh, share stories and make friends. Community services strengthen local communities through a range of activities, including providing places and spaces for people to meet and interact, supporting voluntary community committees in which people work together and develop a sense of common purpose; and facilitating community social, recreational, sporting and cultural activities.

The benefits of physical activity are now widely accepted and recognised. These benefits include personal development, social cohesion, economic development, reduced health care and justice costs, reduced antisocial and self-destructive behaviour and enhanced quality of life. Increasing peoples' physical activity has emerged in the last decade as a key international and national goal to improve health. Lack of regular physical activity is a modifiable risk factor for many illnesses and diseases. The Council encourages residents to live healthy and active lives by providing a range of recreation and sporting programmes, as well as working with sports and recreation clubs, and promoting activities and events.

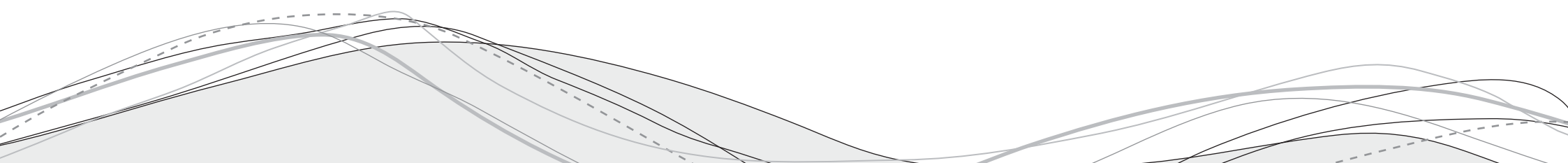
A robust local economy is an important element of people's quality of life. A strong economy provides income and jobs, which influences people's ability to participate in, and contribute to, the community's wellbeing. Jobs provide income and social contact and social connectedness. The ability to purchase goods and services and to obtain adequate food and housing is inextricably linked with income. The Council promotes economic wellbeing by working with the business sector and central and regional government agencies to promote the District's economic interests.

People have told the Council through a number of community surveys and community consultations how important it is to them to belong to safe, active, caring and cohesive communities. They support the Council's community development activities and believe that strengthening communities is fundamental to the continuing development of Selwyn.

Activity goal

Our objectives are to:

- build strong, safe communities
- support local economic prosperity
- enable residents to live healthy and active lives.



The Council contribution to community outcomes

This group of activities contributes to the following community outcomes:

| Community outcome | How Community Services contribute: |
|--|---|
| A healthy community Selwyn people have access to appropriate health, social and community services. | Community development and recreation services facilitate healthy lifestyles. Community development services facilitate inter-agency forums and coordination. Community development services support and build the capacity of local groups to provide services to residents. |
| A safe place in which to live, work and play We are safe at home and in the community. | Rural fire services and civil defence help ensure people and properties are safe in an emergency. The Council promotes Neighbourhood Support groups and volunteer involvement with emergency management. The Council promotes community safety initiatives, including hazard elimination. |
| An educated community The District provides a range of quality lifelong education and training options. | The Council works with Lincoln University and Crown Research Institutes to promote learning, research and good practice. The Council advocates to influence provision of education services in the District in a timely manner. |
| A prosperous community Selwyn has a strong economy which fits within and compliments the environmental, social and cultural environment of the District. | The Council's business-friendly approach encourages new business to the District. Economic development activities promote economic development and job creation. The District promotes itself as a destination and lifestyle destination, drawing new residents and workers to Selwyn. |
| An ability to experience cultural activities Our District provides a range of arts and cultural experiences and facilities. Our heritage is preserved and shared. | Support for preservation of heritage adds to the historical and cultural identity of the District. Cultural activities, events and facilities allow residents to experience the arts and culture. |

Demand management

The Council adopts a mixture of approaches for these activities, depending on the requirements of the activity and resources available within both the Council and the community. These approaches include:

- Working in partnership with local community committees and organisations to promote community ownership and empowerment by providing advice and support as required.
- Direct provision where no other provider is available.
- Advocating to other agencies, government departments etc for services and activities to be delivered in Selwyn.
- Facilitating other providers to organise activities.

In order to determine future provision requirements we have:

- Undertaken community research, including demographic analysis and population projections.
- Calculated current capacity requirements.
- Calculated future requirements for the 10 year planning period taking into account identified demand factors.
- Considered other factors that might directly influence future provision and issues.
- Identified gaps in provision by applying standard criteria based on current service standards.

The main focus into the future will be on expanding present levels of service to meet growing population and demands and on addressing identified gaps and issues.

Negative effects of the activity

There are no significant negative effects from this group of activities.

Key assumptions

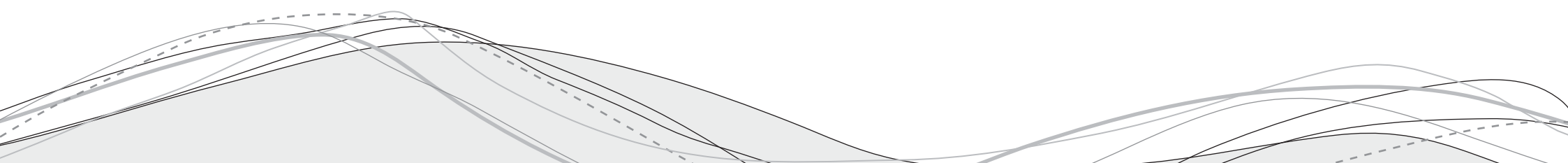
The key assumptions underpinning this activity are:

- The population will grow in line with the forecasts generated by the Selwyn growth model.
- The need and demand for services and facilities will increase with population growth, urbanisation and other influencing factors.
- Providing community development activities are an effective way of supporting social capital and building community wellbeing in the District.
- The arts are an important way in which we see ourselves as people and as communities creating a sense of identity.
- Retaining residents to work in the District delivers economic, social and environmental benefits.
- The District will continue to have a volunteer base to support its recreational and social activities and facility management.
- There will be no significant change to Central Government funding and provision of services however, there will be some increase in funding to the District associated with the increase in population.

Major projects

Over the next 10 years we plan to:

- Expand our **community development and recreational activities**.
- Continue to develop **economic and tourism activities** in the District.



Service targets for community services

| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | Service Targets | | | |
|--|---|---|-------------------------------|---|---|---|-------------------------|---------|---------|
| | | | | | | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| Provide community development services and advice to Selwyn residents. | <p>The Community Development Team consists of a Community Development Advisor, a Community Committees Advisor, a Youth Advisor, an Active Communities Coordinator and an Administrator.</p> <p>The team works with community groups and committees to help build their strengths; provide community information; promote active lifestyles and community safety; develop community initiatives and co-ordinate programmes and activities for young people.</p> <p>The team also provides information and advice to the Council, Council staff, Community Boards and community committees.</p> | <p>The capacity of the team will be increased to meet the growing demand for recreational and community activities and events (particularly for children, young people, families, young parents and older adults) for health and social services and to meet the need to encourage volunteerism and community connectedness as the District grows.</p> <p>The service will be maintained with a similar capacity.</p> | | Residents' sense of community. | 83% (Residents Survey, 2011) | 83% | Not measured this year. | 85% | 90% |
| | | | | Additional FTE to meet increased demand. | 5 FTE | 1 additional FTE (Community Recreational Advisor). | - | - | - |
| | | | | Percentage of Selwyn residents engaging in 30 minutes of moderate intensity physical activity on at least 5/7 days per week | 58% (Residents Survey 2011) (Canterbury / West Coast - 53.2%) | 58% | Not measured this year. | 59% | 60% |
| | | | | | | | | | |

| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | Service Targets | | | |
|-----------|---|---|-------------------------------|---|---|-----------------|-------------|-------------|-------------|
| | | | | | | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| | <p>The Economic Development Team consists of an Economic Development Officer, a Tourism Advisor, a Business Advisor and a Youth Coach.</p> <p>The team works with businesses and education to ensure training meets local employment needs, encourages work opportunities for residents, encourages business to Selwyn, commissions economic and business research and reports and promotes the District as a local and international visitor attraction.</p> | <p>Additional funding will be used to develop business/ education partnerships, support innovation and technology, attract new business to the District, add value to agricultural and horticultural production and continue to promote Selwyn as a local/national/ international tourist destination.</p> <p>The service will be maintained with a similar capacity.</p> | | Increase in number of businesses registering for BizServices or the BizOnline Business Directory. | 500 businesses currently registered on BizOnline. | 1% increase | 1% increase | 1% increase | 1% increase |
| | | | | Business 'welcome packs' developed and issued to new businesses establishing in the District. | Number of new businesses establishing in Selwyn (Stats NZ, Business Demographic Statistics, measured annually). | 1% increase | 2% increase | 2% increase | 1% |
| | | | | Percentage of businesses accessing the Council's training satisfied/very satisfied with service provided. | 85% (Workshop evaluations). | 1% increase | 1% increase | 1% increase | 1% increase |

Community services funding impact statement

[illegible]

DEMOCRACY

Overview

This activity covers the costs associated with the Council's democratic process. This includes Councillor and Community Board members' remuneration and the cost of providing them with professional advice and support, as well as the cost of organising elections every three years. It also covers certain grants made by the Council and a levy imposed by the Canterbury Museum.

The Council operates in an open way. It has established arrangements that allow local people to participate in the decision making process and encourages the community to get involved.

The major documents that guide the direction of the Council and the District are the District Plan, LTP and the Annual Report.

Why is the Council involved?

The Council, as a creation of statute and elected by its residents, needs to have a structure which allows the communities' requirements to be identified and provided for by those individuals who are elected to office.

To achieve this, the Council has a small number of sub-committees and currently no standing committees (other than the Izone Southern Business Hub) as it believes, by conducting its business twice a month it can achieve better and faster results for the community.

In addition, the Council has Community Boards in the Selwyn Central Ward and the Malvern Ward. One role of Community Boards is to provide the Council with 'grass roots' information on the activities of its Ward and the issues that need to be resolved by the Board and the Council.

In each township, the Council has either a Community Committee or a Township Committee, or in some instances, a Ratepayers' Association exists to provide the Council and the Community Boards, in the relevant areas, with specific requests for services or resolution of issues that affect that particular town and its surrounding area.

The Council also has a number of Community Centres and Recreation Reserves. For each of these facilities, a Management Committee is elected to both govern the facility and ensure that the works that they decide are required for the Community Centre and Reserve are undertaken.

There are a significant number of committees within the Selwyn District. This structure allows local people to have a local say on local issues.

Activity goal

To provide effective and efficient representation for ratepayers in a fair and equitable manner.

Council contribution to community outcomes

For many of the community outcomes, the Council has an advocacy role with government departments and other organisations. The Council will ensure that it takes every practical opportunity to undertake this role to achieve the community outcomes whether it is through formal meetings, submissions or informal gatherings at elected member or staff level to the appropriate organisations.

Negative effects of activity

There are no negative effects from this activity.

Key assumptions

The key assumptions underpinning this activity are:

- Tri-annual election expenses are forecast to be \$105,000 in total and are funded equally over the three year election cycle.
- The grant to the Canterbury Museum Trust Board reflects the Museum's forecast of the annual levy for operating costs plus an additional capital levy for the planned upgrade project in the years 2013/14 to 2015/16.

Major projects

There are no major projects planned for this activity.



Service targets for democracy

| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | Service Targets | | | |
|---|--|-------------------------|----------------------------|---|---|---|---|--|---|
| | | | | | | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| Take decisions in an open and accountable manner. | All meetings of elected members are held in compliance with the Local Government (Official Information and Meetings) Act 1987. | | | Conduct less than 5% (by item) of the Council business in a public excluded meeting. | 12% | ≤5% | ≤5% | ≤5% | ≤5% |
| Prepare key accountability documents in accordance with good practices that allow for easy input from ratepayers and meet statutory requirements. | The annual report, annual budget and LTP meet good practice standards. | | | The annual report, annual budget and LTP are prepared within statutory timeframes and, where relevant, with an unqualified opinion. | 2011 annual report was adopted within the statutory deadline with an unqualified audit opinion. 2012 annual budget adopted within statutory deadline. | 2012 annual report adopted on time with unqualified audit opinion. 2013/14 annual budget adopted on time. | 2013 annual report adopted on time with unqualified audit opinion. 2014/15 annual budget adopted on time. | 2014 annual report adopted on time with unqualified audit opinion. 2015/25 LTP adopted on time with unqualified audit opinion. | The annual report, annual budget and LTP are prepared within statutory timeframes and, where relevant, with unqualified opinions. |

Democracy funding impact statement

[illegible]

Sources of operating funding

| | | | | | | | | | | | |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General rates | 2,739 | 2,479 | 2,573 | 2,686 | 2,782 | 2,840 | 2,949 | 3,009 | 3,125 | 3,206 | 3,329 |
| Targeted rates | 468 | 475 | 606 | 617 | 745 | 714 | 731 | 748 | 769 | 791 | 814 |
| Subsidies for operating purposes | - | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | - | - | - | - | - | - | - | - | - | - | - |
| Internal charges recovered | - | - | - | - | - | - | - | - | - | - | - |
| Other operating funding | - | - | - | - | - | - | - | - | - | - | - |
| Total operating funding (A) | 3,207 | 2,954 | 3,179 | 3,303 | 3,527 | 3,554 | 3,680 | 3,757 | 3,894 | 3,997 | 4,143 |

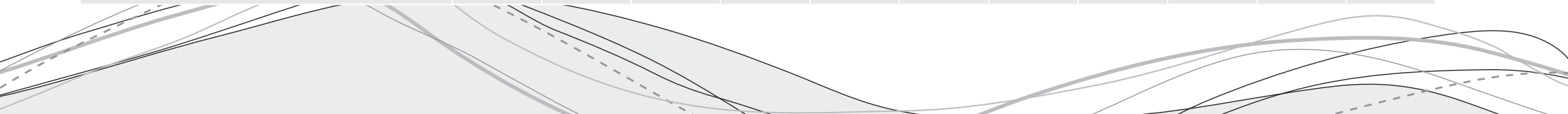
Application of operating funding

| | | | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Payments to staff and suppliers | 1,237 | 1,307 | 1,489 | 1,706 | 1,579 | 1,454 | 1,496 | 1,541 | 1,587 | 1,650 | 1,690 |
| Finance costs | - | - | - | - | - | - | - | - | - | - | - |
| Internal charges applied | 1,882 | 1,672 | 1,743 | 1,822 | 1,904 | 1,932 | 2,016 | 2,045 | 2,134 | 2,168 | 2,271 |
| Other operating funding applications | 88 | 98 | 102 | 106 | 111 | 115 | 120 | 125 | 130 | 135 | 141 |
| Total application of operating funding (B) | 3,207 | 3,078 | 3,333 | 3,634 | 3,593 | 3,501 | 3,632 | 3,711 | 3,851 | 3,953 | 4,103 |
| Surplus/(deficit) of operating funding (A-B) | - | (124) | (155) | (331) | (66) | 53 | 48 | 45 | 44 | 43 | 40 |

Sources of capital funding

[illegible]

Applications of capital funding

[illegible]

ENVIRONMENTAL SERVICES

Overview

The Environmental Services group of activities contributes to the wellbeing of the residents of the District by working to protect the community from a variety of risks and to enhance the quality of the built and natural environment in which we live. This includes ensuring that actions taken by people in the District are law abiding and in accordance with community expectations.

Environmental Services issue a wide range of consents and licences in the areas of planning, building, sale of liquor, food premises, general health licences and dogs.

A key element of our role is the promotion of quality development in the District. This is achieved by working closely with the community, developing appropriate planning measures and making the necessary provision in the LTP to achieve what the community wants.

The Council will continue to work with its partners to implement the Greater Christchurch Urban Development Strategy (UDS) and manage development and population growth in the area of the District which the strategy covers. The strategy will provide for development which enhances and enriches the lifestyles of residents in thriving, vibrant communities. Growth in the greater Christchurch areas is now enabled as a result of the Earthquake Recovery Minister's decision to revoke Proposed Change 1 to the Regional Policy Statement (RPS) and insert a new Chapter 12A into the RPS. Following the Canterbury Earthquakes the strategy partners are working closely with the Canterbury Earthquake Recovery Authority (CERA) to ensure that the planning controls put in place assist and facilitate earthquake recovery including the re-housing of displaced residents.

Within the District, the Urban Development Strategy and now Chapter 12A to the RPS is being given effect to by changes to the Selwyn District Plan (particularly Plan Change 7) which has rezoned over 800 hectares of land for urban purposes.

Because the strategy only covers the north eastern part of the District the Council has developed a wider strategy called the Future for Selwyn strategy to guide future development and accommodate growth throughout the District. This strategy informs both the community and the development sector of the nature and degree of change which is expected in the future.

Work will also continue to improve consenting processes to make them more customer friendly in addition to meeting compliance requirements. This will include staff training, reviewing processes and website development and be informed by customer feedback and surveys from user group forums.

The following individual activities are carried out.

Building control

Building control receives and processes applications for building consents, undertakes the inspection of building works and issues the necessary certificates for building-related work. Ongoing work is required to maintain the Council's accreditation as a Building Consent Authority following the biennial accreditation review by International Accreditation New Zealand in October 2011.

As a result of the 4 September 2010 earthquake, there will be an additional work demand associated with the replacement of dwellings and the repair of earthquake damage. Additional demand is also expected for new dwellings for persons displaced from Christchurch City. This demand will be met by engaging additional staff and consultants. Although Central Government is investigating changes to how the building control function is delivered (including a more centralised consenting process), the timing of any future changes is uncertain.

Why is the Council involved?

The Council undertakes this function to ensure that buildings constructed in the District are fit for purpose and can be used by people without in any way endangering their health and/or safety.

Activity goal

Building-related consents and approvals are processed and building inspections are undertaken in accordance with legislative requirements in a timely manner which meets customer expectations.

Council contribution to community outcomes

Building control contributes to the community outcome of a safe place in which to live, work and play by ensuring that all buildings constructed in the District are safe and fit for their intended use.

District plan administration

This activity receives and processes resource consent applications, provides planning input into Project Information and Land Information Memoranda (PIMs and LIMs) and responds to requests for clarification or interpretation of District Plan provisions.

With significant changes having been made to the District Plan to provide for a more guided approach to development, more evaluation will be required at the District Plan administration stage, particularly with regard to such matters as urban design.

Why is the Council involved?

To administer the District Plan to meet the community's aspirations and expectations as to the nature of development in the District and how the built and natural environments are to be managed.

Activity goal

Resource Consents are issued in a timely manner and conditioned appropriately to achieve the intentions of the community as expressed in the District Plan.

Council contribution to community outcomes

The activity contributes particularly to the following community outcomes:

Air, land, water and the general environment to be kept in a healthy condition; and

A living environment where the rural theme of Selwyn is maintained.

The District Plan provides a framework for development within the District that assists in achieving the above outcomes.

Environmental health

This activity issues a range of licences including those relating to the sale and manufacture of food, the sale of liquor, hairdressers, amusement devices, mobile shops, hawkers and offensive trades. Complaints are also responded to and infectious and notifiable diseases investigated.

In the future it is projected that the Council's role in the control of food premises will change as Central Government is reviewing the current licensing regime with the view of moving to Food Control Plans. It is possible that these changes will be phased in during the 2012/13 financial year with the new plans being audited on an annual basis by Environmental Health Officers. A number of food premises have opted to have voluntary Food Control Plans as part of the transition to the new regulatory requirements.

Why is the Council involved?

To improve, promote and protect public health in the District.

Activity goal

To assess and process all licence applications promptly in accordance with the relevant criteria and respond quickly and take effective action to nuisance complaints.

Council contribution to community outcomes

The activity contributes particularly to the following community outcomes:

Air, land and water and the general environment to be kept in a healthy condition by taking action on activities that may cause damage to the environment.

A safe place to live, work and play by helping ensure that food hygiene standards are met.

Monitoring

This activity monitors the conditions placed on resource consents for compliance and responds to activities which are being conducted without the appropriate consent.

With Selwyn District being located close to Christchurch City and on relatively inexpensive land, there is increasing pressure to take action with regard to non-rural activities being established in rural locations without resource consents.

Why is the Council involved?

To contribute to community and environmental well-being.

Activity goal

To address activities which have the potential to adversely affect the environment and to ensure that nuisances and adverse effects on people and the environment are eliminated or minimised.

Council contribution to community outcomes

The activity contributes particularly to the following community outcomes:

A safe place to live, work and play, and

Air, land and water and the general environment to be kept in a healthy condition by responding promptly and effectively to nuisance complaints.

Strategy and policy

The Council undertakes strategic land use and policy functions to maximise the benefits of growth for its communities and to address its negative impacts. Through working with communities and other stakeholders, different growth scenarios are identified, analysed and a preferred option chosen.

One of the chief drivers for this strategic approach to managing growth is the Greater Christchurch Urban Development Strategy which covers the north eastern part of the District and includes the settlements of Lincoln, Prebbleton, Rolleston and West Melton. The completion of the Future for Selwyn Strategy which covers the balance of the District was a major initiative designed to investigate what opportunities existed and what the Council can do to create the desired future in the next 30+ years.

The Council is also required to monitor the effectiveness and efficiency of its District Plan and this activity area prepares and promulgates plan changes where necessary.

Why is the Council involved?

To implement the Greater Christchurch Urban Development Strategy in the area of the District covered by the strategy and extend this strategic approach over the balance of the District through the Future for Selwyn project. In addition the District Plan needs to be kept up to date so it continues to serve the needs of the community.

Activity goal

To prepare a District-wide development strategy, undertake structure planning processes in the District's major townships and implement the outcomes of these processes via the District Plan and by non-statutory means.

Council contribution to community outcomes

This activity contributes particularly to the following community outcomes:

Air, land and water and the general environment to be kept in a healthy condition by protecting key elements of the natural environment from the adverse effects of development.

A safe place to live, work and play where the rural theme of Selwyn is maintained by planning to consolidate growth around townships.

A safe place to live, work and play by promoting design principles that help make public areas safe.

A prosperous community by planning for appropriate business zones within the District.

Animal control

This activity area registers and keeps a record of all dogs (over 3 months of age) in the District, is responsible for administering and enforcing the Dog Control Act 1996 and the Council's Dog Control Bylaw and handles all stock related complaints. A significant issue is the provision of exercise areas for dogs particularly in the larger settlements of Rolleston and Prebbleton. Micro chipping clinics are also provided free of charge on a monthly basis for qualifying dogs.

Why is the Council involved?

To minimise any danger, distress or nuisance to the community generally from dogs and stock and to cater for the exercise and recreational needs of dogs and their owners.

Activity goal

To register all eligible dogs in the District and take prompt, effective action regarding nuisance complaints relating to dogs and stock.

Council contribution to community outcomes

The activity contributes to the community outcome of:

A safe place to live, work and play by promoting responsible dog ownership.

Demand and asset management

With the District's population projected to grow from 39,000 in 2011 to 46,000 by 2022 there will be a continued demand for services. The demand will fluctuate depending on market forces and will be influenced by the recovery from the Christchurch earthquakes. The objective will be to provide in-house resources to meet an assumed base load with peaks being handled with the assistance of external contractors. The Council will monitor indicators of future demand (such as subdivision consents), to assist in estimating projected work-loads.

Negative effects of the activity

Apart from the time and cost to applicants and the community arising from planning, consultation and regulation, there are no negative effects arising from environmental services activity.

Key assumptions

The key assumptions underpinning this LTP are:

- Population growth and people and businesses relocating from Christchurch following the earthquakes will result in an increase in activity.
- An adequate supply of appropriately zoned and serviced land will be available to accommodate growth.
- Proposals are based on current legislative requirements, with the LTP not seeking to predict the direction and nature of future legislative change.

Major projects

There are no major projects planned for this activity.

Service targets for environmental services

| | | | | | | Service Targets | | | |
|---|--|---------------------------------|---------------------------------|--|---------------------|-----------------|---------|---------|---------|
| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| Animal control | | | | | | | | | |
| Registration of all known dogs. | Registration of all known dogs. | Registration of all known dogs. | Registration of all known dogs. | Registration of all known dogs by year end 30 June. | 100% | 100% | 100% | 100% | 100% |
| All complaints in regard to dog control are investigated in a timely manner. | Urgent within 4 hours. | Urgent within 4 hours. | Urgent within 4 hours. | Percentage of urgent callouts attended to within 4 hours. | 100% | 100% | 100% | 100% | 100% |
| | Non-urgent within 72 hours. | Non-urgent within 72 hours. | Non-urgent within 72 hours. | Percentage of non-urgent callouts attended to within 72 hours. | 100% | 100% | 100% | 100% | 100% |
| Building | | | | | | | | | |
| That buildings within Selwyn District are constructed in accordance with legislative and community expectations by making timely and quality decisions on issues related to building consents and ensuing project construction. | Building consents are processed in accordance with statutory requirements. | | | Proportion of building consents issued within statutory time frames. | 99% | 100% | 100% | 100% | 100% |

| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | Service Targets | | | |
|---|--------------------------|-------------------------|----------------------------|---|---------------------|-----------------|---------|---------|---------|
| | | | | | | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| To interact with customers in a manner that results in a high level of customer satisfaction. | | | | Proportion of Code Compliance Certificates issued within statutory time frames. | 96% | 100% | 100% | 100% | 100% |
| | | | | Proportion of Building Consent Applicants satisfied or very satisfied. | 80% | 90% | 90% | 90% | 90% |

District Plan administration

| | | | | | | | |
|--|--|--|---|------|------|------|------|
| That activities within the Selwyn District are undertaken in line with community expectations as expressed through the District Plan making timely and quality decisions on resource consents. | Resource consents are processed in accordance with statutory requirements. | Proportion of resource consents issued within statutory time frames | 99% | 100% | 100% | 100% | 100% |
| | | Preparation of Environment Court appeals settled or found in the Council's favour. | 100% One appeal received which was withdrawn | 70% | 70% | 70% | 70% |
| To interact with resource consent applicants in a manner which results in a high level of customer satisfaction. | | Proportion of resource consent applicants very satisfied or satisfied. | 81% | 85% | 85% | 85% | 85% |

| | | | | | | Service Targets | | | |
|---|--|-------------------------|----------------------------|--|--|-----------------|---------|---------|---------|
| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| Environmental health | | | | | | | | | |
| All registered premises are operated in a manner that minimises any adverse effects on public health. | All registered premises are certified and inspected in accordance with statutory requirements. | | | All premises operated under Food Control Plans or National Programmes will be inspected at least annually ¹ . | Certification and inspection is undertaken annually. | 100% | 100% | 100% | 100% |
| | | | | | All premises classified according to risk. | 100% | 100% | 100% | 100% |
| Sale of liquor | | | | | | | | | |
| All licence applications are processed efficiently in accordance with legislative requirements. | Licences are processed by a contractor employed by the Council, efficiently in accordance with statutory requirements. | | | Proportion of special licences issued within 10 working days. | 92% | 100% | 100% | 100% | 100% |
| | | | | Proportion of all other licences issued within 20 working days | 100% | 100% | 100% | 100% | |

¹ In accordance with Proposed Food Act

| | | | | | | Service Targets | | | |
|--|---|-------------------------|--|---|---|--|---|---------|---------|
| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| Policy and strategy | | | | | | | | | |
| Planning and providing for the sustainable management, development and protection of natural and physical resources of the District as required by Section 5 of the Resource Management Act 1991 and to develop, amend, and review the Selwyn District Plan to reflect the strategic direction, and meet statutory requirements. | Carrying out an ongoing programme of improvements to enhance the District Plan. | | | A programme of plan changes to enhance the District Plan is prepared and approved by the Council each year. | A Council report with programme of plan changes including progress on these changes is placed on the Council agenda twice a year. | | | | |
| | Process private/council plan changes/notices of requirement within statutory time frames. | | | Private plan changes processed within statutory time frames. | 100% | 100% | 100% | 100% | 100% |
| Engaging with local communities, developers and other interested parties to develop a strategic direction. | Development of Future for Selwyn Strategy. | | Development of Structure Plans for townships outside UDS area. | Adoption of the strategies. | Strategy being prepared. | Adoption of the Future for Selwyn Strategy. | Implementation of the Future for Selwyn Strategy including structure plans. | | |
| | | | | Residents' survey level of satisfaction is increased. | 67% | Residents' satisfaction is maintained or increased. (Measured biennially). | | | |

Environmental services funding impact statement

[illegible]

TRANSPORTATION

Activities covered

| | | | |
|--------------------|---------|---------------------|---------------|
| • Road network | 2,397km | • Culverts | 33km |
| • Bridges | 126 | • Footpaths | 156km |
| • Kerb and channel | 241km | • Streetlights | 3,782 |
| • Traffic Signs | 14,550 | • Total asset value | \$457 million |

Overview

The Council provides a 2,397km roading network that covers the length and breadth of the District. This local network, when combined with the State Highways, provides a diverse range of roading linkages that enable Selwyn residents, businesses and visitors to work and play in the District. Movement through the District will mainly take place either on a road, cycleway or path and these routes form an important part of how people experience the District. While geographically the large size of Selwyn means that the predominant form of travel is always likely to be by private motor vehicles, opportunities to enhance public transport and walking and cycling in Selwyn's growing townships are being continually sought out to provide a wider range of transport choices for people.

Transport, in whatever form it takes, plays an integral part in our lives and is the principal means by which our communities are linked. It also provides access to wider experiences and opportunities in the region and beyond. This benefits our social and cultural development, commerce and tourism enterprises. The health of the District very much relies on the performance of the veins and arteries provided by its various transport networks to move people and freight safely and efficiently.

While it may be thought that the Council's transport activities concentrate mostly on roads, there are a significant number of supporting assets that all contribute to making its combined urban and rural elements work. These include bridges, traffic signs and markings and those found mainly in townships such as footpaths, street lighting, cycleways, bus shelters, and kerb and channel. As the saying goes 'the parts make the whole'.

There are 29 individual townships or settlements in the District ranging from baches alongside Lake Ellesmere to the larger populated urban townships such as Rolleston, Lincoln and Prebbleton. Approximately 60% of the District's population live within 25 kilometres of our boundary with

Christchurch City. While this proximity creates excellent opportunities, it can also create issues in meeting the needs of residents having to regularly travel to and from Christchurch. Equally, new residents have high expectations of the standard of their townships and services, when viewed in comparison to our large and well-resourced metropolitan neighbour.

In the past Selwyn has been a predominantly rural district. Since the new millennium, the District has experienced rapid urban growth in the townships within the Christchurch commuter belt, such as Prebbleton, Lincoln and Rolleston. Apart from creating a significant increase in traffic on existing roads that needs to be catered for, it has also increased the amount of new transport and township infrastructure coming into community ownership from the new urban subdivisions being constructed.

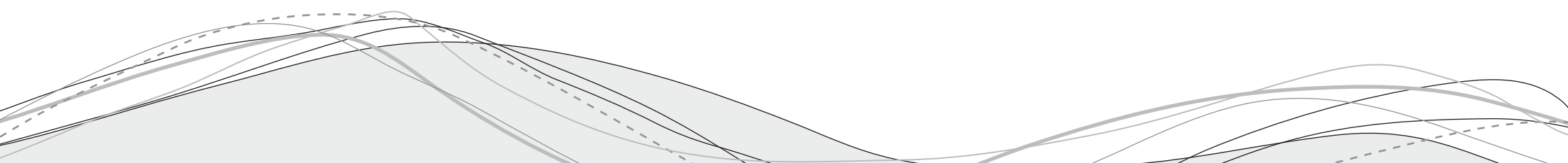
Most of this new infrastructure is provided by developers, however the Council and its ratepayers will have to maintain these new assets in perpetuity once they have been handed over. Also, some of this new infrastructure is of a higher standard than in the older parts of the District's townships and the Council has to consider to what extent and to what standard this will be replaced in the future and the provision of funding enabling this.

Some simple, but relevant, examples of the effect of this growth are that:

- Traffic volumes on the District's roads to the south of Christchurch are expected to increase by over 50% in the next 10 years.
- Each year since 2005, an average of 6km of new roads, 8km of footpaths and 160 street lights have been added to the Council's asset base.

Growth over the next 30 years is expected to continue, as signalled in the Greater Christchurch UDS with similar, if not greater, impact. This strategy recognises that there is a key link between land use and transport planning to achieve well designed townships with integrated transport networks. The transport vision set out in the UDS is:

By 2041, the Greater Christchurch transport system provides travel options for bringing people and communities together to sustain healthy, vibrant lifestyles and economic well-being.



However, Selwyn will still remain a predominantly rural area and will continue to need a comprehensive and well maintained rural roading network. Over the past 10 years, increasing demands have been placed on the network from rural activities such as dairy farm conversions that increase the number of large dairy tankers using our narrower rural roads. This, together with forestry activities in the hill and high country, can damage roads while also creating on-going maintenance problems. Similarly, when the proposed Central Plains Water scheme goes ahead, it will increase the use of the rural network due to the lift in agricultural and horticultural production over the long term, while also initially increasing traffic associated with its construction.

To date, the Council has been facing an interesting set of future demands. These relate to the need to maintain its core rural network to support the District's primarily rural based economy while also needing to meet the mixed transport types and infrastructure demands occurring from urban growth in townships close to Christchurch. Overarching this is the need to consider alternative and other affordable transport solutions to reduce, or even delay, the need for expensive new roading projects and to manage competing demands. In these unusual times.

- A major impact on travel patterns has resulted from the earthquakes experienced in the greater Christchurch area from September 2010 to June 2011.
- Partial destruction of central Christchurch and the re-location of businesses to the suburbs, together with people moving to live in safer areas have increased traffic in the relatively unaffected Selwyn District.
- This relocation from Christchurch is evident in the faster up-take of residential sections in the Selwyn District, to date mainly in West Melton. Lincoln and Prebbleton will soon be opening up substantial greenfield areas for residential use, now that sewer provision is due to be ready by the end of 2012.
- Residential development has also been assisted by CERA bringing Chapter 12A of the Regional Plan into immediate effect, free from the possible delays inherent in Resource Management Act processes. Although developers pay for the new infrastructure, there are knock-on effects on the road maintenance programme when these new assets are vested in the Council.

The extensive assets that comprise our township and rural road networks all have different and unique characteristics that have to be recognised and planned for in the Council's management of

the overall land transport activity. This has to be undertaken in an efficient and affordable manner in line with the community's expectations and what they are willing to pay for. The 2012 Land Transport Activity Management Plan produced by the Council explains how this is undertaken in greater detail over all transport asset groups.

Spurred on by global issues of climate warming, greenhouse gases and the cost of oil early in the 21st century, there was a marked national emphasis placed on working collectively to ensure a more sustainable transport system in the future. This was first introduced through important government initiatives established in the New Zealand Transport Strategy, and the Land Transport Management Act 2003. Simply put, the underlying principle established by these important documents is that resources have to be allocated in a way that contributes to:

An integrated, safe, responsive, sustainable, and affordable land transport system.

This principle was firmly instilled and drove decisions on a national, regional and local level on how roading and transport systems should be provided, operated and maintained. Up until 2009 when there was a change of government this had encouraged non-car based solutions such as public transport, walking and cycling. However, faced with a global recession, the new government took the approach that transport funding had to deliver on key outcomes that instead promoted economic development and growth. The government is currently working on a new transport vision to guide its decision-making processes, together with utilising recent amendments to the Act to provide the necessary legislative alignments to ensure this.

The key challenges around the land transport activity are largely derived from level of service issues, funding matters and appropriately responding to growth-related demands in the District:

- The main departure from previous Government transport funding policy is reflected in the 2012/22 LTP. The National Government's drive to strengthen New Zealand's economy has been expressed in concentration on a series of major state highway improvements called 'Roads of National Significance' (RONS). These form a major freight transport corridor, linking major cities, ports and airports. Nationally and regionally, their economic importance is clearly recognisable but as a consequence, availability for the other more local initiatives that councils would typically undertake have suffered accordingly.

- The funding constraints being applied by the NZTA mean that eligibility to have large capital projects funded has all but been removed for local roading projects, unless they contribute to the Government's strategic transport objectives of
 - o providing economic growth and development
 - o demonstrating value for money
 - o contributing to road safety.
- At this stage the Council is not relying on the funding for any major new roading projects to be provided by the NZTA in the short term, based on the criteria they use to determine alignment with these objectives. However, forecasts include the provision of funding to enable the connection of the Council's local roading network to the RONS state highway project to extend the Southern Motorway from Christchurch to Rolleston.
- The Transport Activity is funded from general rates, development contributions and government funding, so any increase in costs has the potential to impact on the setting of the Council's general rates, levied on property owners.
- Funding from Central Government Financial Assistance Rate (FAR) has dropped from 48% to 47% and although this might at first glance look minor, it equates to an equivalent of a 1% rate rise. Discretionary Minor Improvement Funding drops from \$600,000 to \$400,000 per annum, meaning less discretionary work will be completed.

The whole picture, however, is not gloomy. We have these advantages and achievements to work with to continue to provide a high level of customer satisfaction:

- A well maintained and managed network (compared to regional and national indicators).
- Road maintenance-related contracts renewed in 2010 (with savings achieved).
- NZTA endorsed Procurement Strategy (to give our funding requests a higher chance of success).
- Future transport systems embedded into plan changes and outline development plans

(to ensure efficient integration from the outset).

- Successes with having major roading projects subsidised by NZTA to date e.g. Christchurch Rolleston and Environs Transportation Study (CRETS) road upgrades and construction projects.
- Comprehensive road safety and sustainable transport initiatives (the '3 E's' Education, Enforcement, Engineering).
- New Metro Star bus service introduced in 2010, linking the District's high growth townships to metropolitan Christchurch services.
- Completion of planned walking and cycling projects, based on the Council's Walking and Cycling Strategy.
- Well-developed asset management practices in place (up to date inventory, valuation and deterioration modelling systems).
- Ongoing active co-ordination and co-operation with regional transportation planning initiatives (UDS and earthquake recovery).

Why is the Council involved?

The management of roading and transport is a 'significant activity' under the terms of the Local Government Act 2002. The Council has a statutory obligation to provide an effective and efficient transport system including aligning it to the purpose and objectives of the Land Transport Management Act 2003 and any subsequent amendments to the Act. This is reflected at a more local level in the Council's land transport activity goals as presented below. To achieve this, the Council is required to take a leadership role on behalf of its community, to manage both expectations and compliance with legislative requirements. By managing the activity both at a detailed and network level, the Council can effectively and efficiently deliver a local road and transport network as part of a wider integrated regional and national transport system.

Without an appropriate, well maintained and connected transport network, the mobility of people, goods and services are put at risk which can adversely affect individuals, communities, and the District's prosperity. An example that shows the vulnerability of a community to a loss of transport connectivity is when floods, snow (or disasters like earthquakes) close roads for significant periods, cutting off lifelines to food supplies and other essential services. On a more day-to-day basis, rough roads and congestion can increase travel times and costs to operate vehicles and

deliver freight. Safety is a fundamental objective across all transport activities, and while there is always some risk attached to using roads, this needs to be mitigated in a practical way through a combination of measures such as engineering improvements, education and enforcement. The Council has to be involved in all these transport related facets to provide a co-ordinated and measured response over the combined activity. An example of this, from a safety perspective, is the Council's 'Selwyn Safety Strategy to 2020' which blends the government's '2010 Safer Journeys' national strategy with those issues and matters of priority to the Council and its community, on a local level.

The Council does not work alone in meeting the District's transportation needs. It co-ordinates its activities with a wider regional group of other councils and the NZTA, to plan and integrate district and regional transportation networks. This is co-ordinated through the Regional Transport Committee run by Canterbury Regional Council, which also has the responsibility to produce the Regional Land Transport Strategy. The Regional Council also provides public transport services in partnership with the Council, who provides the necessary supporting infrastructure. There are also other organisations and advocacy groups that have an interest in transport matters, for example, freight, walking and cycling, public health, disability and mobility and road safety. Their involvement adds value and a different perspective which improves transport planning and decision-making processes.

Activity goal

The Council's goal for the transportation activity is:

To maintain, operate, and if necessary, improve the road network and other transport activities to achieve a range of facilities that provide for the safe and efficient movement of people and goods to a standard that is both acceptable and sustainable.

This goal reflects the goals and objectives of the New Zealand Transport Strategy and the Land Transport Management Act. The Council is also aware of its responsibilities under the Local Government Act to maintain and enhance community outcomes as they relate to the economic, environmental, social and cultural aspirations of the community.

Over the 2012/22 period the Council's aims for the transportation activity are:

| | |
|-------------|---|
| Short Term | <i>to look after what we have and better understand emerging issues.</i> |
| Medium Term | <i>to implement what is needed with increased confidence.</i> |
| Long Term | <i>to provide a resilient transport network that supports the District's development.</i> |

Council contribution to community outcomes

The relationship of the transportation activity to the Council's community outcomes is outlined in the following table.

| Community outcomes | The transportation activity contributes to the community outcome by: |
|---|--|
| Air, land, water and general environment to be kept in a healthy condition. | Providing an efficient and sustainable transportation system, including less polluting transport options that contribute to the reduction of exhaust emissions and by installing and providing infrastructure in environmentally sensitive ways. |
| A safe place in which to live, work and play. | Designing, constructing, maintaining and upgrading roads, intersections and other transport facilities to industry standards and best practice where hazards have been identified and by providing warning, advisory and regulatory signs advising of hazards as well as educational initiatives to reduce the risk to people. |
| Effective and accessible transport system. | Designing, constructing, maintaining and upgrading the road and transport network to achieve a robust and flexible system for the movement of people and freight, including facilities for pedestrians, cyclists, public transport and other non-motor vehicle based road users. |
| A prosperous community. | Providing a transportation system that allows for the efficient movement of people, goods and services around the District |

Demand and asset management

The assets involved in the delivery of the transportation activity include roads, bridges, footpaths and signs. The Council's 2,397km roading network is split nearly evenly between sealed and unsealed roads. The maintenance and operation of these roads currently costs over \$8 million per year, including renewal work such as resealing and the replacement of infrastructure that has come to the end of its useful life. Improvement works such as new roads, footpaths and cycleways have averaged around \$4 million per year recently.

Over the years, the Council has made a concerted effort to improve the level of service of its unsealed roading network while maintaining the condition of its sealed network. Based on national indicators, the Council's roading network is of a high standard and the Council believes that the right balance has been struck between what is affordable and sustainable for routine maintenance and renewal work. The challenge is to maintain this level into the future against a background of constrained funding, continuing growth, and the demand for improved and new transport infrastructure, especially in the area of the District to the south of Christchurch. In addition, there may also be detrimental earthquake related effects on some pavements in liquefaction areas that could manifest themselves over time and may need addressing.

A factor that always has a major determining influence on the affordability of any transport activity is the price of oil. While there is a clear and direct relationship with the cost of oil and fuel prices at the pump, bitumen and other products that are derived from oil are used extensively in the roading industry and can also be directly affected. A significant increase in the price of oil can make maintaining our roads more expensive and reduce the amount the Council can achieve within the budgets forecast. This can then affect condition and performance while creating possible backlogs of work.

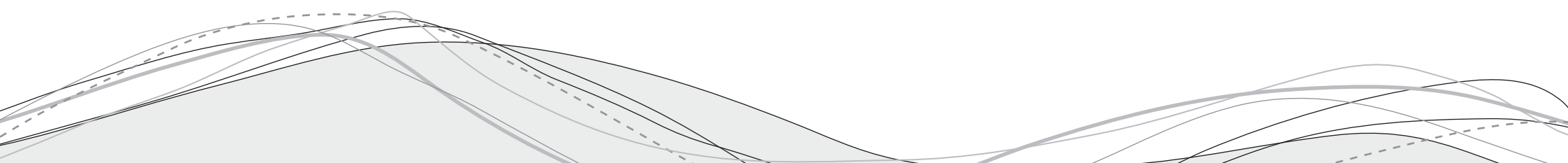
In 2007 the Council completed a six year comprehensive study of the roading network to the south of Christchurch called the Christchurch, Rolleston and Environs Transportation Study (CRETS). The Council together with the other study partners such as the New Zealand Transport Agency, Christchurch City Council, Environment Canterbury and the Christchurch International Airport formulated a strategy of roading, walking, cycling and public transport projects to cater for the increases in traffic growth to 2021 and beyond. This has been the Council's key transport strategy to date.

Since its adoption CRETS has formed the basis of identifying and programming major state highway improvement projects associated with the Roads of National Significance (RONS) in the greater Christchurch area. This includes the extension of the Southern Motorway, Western Arterial upgrades, and the new Northern Motorway. For Selwyn it has been used to justify some major roading projects such as upgrades to District arterial routes such as Springston Rolleston Road, Lincoln Rolleston Road and Selwyn Road together with urban projects like the Byron Street Extension at Rolleston and also the introduction of the Selwyn Star Metro Bus Services.

One of the main issues for the District is its extensive network of relatively narrow rural roads and the large number of intersections, in particular those not able to handle the predicted levels of traffic identified by CRETS in the greater Christchurch area. A comprehensive upgrade of key arterial routes was undertaken in the 1990s, which, together with recent CRETS upgrades, has markedly improved the standard of key transport routes between the District's townships. This is not only for the purposes of providing sufficient capacity to reduce congestion, but also to improve safety and to reduce maintenance problems. But there is also the need to tie into transport initiatives undertaken by others such as the Southern Motorway extension and the development of southern Christchurch areas such as Halswell and Wigram.

Apart from the completion of some routes already in the process of being upgraded, the Council is planning to upgrade Ellesmere Road in the current forecast period between Lincoln and Christchurch, to cater for the high expected growth in both Lincoln and the south of Christchurch. Funding has also been allocated for general CRETS works, such as intersection upgrades to address safety issues that may become apparent during this LTP's forecast period.

However, CRETS recognised that meeting future demand is not only about providing roads, but also other options such as walking, cycling and public transport to cater for demand. The Council's Walking and Cycling Strategy includes off road cycling routes derived from CRETS that link townships together and to Christchurch. This expands on the backbone provided by the existing 'RailTrail', a walking and cycling facility that links Hornby to Lincoln and beyond, through Prebbleton. Recently 'RailTrail' projects have occurred in Lincoln and to the south of Lincoln, whilst an extensive urban pathway has been constructed along Lowes Road in Rolleston to assist connectivity in this high growth area and to the new primary school.



The cost of implementing the Walking and Cycling Strategy over 10 years was originally established at nearly \$5 million. The majority of this cost was associated with the large and expensive off road pathways between townships such as Rolleston, Lincoln and Templeton. For this LTP the Council is undertaking projects that will provide significant safety and sustainability benefits to localised communities before embarking on the larger and more expensive projects when the demand for these makes them more justifiable. Off road pathways that will link Coalgate to Glentunnel and also Leeston to Doyleston are planned, which will enable children to ride safely to school. A pathway extension along Jones Road will complete a linkage between the residential areas of Rolleston to the new employment areas in the Izone Southern Business Hub in line with Selwyn's 'Live, work and play' philosophy, and the objectives of the Walking and Cycling Strategy.

In conjunction with walking and cycling, the Council is also involved in travel demand management schemes and programmes with Christchurch City Council and the Canterbury Regional Council. These are initiatives to try and change people's behaviour so they utilise other transport options to reduce car dependence and congestion. This is especially important post-earthquake where people and businesses have relocated to suburban areas that would benefit from more people walking and cycling, using buses and carpooling and ride share schemes. Unfortunately, funding for the promotion of these types of collaborative initiatives has been severely curtailed reflecting the Government's transport funding priorities.

Wherever possible, the Council attempts to have its transport activities funded through the National Land Transport Programme where these will be subsidised. However, it is a reflection of current Government funding constraints that this is becoming increasingly difficult in some cases. This means that the Council will need to decide to what extent it will need to fully fund activities and works that are no longer eligible for subsidised funding. Examples are the larger CRETS and walking and cycling projects, but this can also extend to more routine renewal works. An example of this is where the Council will be fully funding the replacement of four substandard bridges in the Malvern Hills area. The Council is very much of the mind that it 'needs to look after what it's got' in preference to expensive new improvement works at this point in time. However, there will also be the need to cater for growth and the Council will have to consider the role that developer contributions need to play to meet any funding demands or shortfalls to ensure an equitable approach is adopted in regards to 'user pays' and growth.

One of the more contentious issues relating to public transport is associated with using rail services for passenger transport. Prior to the earthquakes, recent transportation studies into the public transport needs for greater Christchurch showed that this was not economically viable in the foreseeable future. However, post-earthquake other options may now exist through central

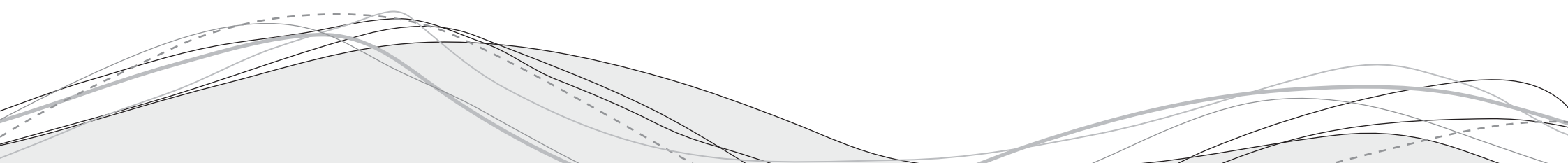
city rebuild and recovery planning that could change opinions. The Council has no plans to fund or contribute to any passenger rail systems to the detriment of its other transport activities. However, it supports any transport planning for this opportunity in the future if it is shown to be viable as part of a greater Christchurch initiative, funded outside that provided by local ratepayers and usual transport funding sources. At this stage the Council supports the continuing use of bus based passenger public transport services while utilising rail for freight. On this aspect, the Council is actively involved in facilitating rail freight services being integrated into its Izone Southern Business Hub, and a new siding off the main Midland railway line has already been constructed. In addition it encourages such facilities being used for commercial activities, such as that being provided at the new Fonterra Dairy Factory at Darfield to reduce the number of heavy vehicles using local roads.

Another key area of demand management is adopting land use patterns and planning rules that avoid growth occurring in a way that means that access to key transport corridors and services like public transport is not achievable from the outset. Sporadic and isolated growth has a high initial demand for infrastructure which may not be sustainable over the long term. Consolidation around existing townships where transport options can be provided and integrated more seamlessly into the transport network is sought through district planning initiatives. The Council's Plan Change 7 included the requirement for Outline Development Plans to be drawn up showing how all major asset provision, such as main roads and cycling and walking networks, will integrate together over numerous development areas.

Other areas that the Council wishes to make some headway on are the improvement of township related facilities such as footpaths. Since 2005 an average of 3km per year has been constructed, including those on busier urban roads so that there is a footpath on each side of the road. This type of work has been well received by the public and was an initiative borne from the Council's Walking and Cycling Strategy. Annual discretionary funding is included in this LTP to continue such work. Current footpath maintenance funding levels will continue for resurfacing and reconstruction work, however a departure will be that funding will not be provided on a township basis but allocated wherever the need is greatest, for example in older parts of our townships. The Council is also needing to plan for the replacement of around 200 obsolete street lights from 2015 when lamp manufacturers stop making these, such as environmentally hazardous 'mercury vapour' lamps. Initial assessments indicate it could cost over \$500,000 to replace these types of lamps and fixtures.

The Council is aware of the potential inequity of the standard between the newer subdivisions provided by developers and the original parts of our townships. There is an emerging backlog of

renewals needed in older areas of our townships. The Council is taking the approach that, rather than continually funding new township improvement works, works that actually contribute to the renewal of its existing infrastructure at the end of its life needs to start taking precedence. It is worth realising what is built now will need to be funded in the future for renewal. Based on the Council's 2011 valuation of all transport assets, the annual depreciation of these would theoretically cost nearly \$10 million dollars per year to fund. The Council's policy is to only fund renewals on an 'as needed' basis at the time.



Negative effects of the activity

Carrying out transport activities of a large scale has the potential to be damaging. The Council recognises these possible negative effects and takes these measures to address them.

| Well-being | Possible negative effect | The Council's response is to |
|------------|---|---|
| Social | Poorly designed, operated or located transport infrastructure may cause noise, dust, visual or other impacts which have adverse effects on quality of life and the environment. | Design and locate new infrastructure and use buffer zones and plantings in a way that reduces the effects of potentially disruptive assets such as new roads near residential areas. |
| | Transport routes can separate communities. | Integrate walking and cycling links with vehicle and public transport routes to connect communities with each other and with other amenities and shopping precincts. By walking and cycling, residents can interact with their neighbourhood and environment resulting in a sense of safety and belonging while being engaged in a health activity. Link up amenities such as schools, community centres, reserves and libraries with safe and efficient transport routes. |
| | The use of roads can be hazardous. | Identify hazards and risks and attempt to reduce these through a combined effort of engineering improvements, education, behaviour change and enforcement. Ensure speed limits are appropriate and carry out repairs and renewals in a timely manner. |
| | Rates have to be levied to cover the cost of providing services that contribute to the Council's goals and its statutory obligations, while remaining sustainable and affordable. | Responsibility provides efficient and effective levels of service that the community can afford. Provide a range of transport services so people and businesses can make informed travel choices on what is appropriate and affordable for them. |
| | Failure to levy rates at the appropriate time may result in an excessive burden for future generations. | Consider 'whole of life' costs and apportion capital costs equitably over time. Ensure that charges are realistic and do not result in accumulated costs later. Plan ahead for economic growth and population expansion. Carry out renewals and new works in a timely manner. |

| Well-being | Possible negative effect | The Council's response is to |
|---------------|--|--|
| | Failure to make adequate service provision, together with unreliable services, may limit growth and impact on economic prosperity. | Work with other Local and Regional Authorities to coordinate major transport planning and funding initiatives as a joint enterprise. This is likely to be more successful than if the Council acted in isolation. |
| | Expanding transport routes can increase vehicle movements and subsequently the use of fossil fuels. | Put in place 'an integrated, safe, responsive, sustainable and affordable land transport system'. Utilising integrated transport packages, the Council can encourage other choices through public transport planning and walking and cycling routes to reduce the dependence on motor vehicles and fossil fuels. The Council supports the 'Park and Ride' concept in future town planning. |
| Environmental | Transport routes can impact on rural amenity and landscape values. | Consider all aspects of community well-being, not just economic outcomes. Work with the topography of the land to integrate transport corridors with the landscape. Use design techniques which minimise adverse environmental effects. |
| | Transport routes add hard surfacing to formerly permeable land, exacerbating stormwater run-off, glare and noise. Run-off can cause pollution if it flows directly into streams. | Integrate soft stormwater treatment features into roading design e.g. the use of grassed and planted swales and retention basins to capture run-off, treat it and release it slowly into streams and water courses. |
| | Vehicles produce exhaust emissions that are potentially harmful while growth will introduce more vehicles onto the road. | Provide other transport choices such as walking and cycling and public transport in an attempt to at least halt or preferably reduce the amount of emissions by a reduction in motor vehicle usage. To be effective, this also has to be combined with wider efforts and incentives such as achieving a more modern and efficient national vehicle fleet. |
| | Street lighting in new urban subdivisions can add to light pollution that impacts on people's enjoyment of the environment. This has to be balanced against personal safety and property protection. | Follow specific standards for any new street light installations to reduce light spill and glare while still remaining effective. Some smaller more rural townships may elect to have a reduced level of lighting to meet their concerns. |
| Cultural | Road maintenance, improvement works and new transport routes have the potential to damage heritage sites, mature vegetation and remnants of the District's culture and history. | Assess the impact on cultural well-being as a normal part of the decision-making process. Consult with local communities of interest to identify sites that are of importance to them and design routes accordingly. Consult with Tangata Whenua and the Historic Places Trust. |

Key assumptions

In May 2011 the Council adopted a series of assumptions that were to be used on a consistent basis to inform the processes used to develop this LTP. In conjunction with these, what follows are those considered to be the most specific and notable to the Council's Land Transport Activity.

- Growth and population projections have been assessed and accommodated in line with the Council's adopted growth model. From a roading perspective it is sometimes difficult to pinpoint the isolated effects of growth and additional traffic demand on a wider network basis. CRETS however has identified a strategy to address the demand in transport in the part of the District that will experience the most growth.
- It is assumed that the Council's subsidy rates for transport activities that are eligible to be funded by NZ Transport Agency will remain the same over the forecast period at the base rate of 47%, or otherwise sufficient to meet the agreed levels of service. Should this not be the case, then any shortfalls would be funded by the Council. It has also been assumed that subsidy levels will increase in line with cost increases.
- There will be no significant changes to the Council's own transport related policies and strategies, but the funding available and timing of any works could change to reflect any changing circumstances. This could result from legislative changes, to those associated with NZ Transport Agency, regional and greater Christchurch policies and programmes relating to funding and coordination. This could also include those associated with Earthquake recovery.
- The funding of the transport activity will continue to use current funding sources at similar levels, such as from general rates, government subsidy, reserves, development contributions and external borrowing.
- There may be an increase in asset failures due to changes in performance and altered traffic patterns as a result of the earthquakes.
- The future costs of the various components of the transport activity have been calculated using the Council's adopted cost escalation predictions (including current assumptions on oil costs). This includes those associated with long term maintenance contracts.
- The forecast funding of routine maintenance and renewal work is consistent with current levels of service based on current predictions on the condition and performance of the network over time. An important component of this includes that the resealing of the Council's roads will need to average 80km per year over the next 6 years to achieve the required standard to maintain the asset.

Major projects

The major projects planned for the next 10 years are:

| | | |
|-------------|---|---------------|
| 2012 / 2015 | Completion of the upgrade of Springston/ Rolleston Road District arterial between Rolleston and Lincoln, widening of Walkers Road between SH1 and Two Chain Road to improve local road access to Izone. | \$900,000 |
| 2012 / 2022 | Lowes Road development. | \$5.1 million |
| 2013 / 2015 | Replacement of four substandard bridges in the Malvern Hills area. | \$400,000 |
| 2013 / 2017 | Walking and Cycling projects - pathway alongside the Liffey River at Lincoln, Jones Road pathway extension at Rolleston, pathways linking Glentunnel to Coalgate and Doyleston to Leeston. | \$800,000 |
| 2014 / 2017 | CRETS associated safety and intersection improvements. | \$800,000 |
| 2016 / 2022 | Upgrades to local roads and intersections to connect to the planned Southern Motorway extensions and interchanges near Prebbleton and Rolleston. | \$3.7 million |
| 2017 / 2021 | The upgrade of Ellesmere Road arterial route to improve the route between Lincoln and Christchurch. | \$3.2 million |
| 2021 / 2022 | Extension of Broadlands Drive, Rolleston. | \$1 million |

Service targets for transportation

| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | | Service Targets | | | |
|--|--|---|---|--|---------------------|--|-----------------|-------------------------|---------|---------|
| | | | | | | | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| Provide a well maintained, operated and affordable land transport system. | Undertake maintenance and renewal programmes to ensure the safe and efficient operation of the roading network and related transport facilities to the satisfaction of ratepayers, road users and the NZ Transport Agency. | Likely external funding constraints may require programmes to be reassessed. | The number of public service requests received each year. Targets increase reflecting growth in ratepayers likely to make a request and further promotion and use of service request system. | Road maintenance, works and operations | 1,842 | | <2,000 | <2,100 | <2,200 | <2,500 |
| | | | | Road safety | 169 | | <175 | <200 | <215 | <250 |
| | | | | Walking, cycling and public transport | 83 | | <100 | <110 | <120 | <150 |
| | | | | Street lighting | 165 | | <175 | <200 | <215 | <250 |
| | | | | Urban roads | 80 | | ≥75 | Not measured this year. | ≥75 | ≥80 |
| | | | | Rural roads | 60 | | ≥60 | | ≥60 | ≥75 |
| | | | | Footpaths | 77 | | ≥75 | | ≥75 | ≥80 |
| | | | | Cycleways | 57 | | ≥60 | | ≥60 | ≥75 |
| | | Annual pavement reseal target will be reviewed and may be revised, based on the sealed road network condition and deterioration information at that time. | Road roughness (NAASRA counts/km which is an industry based standard) is measured by the biennial road roughness survey which calculates an average count over the respective sealed and unsealed networks. | Sealed roads | 61 | | <65 | Not measured this year. | <65 | <65 |

| | | | | | | | Service Targets | | | |
|--|---|---|--|---|---------------------|----|-----------------|---------|--------------------|---------|
| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| | | | | A NAASRA count over 110 for a sealed road is starting to be considered as rough and may generate complaints. An appropriate limit for unsealed roads is very subjective, but in comparison counts over 150 could be considered a concern. | Unsealed roads | 83 | <100 | | <100 | <100 |
| | | | | The length in kilometres of annual pavement resealing achieved. | Sealed roads | 76 | >75 | >75 | >75 | >95 |
| Cater for any significant projected traffic increases in a sustainable manner. | Complete upgrade and capital projects on an annual basis as identified mostly through strategies and forward work programmes. | Assess, plan and implement new roading projects to upgrade the network in conjunction with non-road based solutions to manage demand in an integrated and sustainable manner. | The number of larger capital projects undertaken each year to upgrade significant road routes as identified by strategies and upgrade schedules. | Roading Improvements | 1 | ≥1 | 0 | ≥1 | Average 1 per year | |

| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | | Service Targets | | | |
|-----------|--------------------------|-------------------------|----------------------------|---|----------------------|-------|-----------------|---------|---------|---------|
| | | | | | | | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| | | | | The percentage of larger capital projects generally completed in the year that they were programmed to occur. | Roading Improvements | 52% | >60% | >75% | >75% | >75% |
| | | | | The number of off-road cycleway projects implemented consistent with the Walking and Cycling Strategy and Action Plan. | Cycleways | 1 | 0 | 2 | 0 | 2 |
| | | | | The length in metres of new or extended township footpaths installed per year consistent with the Walking and Cycling Strategy and Action Plan. | Footpaths | 1,310 | >350 | >350 | >350 | >350 |

| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | | Service Targets | | | |
|--|--|-------------------------|---|---|-----------------------------|---|-----------------|------------------------|---------|---------|
| | | | | | | | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| Pedestrians, cyclists and motor vehicle users can safely move around the Selwyn District. | Fully utilise available funding opportunities to carry out safety improvement works in conjunction with community-based road safety, education and enforcement programmes. | | Multiple casualty crashes and the reporting of incidents can rapidly alter trends and the perception of safety. | Reducing the trend of fatal and serious casualties as a key target from the Selwyn Road Safety Strategy. | Road Safety | Progressively reducing number of fatal and serious casualties | | | | |
| | | | | The performance rating (out of 100) in the Biennial Residents' Survey. | Promotion of road safety | 75 | ≥70 | Not measured this year | ≥75 | ≥80 |
| | | | | Utilisation of New Zealand Transport Agency funding for minor (safety) improvements. | Making district roads safer | 63 | ≥60 | | ≥60 | ≥75 |
| | | | | | roads | 93% | >95% | >95% | >95% | >95% |
| Contribute to an integrated and responsive local and regional transportation system. | Transport projects planned and implemented based on local priorities and the Regional Land Transport Programme. | | Allocate the appropriate staff and resources to represent the transport interests of the Council and the community in greater Christchurch and regional transportation planning, earthquake recovery, funding and implementation initiatives. | Attendance at relevant Regional Transport Committee (RTC) and Regional Transport Officers Group (TOG) meetings and forums | 100% | >95% | >95% | >95% | >95% | >95% |

Transportation funding impact statement

[illegible]

SOLID WASTE MANAGEMENT

Activities covered

The solid waste management activity covers the following aspects:

- The kerbside collection of refuse, recyclables and organics.
- The transport and disposal of refuse to Kate Valley Regional Landfill.
- The transport of recyclables to Eco Central, Parkhouse Road in Christchurch.
- The operation of the Pines Resource Recovery Park. This includes:
 - o The processing of organic material using the HotRot in vessel composting system.
 - o Loading refuse into waste containers for transport to Kate Valley Regional Landfill.
 - o Collecting recyclables for beneficial reuse.

Overview

The Council provides a variety of services related to the management of waste in the more populous parts of the District, covering more than 12,000 households in September 2011. Essentially, waste is mostly collected through a rubbish, recycling and organic kerbside collection system. The remainder of the waste, recycling and organics is taken directly by residents to the Pines Resource Recovery Park. Residents pay for the service through a mix of targeted and compulsory rates.

The vision of the District in relation to waste management and minimisation, as outlined as a key community outcome, is:

To keep air, land, water and general environment in a healthy condition.

The New Zealand Waste Strategy (NZWS) 2010 sets the following two goals:

Goal 1: Reducing the harmful effects of waste; and

Goal 2: Improving the efficiency of resource use.

The aim of these two goals is to 'provide direction to local government, businesses (including the waste industry), and communities on where to focus their efforts in order to deliver environmental, social and economic benefits to all New Zealanders'.

It is a requirement of the Waste Minimisation Act 2008 for all local authorities to complete a Waste Management and Minimisation Plan (WMMP) by July 2012 and the Council adopted its WMMP in August 2011. Improving the efficiency of resource use will reduce the amount of residual waste that has to be collected and disposed of. In Selwyn's case, the disposal of residual waste is to the Kate Valley Regional Landfill. The Act also requires local authorities to reduce waste at source, but

this is more difficult, as it relates to the way products are manufactured, marketed and sold, all areas over which the Council has limited influence.

To reduce residual waste requires the Council to have an understanding of the composition of the residual waste stream. To do this, Council undertook a SWAP Audit (Solid Waste Analysis Protocol), which was completed in November 2011 in accordance with Ministry for the Environment guidelines. The results from the SWAP Audit indicated that there is still a significant portion of organics waste (green and food waste) being put into residual waste stream (57% of the total residual waste stream). This information will enable Council to determine a strategy that will help divert more organic material out residual waste stream, and stop it going to the Kate Valley Landfill. Recyclables made up 13% of the material in the residual waste stream. Another SWAP Audit is planned for mid-2012.

In 2011, the Council added another HotRot in vessel composting module at the Pines Resource Recovery Park in Rolleston. This brings the total units to three to increase processing capacity to 3,000 tonnes per annum. It is expected that the amount of organics will increase (from a result of incentives, education and increased population) so another module will be added in 2014/15 and then another in 2017/18. The product of the current HotRot module is being stockpiled at the Pines Resource Recovery Park. It will be screened this financial year. It has been tested according to NZS 4454:2005 Composts, Soil Conditioners and Mulches and is within safe guidelines to use as a soil conditioner. It is intended to seek a market for this product to sell the compost. This will then help finance the expanded organics operation.

The amount of waste going to landfill in 2011/12 is expected to be in the order of 10,000 tonnes. Reducing the amount of residual waste going to landfill can realise savings from reduced collection and disposal costs. The current price at the Pines Resource Recovery Park for residual waste is \$198 per tonne (this includes GST). The price charged through rates and user pays for the collection and disposal of kerbside material includes fuel and labour costs, cost for disposal at Kate Valley Regional Landfill and the cost of the Waste Levy. The Waste Levy set by the Ministry for the Environment is currently \$10/tonne, which is not due for change. The Council receives the Levy money back, and this money is used to fund education within schools and to promote waste minimisation activities throughout the District.

The Council encourages the recycling of waste from the kerbside collection by providing 240 litre recycling wheelie bins at an annual charge of \$61 collected on a fortnightly basis. This size bin provides residents with good easy access to recycling. The recycling collected goes to Eco Central in Parkhouse Road, Christchurch, where it is sorted into the various recyclable materials. The sorted

materials are packaged and sent to be beneficially reused e.g. the glass is crushed to varying sizes and has been used as a base mix for a sports ground.

To encourage more recycling at the Pines Resource Recovery Park (where there are already facilities to dispose of plastic, glass, metal cans and cardboard), we are considering providing a facility for residents to be able to drop off larger saleable items. There are options available for this service which will be worked through in the 2011/2012 financial year.

Why is the Council involved

The management of solid waste is a 'significant activity' under the terms of the Local Government Act 2002. The Council has a statutory obligation to promote effective and efficient waste management and to achieve this it takes a leadership role in managing waste activities. By managing the activity, the Council is in the best position to serve the needs of the community, provide a sustainable service and keep costs down.

It is important to manage solid waste well, given the health implications which could arise if the service was unsatisfactory and waste was not promptly collected, handled and disposed of. Damage to the environment and community could easily occur if waste accumulated and was left to rot and become a source of disease. There is also a danger that pollution of groundwater could occur, with the potential to affect drinking water supplies, where wells are shallow. The activity must be managed in a sustainable manner for today's communities and for future generations.

The Council therefore takes responsibility for fulfilling legal and statutory obligations, waste minimisation, policy, strategic direction, educational programmes and providing clean fill sites and the Pines Resource Recovery Park (waste transfer facilities, recycling and also composting of green waste). It manages all aspects of the activity including the managing of private providers/contractors, who carry out the following, under contract to the Council.

Waste collection services. Kerbside waste collections in urban, rural-residential and some rural areas. Residual waste (rubbish) and recycling waste are currently collected with a garden and food waste collection available in the five major townships, on a voluntary basis.

Residual waste disposal facilities. Residual waste (rubbish) is sent to the Kate Valley Regional Landfill, which has resource consent for approximately thirty more years.

The Council could be challenged by private providers of these services but customer feedback reveals a very high level of satisfaction with the current services and associated costs. Ratepayers do have the choice of using private providers but the number doing so is relatively small because the Council provides a reliable and cost effective service.

Activity goal

Selwyn District Council's goal for the solid waste management activity is:

To promote effective and efficient waste management within the District, whilst having regard to the environmental costs and benefits to the District and ensuring that the management of waste does not cause a nuisance or be injurious to health.

Council contribution community outcomes

How the waste management activity contributes to achieving the community outcomes is set out below:

| Community outcomes | The waste management activity contributes to the community outcome by: |
|---|--|
| Air, land, water and general environment to be kept in a healthy condition. | Providing a service to collect and dispose of solid waste, in those areas of the District currently serviced by the Council, in a manner that minimises any potential harm to people and to the environment. |

Demand and asset management

The Council's main asset for managing solid waste is the Pines Resource Recovery Park in Rolleston. This is the only refuse handling facility in the District and is located on 16ha of land, with consents for current activities. The facility consists of the pit building (pit, walls and bays) together with two weigh-bridges, a kiosk, waste compactor, in-vessel compost plant with two feeders and other various plant. The Pines Resource Recovery Park is essential to enable the Council to reuse and recycle waste and to reduce the amount of residual waste going to the Kate Valley Regional Landfill. The Council's former tips were closed to the public once the Pines Resource Recovery Park was built in 2006 and these sites are now only used for the disposal of clean fill, again reducing the amount of residual waste.

Population growth is the main change agent affecting the service, particularly since the greatest population growth is occurring in the towns where this service is provided. Growth in the number of households is carefully monitored and once demand increases to a certain level it triggers a capital outlay. For example the need to compost organics will at some stage outstrip the HotRot module's capacity and then a new module will be constructed, in time to match the increased demand.

Levels of service are mainly being driven by the overriding need to reduce residual waste quantities. Changing residents' behaviour and attitudes to waste generation can be achieved by changing levels of service and their associated charges, thereby encouraging certain beneficial behaviours and discouraging unhelpful ones. By manipulating the size of bins available, the frequency of collection and the charges levied, the Council seeks to edge behaviours towards waste minimisation goals. A certain amount of trial and error will be called for.

The day-to-day maintenance of assets is carried out under contract and is managed by the Council's Solid Waste Manager, who is in frequent contact with the contractors and who receives regular monitoring reports. Regular maintenance inspections are carried out and any necessary work organised by the Solid Waste Manager.

The Solid Waste Activity Management Plan addresses the maintenance costs and asset life associated with the Pines Resource Recovery Park, which is now five years old.

Negative effects of the activity

In spite of constant vigilance, there are risks from providing a solid waste service. The Council has assessed the risks as set out below, together with our response.

| Well-being | Possible negative effect | The Council's response is to |
|----------------------|--|--|
| Social | The needs of the individual may, sometimes, have to take a secondary position to the needs of the community. | Provide incentives through lower charges to off-set the inconvenience of changing behaviours to meet waste management and minimisation goals and to keep the community healthy. |
| Economic | Charges have to be levied to cover the cost of providing a service that meets the Council's goals and its statutory obligations while remaining sustainable. | Justify the costs by providing an efficient service and meeting customer concerns promptly. Provide a range of services so people can make a cost-effective choice which suits their household needs. |
| Environmental | The kerbside collection relies on bags and bins being left out in the street for some hours awaiting collection, thereby reducing amenity in the street temporarily. | Provide high quality bins and crates. Collection takes place at a regular time. |
| | There is the potential for nuisance from dust and odours at the Pines Resource Recovery Park. | Provide well sealed bins and practice good housekeeping at the Pines Resource Recovery Park. Adhere to Resource Consent conditions. |
| Cultural | The pollution of groundwater is a serious issue for our community, particularly for Maori. | Dispose of clean fill, only at the Council's landfill sites and monitor groundwater regularly. Dispose of residual waste at Kate Valley Regional Landfill where stringent Resource Consent conditions are met. |

Key assumptions

The demand for the solid waste service will increase with growth in the District's townships and the amount of residual waste will also rise. Charges will rise in line with rising costs and an increased demand for the service, in order to continue to cover those costs. Where there is a change of behaviour required, education, promotional activities for waste minimisation, financial incentives and disincentives will be used to influence behaviour.

While the Waste Minimisation Act 2008 sets a levy of \$10 (plus GST) per tonne for the disposal of residual waste at the Kate Valley Regional Landfill, overseas experience shows that these levies usually increase steadily, over time. This will require the Council to review its charges on a regular basis to cover those costs.

There may be a need to increase staff levels both at the Pines Resource Recovery Park and at the Council to cope with the increasing workload, but the cost of this has not yet been factored in.

Major projects

The only major project that requires significant capital expenditure is the requirement for additional HotRot in-vessel composting modules. It is predicted that additional modules will be required in 2014/15 and 2017/18 at an approximate cost of \$500,000 per module.

Service targets for waste management

| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | Service Targets | | | |
|--|--|---|----------------------------|---|---------------------|-----------------|-------------------------|---------|---------|
| | | | | | | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| The Council provides a quality service for the community where charges cover costs. | The quality of solid waste facilities and operations meets the expected levels of use/ demand. | The quality of solid waste service standards meets residents' service expectations. | | The performance rating (out of 100) for solid waste in the Residents' Survey: | | | | | |
| | | | | Rubbish collection | 88 | 85 | Not measured this year. | 85 | 85 |
| | | | | Recycling | 88 | 85 | | 85 | 85 |
| | | | | Organic waste collection | 63 | 65 | | 65 | 70 |

| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | Service Targets | | | |
|---|---|--|----------------------------|---|---------------------|---|---|---|---|
| | | | | | | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| The Council protects the environment from illegal dumping. | District residents have access to the Resource Recovery Park during reasonable hours. | District residents have access to the Pines Resource Recovery Park during reasonable hours to match new services. | | The proportion of households using the Pines Resource Recovery Park. | 26% | 25% | Not measured this year. | 25% | 30% |
| The solid waste service is effective and efficient. | The solid waste service is effective and efficient. | | | Number of written complaints received per annum related to solid waste service. | <6 | <15 | <15 | <15 | <12 |
| The Council's service is sustainable. | Sufficient choice is available to meet the residents' needs while achieving strategic outcomes. | Sufficient choice is available to meet the residents' needs while achieving strategic outcomes and waste minimisation. | | Numbers of customers changing to private providers. | 0% | <5% | <5% | <5% | ≤2% |
| Waste minimisation is achieved by reducing the amount of residual waste. | 260kg per head of population is residual waste to Kate Valley Regional Landfill. | Number of kg per head of waste to the landfill decreases and compares favourably with Ashburton District Council (ADC) and Waimakariri District Council (WDC). | | The annual reduction in the amount of residual waste per head of population. | 1.5% increase | 5% reduction in kg per head of waste to landfill compared with the previous year's. | 5% reduction in kg per head of waste to landfill compared with the previous year's. | 5% reduction in kg per head of waste to landfill compared with the previous year's. | 5% reduction in kg per head of waste to landfill compared with the previous year's. |

Waste management funding impact statement

[illegible]

5 WATERS SERVICES

Activities covered

| | |
|-------------------------------|---|
| Community water supplies. | Thirty schemes (public health and stock water). |
| Land drainage. | 20,700ha (making land farmable, habitat). |
| Stormwater urban. | 22 schemes (urban flood relief). |
| Water races rural and urban. | 110,000ha (stock water, amenity, habitat). |
| Community wastewater schemes. | 14 schemes (public health). |
| Total asset value. | \$389 million. |

Overview

The availability of water and the safe disposal of wastewater are fundamental to the health and welfare of the Selwyn community. The 5 Waters activities provide safe, clean water for households, remove sewage and flood water in a way that protects the health of the population and natural environment, provides water for livestock and drains certain land so that it is usable. These services are provided through separately rated water based schemes within the District. The 5 Waters assets are valued at \$389 million, with water valued at \$76 million and sewerage \$124 million.

Drinking water is provided by the Council to over 72% of the population of the District, around 28,000 people. By comparison, wastewater services are provided to approximately 18,000 people. The largest consented wastewater treatment and disposal area is the Pines Wastewater Treatment Plant, currently servicing Rolleston and part of West Melton. From 2013 this will also service Lincoln, Prebbleton and Springston.

It has always been clear that the water services are interlinked, if not directly, then via natural pathways. This reflects the unique geographical 'mountains to sea' layout of Selwyn District. There is a strong connection between these services and it is essential that they are looked after appropriately. The Council's approach is to manage the 5 Waters activities in a coordinated way.

The activities covered by the 5 Waters are largely invisible to us until they break down. The recent earthquake events forced land up and down, sometimes reversing the direction surface water flowed. The environmental impact caused by the Christchurch City Council's breakdown of wastewater service very quickly showed up as Selwyn started discharging wastewater directly to rivers when Selwyn could not send that wastewater to Christchurch for processing. The importance of public health and the integrity of the environment soon became significant issues in this powerful, adverse event. Damage to piped networks highlighted the importance of using

resilient materials and jointing in our piped infrastructure.

There are several key drivers in the short term (up to 10 years) and the longer term (10 to 60 years) which will have effects on the Council-managed schemes. The Council recognises the need to consider long term strategic planning to cater for significant population growth predicted for the District; climate change/variation which could escalate the demand for water; legislation which is becoming increasingly demanding on those seeking to access water or to discharge onto land or into water; and sustainability which requires the careful management of resources for to-day and for the future. The biggest challenge facing the Council in the 5 Waters service area is the future provision of wastewater services in the eastern part of the District.

- This area has experienced rapid population growth in recent years and we expect this to continue. The present wastewater system does not have the capacity to meet the expected future demand and the Council has made a commitment to expand the Pines Wastewater Treatment Plant and finish associated pipelines by December 2012. The contract to build the pipeline has been let and it is currently being built.
- The plan is to future-proof the service by making provision for capacity equivalent to a population of 80,000. The estimated cost of the project is approximately \$80 million and it will be funded by development contributions charged to future developers. The first stage to serve a population of 30,000 will cost around \$56 million. The operating costs of the scheme will be met by all households connected to the scheme, including current ratepayers.
- Another key issue facing the Council is whether or not to install reticulated sewerage in Darfield and Kirwee. These townships currently discharge their household wastewater to ground via individual household systems. As a precaution, the Council carries out monitoring to identify any adverse environmental and health effect, but to date there has been no cause for concern.
- Now that the Council has adopted the growth scenario which predicts significant growth in Darfield, the Council is currently reviewing options for wastewater treatment for this expanded population. If there is to be any change, the residents will be consulted, as cost is an important factor. The cost of continued monitoring will be funded from a targeted rate.
- The 5 Waters activities are paid for by targeted rates so that users pay for the costs of their local scheme. The cost of providing these services has been increasing in recent years and we expect costs to rise even more steeply in the next few years. These cost

increases are due to the combined impact of rising prices, especially energy, the need to pay for the renewal of infrastructure so that it continues to operate efficiently and the rising expectations of both the community and the Government over the way these services are provided and managed. Facing up to the cost of 5 Waters activities is an important issue for the Council and the community as we confront the need to:

- o deliver the levels of service the community wants
 - o at a price and consistency that can be afforded
 - o while leaving the same/better choices for future generations with bearable costs
 - o while funding the replacement of water assets when they fail.
- There are emerging pressures from dairying, processing and Central Plains Water, the full implications of which are being carefully tracked.
 - By 2041 there is expected to be 10,500 serviced properties, as a result of growth.
 - The review of assets valuation has meant that \$50 million funding is predicted to finance renewal of assets over the next 20 years. This will be reflected in a bulge of work around 2016/17.
 - High levels of new infrastructure require a commitment to meet immediate maintenance demands and highlight the disparity between old and new assets, with widely differing timing for renewals.
 - We have based our forecasts of future costs on consultation with the community on the levels of service they expect in the future. We have also taken into account the need to provide funds to pay for expected renewal over the coming years. As schemes age and renewals become more frequent and more expensive, it is no longer realistic to pay for renewal work the year it falls due. The Council's approach is to allow for the average costs of renewals over the next 20 years in the rates forecasts.
 - Historically all of the 5 Waters activities have been provided on a self-funding basis through targeted rates.
 - The Council is now considering an exception to this approach. The townships of Lincoln, Prebbleton, Rolleston, Springston and West Melton will all be served by the Eastern Selwyn Sewerage Scheme based at an expanded Rolleston Pines Wastewater Treatment Plant. While they all have different constraints e.g. distance, elevation etc,

over the long term they all rely on each other to exist and the Council is considering a single annual targeted rate for the combined scheme, with costs shared equally across all households connected to the scheme.

Stormwater services have become more significant in the last few years due to changes in the planning rules that require better protection than has been provided in the past. These services protect urban areas from flood risk, but the nature of the assets that have been constructed means that they often form part of reserve areas that everyone in the District can enjoy. As such, part or all of the costs of the services could be treated in the same way as township reserves and funded from general rates. The alternative proposed is to fund the costs of this service through targeted rates on households that are in areas serviced by stormwater systems. The cost of this service is predicted to be \$500,000 each year and equates to an average of \$50 per household in the serviced part of the District. The Council has proposed a new targeted rate to fund the stormwater activity from 1 July 2012 and the rate will be set on a township by township basis.

The 5 Waters activities are, however, now benefitting from a number of achievements and strategic direction:

- A well maintained and managed network with a future focus on highly critical assets.
- The operations and maintenance contract is in the process of being reviewed to align with the activity plan. This new contract is expected to be operative from 1 July 2012.
- The 5 Waters strategy is well developed and maturing. The strategy is a living document aligned to communities' needs, while protecting future users.
- A sound asset management system and associated practices are making good progress.
- Asset management is now embedded across the Council.
- We are using a 'just in time' approach to building infrastructure, thereby enabling growth, while prudently managing finances.
- We have committed to providing more water wells in Lincoln, Prebbleton and Rolleston.
- The Eastern Selwyn Sewerage Scheme is progressing.
- Lincoln Stormwater Treatment is a catchment-wide approach, with benefits for the whole township.

Why is the Council involved?

The Council is in the best position to respond to the expectations of the communities it serves and to translate these needs into levels of service, which have funding options accompanying them, for public scrutiny and comment. The Local Government Act 2002 sets out clearly how the Council must consult with the residents over significant decisions and this ensures the community has a major decision-making role. The 5 Waters assets are listed as 'Strategic' in the current LTP for the very reason that failure of these services has a devastating and far-reaching effect on the District. The Council is well positioned to take a major leadership role in planning and managing the assets and networks that deliver these essential services.

By managing all of the 5 Waters activities, the Council can plan ahead in a coordinated way and take advantage of the opportunities to introduce new initiatives e.g. the potential in the future to use treated wastewater to irrigate reserves, if this is feasible and acceptable to the public. When prioritising across the 5 Waters Activities, opportunities to combine projects will become apparent.

There is also the need to comply with a raft of legislative and statutory processes, which the Council recognises in its strategic plan, policies, education programmes and commitment to sustainable practices. The Council's seven principles of sustainability can be applied across all the activities and this coordinated application brings better results than a fragmented approach, which could occur if the activities were separated, especially if managed by more than one provider.

The security of the District's water supply is paramount as our communities require reliable, clean, safe water to serve their day-to-day needs. These water-related activities also protect and sustain the health of the environment, particularly the sensitive Te Waihora (Lake Ellesmere) catchment, by responsibly dealing with waste water and the draining and disposing of groundwater and excess stormwater run-off.

The sewerage asset is expected to increase rapidly with the Eastern Selwyn Sewerage Scheme being constructed. Stormwater assets have been, and will continue to be, rapidly developed to meet the increased standards reflected in the Regional Council's Natural Resources Regional Plan rules.

Activity goal

Selwyn District Council's goal for the 5 Waters activities is:

'To provide water services that meet all relevant standards and are at a service level the public can afford and have confidence in, now and forward into the future.'

Contribution to community outcomes

| Community outcome | 5 Waters activity contributes to the community outcome by: |
|---|---|
| Air, land, water and general environment to be kept in a healthy condition. | Managing the 5 Waters activities in a way that minimises their potential adverse impact on the environment. |
| A living environment where the rural theme of Selwyn is maintained. | Providing water races and land drainage systems that are part of the rural landscape and contribute to the rural theme of Selwyn. 5 Waters activities (community and private) are vital for the well-being of rural communities. |
| Selwyn people have access to appropriate health, social and community services. | Providing water, wastewater and drainage services necessary to support community and public health services. There is potential to provide for recreational opportunities in conjunction with stormwater management strategies. |
| A safe place in which to live, work and play. | Providing safe drinking water and effective wastewater removal and disposal as well as removal of stormwater and excess groundwater (via land drainage). |
| A prosperous community. | Providing businesses with water, wastewater and drainage services, sometimes to a higher standard or with a higher level of reliability than regular domestic services. Effective water races and land drainage systems are essential for productive use of land. |

| Community outcome | 5 Waters activity contributes to the community outcome by: |
|--|---|
| A community which values its culture and heritage. | Providing water, wastewater and drainage services for cultural activities. All 5 Waters activities can impact on the cultural and heritage values and need to be managed to minimise adverse effects. |

Demand management

The 5 Waters activities physical assets consist of:

- Below ground services including pipes, wells and wastewater treatment equipment.
- Above ground facilities including pumps, reservoirs, intakes, open channels and land disposal areas.

Asset Management practices have been measured against appropriate international practice guidelines. The Council is aiming to bring the 5 Waters Activities assets to a medium to high level of asset management within the period of this LTP.

Where relevant, we have assessed the impact of changing demand for the 5 Waters Activities. This is more relevant in water, wastewater, stormwater activities and land drainage activities, and less relevant in the water race activity. The latter two activities reflect little, if any, change in demand.

Based on current community growth trends, demand for water, wastewater and stormwater, services will exceed consented allowances in some schemes. This analysis is based on the Council's population information, a detailed review of historical records and forward predictions of use, after factoring in potential climate changes and energy costs as well as engineering staff / contractor knowledge.

Achieving reasonable usage, particularly in the areas of water (human drinking water and stock water) together with wastewater treatment and disposal is a key factor in this LTP. In particular, the need to ensure that water is used wisely, sits above all other issues in the operations and maintenance sphere. The strong relationships between water use and wastewater disposal, stormwater, water race and land drainage systems have been provided for in integrated projects.

Through the Greater Christchurch Urban Development Strategy (UDS) process, it was identified that our main townships of Lincoln, Prebbleton, Rolleston and West Melton will experience considerable growth. The UDS townships, in particular, are subject to detailed demand planning and will require either new consents/wells or where allowance has already been made, additional new infrastructure to deliver/dispose of the water stream. The section on significant projects identifies the expected level of works to be undertaken. Over time however, existing parts of townships are expected to upgrade their stormwater services in line with regulations.

Projects which assist in passive (e.g. education), and active demand management are identified. The outcome sought is to meet environmentally driven consent constraints while providing an appropriate service. Funding for growth driven services is obtained as part of development. Where capital works are required to improve the level of service e.g. water quality, then this may be taken from all scheme users, as they all benefit.

The levels of service have been confirmed in consultation with the communities across the District. Their core expectations are that they receive a cost effective service which protects their health and property. This has not changed to any meaningful extent from the 2009/19 Selwyn Community Plan. As identified, funding for achieving this level of service will be via targeted rate.

The 5 Waters activities are mutually interdependent and the Council will provide the extent and quality of service demanded by the community and legislation, now and in the future, in an integrated way. This involves prudently managing the acquisition, maintenance, operation, renewal and disposal of water assets in ways that optimise the value of services delivered to the community. In doing so, the Council assesses the risk of failing to deliver appropriate levels of service for its 5 Waters activities and provides appropriate means for managing and mitigating those risks. Adequate funding is a prerequisite to achieving these objectives. As the 5 Waters activities are interdependent, common levels of service have been developed.

The Council will identify and consult with the communities of interest in the District and will engage its seven sustainability principles (together with the four aspects of community well-being; social, economic, environmental and cultural) in order to guide assessment of options and agree on priorities with the community. It is recognised that the aspirations of different communities may be unique to them and that what is important to one community may not be a priority for another.

The negative effects on the well being of the community

Carrying out activities associated with water and land has the potential to be damaging. The Council recognises these possible negative effects and takes these measures to address them.

| Well being | Possible negative effect | The Council's response is to: |
|-----------------|--|---|
| Social | Drinking water or poor sanitation may cause serious illness. | Regularly monitor and measure water and groundwater EColi to ensure that safe levels are achieved. |
| | Floodwaters may also carry contaminants hazardous to health. | Remove and dispose of wastewater effectively and safely without overflows causing flooding or contamination. Manage stormwater to minimise flooding. |
| | Poorly designed, operated or located infrastructure may cause noise, odour, visual or other impacts which have adverse effects on quality of life. | Design and locate new infrastructure and use buffer zones and planting in a way that reduces the effects of potentially disruptive assets. |
| | Failure to secure assets which subsequently causes physical harm or loss of life. | Regular health, safety and environmental audits of assets, implementation of national standards and appropriate 'design' standards. |
| Economic | Charges have to be levied to cover the cost of providing services that meet the Council's goals and its statutory obligations while remaining sustainable. | Responsibly provide efficient and effective levels of service that the community can afford. Provide a range of services with associated costs so people can make informed choices. |

| Well being | Possible negative effect | The Council's response to: |
|----------------------|--|--|
| | Failure to levy charges at the appropriate time may result in an excessive burden for future generations. | Consider 'whole of life' costs and apportion capital costs equitably over time. Ensure that charges are realistic and do not result in accumulated costs later. |
| | Ineffective land drainage may damage crops or result in loss of productivity. | Manage stormwater to minimise flooding. |
| | Failure to make adequate service provision together with unreliable services may limit growth and impact on economic prosperity. | Plan ahead for economic growth and population expansion. Carry out renewals and new works in a timely manner and fund capital works from developers through development contributions. |
| Environmental | The activity has the potential to lower air quality, water quality and quantity and the health of soil and biodiversity. | Avoid, remedy and mitigate adverse effects and strictly adhere to Resource Consent conditions by monitoring before and after works and installations. Take corrective action if problems arise. |
| | The activity is very high in its use of energy (approximately half the Council's usage). | Choose assets and networks which are energy efficient and explore alternative sources of energy. The Council uses turbines and solar panels for energy and runs generators powered by diesel instead of electricity. |

| Well being | Possible negative effect | The Council's response is to: |
|-----------------|--|---|
| | | Encourage open stormwater systems with accompanying riparian vegetation and tree planting (as opposed to pipes) to reduce the carbon footprint and to treat stormwater before it enters streams and waterways. |
| | | Keep up to date with the latest technology and ideas. |
| | Water races take water from rivers and there is considerable loss to ground from the races. | Water races are closed when they are no longer needed for farming purposes or for amenity. It is recognised that the water which seeps into the ground is not 'lost' but replenishes groundwater. Shallow wells can benefit from this top-up. |
| Cultural | The activity's services have the potential to cause damage to heritage sites, artefacts, other structures, landscape features and waterways. | Assess the impact on cultural well-being as a normal part of the decision-making process. Site and locate structures and services sensitively in the landscape and manage them responsibly. |
| | The pollution of groundwater and surface water is a serious cultural issue, particularly for Maori. | Consult with Tangata Whenua and with the Historic Places Trust early on to avoid disturbances and destruction of important items and features. |

Key assumptions

The key assumptions underpinning this plan are:

- The Paparua, Ellesmere and Malvern water race schemes will remain fully operational even if irrigation schemes are progressed. Private companies (CPW Ltd and Sheffield Company) may act to install their irrigation systems across or in the same corridors provided by the Ellesmere and Malvern race systems. Closure may be the most pragmatic approach resulting from such disparate activities.
- Abnormal but short-term increase in asset failures resulting from earthquake induced stresses will occur over the period of the LTP. The potential impact of getting this assumption wrong could result in overly conservative operations and maintenance budgets, amended renewals forecasts and resulting rates impact.
- Township Stormwater Management Plans will be completed and consented in all townships. Administration and monitoring of small consents in townships will become more complex as development continues and Natural Resources Regional Plan (NRRP) operative rules result in further resource (cost) increases.
- Health (Amendment) Act 2008 - Central Government will not legislate to set dates for compliance with the Drinking Water Standards, including backflow prevention at point of use. The impact of getting this assumption wrong could result in unbudgeted capital works e.g. retrofitting costs, including upgraded pumps and higher pumping costs, which would in turn result in increased water rates and amendments to the Activity Management Plan.
- The Council and the community will decide on the most sustainable wastewater management options for Darfield and Kirwee within three years (2012/15) based on appropriate consultation and data e.g. costs, sampling, modelling. However, the absence of wastewater derived contaminants and/or the communities' unwillingness to act may delay or stop this work.
- Changes to the Te Waihora Water Conservation Order will occur, requiring improvements in (drainage) water quality to be made e.g. drain cleaning practices and classified drain management. However, it is possible that changes to network cleaning may be

undertaken sooner than appropriate and Upper Selwyn Hut's wastewater disposal cost could increase significantly.

- Changes indicated in the Canterbury Water Management Strategy (CWMS) and NRRP will be resourced through projects approved by the Council unless not already funded. However, unanticipated implications of policy and strategy through NRRP and CWMS Zone committee responses may require additional scheme and Council resources.
- Major project and capital works will be estimated on the basis this work is facilitated by external consultants.

Construction Projects costs have been estimated using the following:

- o Estimate +/- 25%;
- o Where designed +/-10%; and
- o Post tender +/-5%.

A conservative funding approach has been taken. Staff may have capacity to undertake some work, and particular skill sets in high demand may attract higher costs.

- Asset lives have been adopted that are influenced by material type, level of utilisation, criticality, condition and staff knowledge. Asset lives will not be modified due to the 2010 and 2011 earthquakes unless an assessment indicates otherwise. Renewal cycles and associated funding to support this may require change - generally this is seen as an increase in funding.
- The condition and remaining useful life has been accurately assessed, permitting appropriate renewal forward programmes to be developed and routinely updated. Getting this assumption wrong will result in earlier replacement of assets than forecast and budgeted with the scale of replacement impacting on funding that may produce funding peaks.

Major projects

The projects identified in this 2012/22 LTP all assist in meeting the communities' desired level of service. They are predominantly to serve growth, but in the case of water quality and demand management work, they seek to improve the service level.

The major growth projects are:

- Eastern Selwyn Sewerage Scheme to allow for growth in Lincoln, Prebbleton, Rolleston and West Melton. Pipeline construction work commenced in 2011. Costs in 2012/13 - \$25.4 million, 2013/22 - \$3.2 million.
- New planned wells - \$4.2 million to meet growth for Darfield, Lincoln, Rolleston and Prebbleton.

The major levels of service projects are:

- Water quality – \$1.02 million with a strong focus on delivering public health risk management plans and well head backflow protection.
- Water demand (education, conservation, auditing), data use and analysis - \$2.2 million from 2012.
- Malvern and Ellesmere water race fish screening and electronic controls – \$0.7 million between 2012/014.

Water quality related capital works in the Selwyn Rural and Malvern Hills Rural Water Supplies are not included in this LTP. The Ministry of Health has delayed work setting standards for these rural agricultural standards until 2016.

Central Plains Water funding proposal

The Central Plains Water (CPW) irrigation scheme is a large scale irrigation scheme to service 60,000 hectares of land between the Rakaia and Waimakariri Rivers. Central Plains Water Limited (CPWL) asked the Council to consider a proposal to help it fund the next phase of the project.

The CPW scheme has been developed over a number of years and is very close to securing the resource consents necessary to allow the scheme to progress. The application for resource consents has been a long and expensive process that has been funded by a mix of shareholder investment and loans from various organisations including the Council. To date the Council has lent the scheme \$2.4 million. The CPW scheme will bring great economic opportunity to the Selwyn district. Once fully implemented it is predicted that it will bring significant increases in agricultural output, hundreds of new jobs and greater prosperity. It will also put emphasis on environmental responsibility and recreational initiatives.

The proposed \$5 million loan would help advance stage 1 of the scheme. This involves irrigation of 20,000 hectares to the north of the Rakaia River (the southern part of the CPW scheme area). This area has been chosen as stage 1 as it can be developed more easily than the northern part of the scheme area. The intention is to complete the detailed design during the coming months with the aim of commencing construction toward the end of 2012. The Company is anticipating that stage 1 of the scheme would become operational early in 2014. Based on current plans,

construction of stage 2 of the project would follow in late 2015.

CPWL has indicated that this is a crucial stage of the project. The Company needs to complete detailed design work, confirm that landowners wish to participate in the scheme and secure funding for the construction of the irrigation network. There is therefore some uncertainty in relation to the progress of the scheme and this means that it is possible the Company may be unable to repay the proposed loan or meet the interest payments. In deciding whether to go ahead with the loan Council weighed the broad economic benefits that will be generated by the scheme against the risk that some or all of the money lent to the Company will not be recovered.

Should CPWL be unable to repay the loan the Council will need to reduce expenditure and increase the general rate to cover any loss. The amount of the loss will depend on the value of any security that can be realised, but could be up to value of the loan (\$5 million) plus any interest that is owing.

At this stage the Council has indicated to the CPWL that it supports the proposed \$5 million loan. This support is subject to the Council being satisfied several criteria identified during the submission process can be achieved.

Water and sanitary assessment

Review of Water and Sanitary Services Assessment

Background

In 2006 Council adopted its first Water and Sanitary Services assessment (WSSA). It also agreed that the next review of the WSSA would occur six years later – at the time of the 2012/2022 Long Term Plan delivery.

The Local Government Act was assembled in 2010, 'the Act', which included a change in the scope of WSSA assessment and reporting requirements.

Legislative requirements

The Act Part 7 Section 125 specifies Council's obligations to make assessments of water and sanitary services:

- Namely: Time to time assessments of provision within the district of water services and other sanitary services.

Further, Schedule 10 of the Act "Information to be included in Long – Term Plans" includes the following:

- Section 6 "A long term plan for a territorial authority must identify and explain any significant variations between the proposals outlined in the long term plan and the territorial authority's
 - o Assessment of water and other sanitary services under Section 125.

Summary

This assessment covers water, wastewater and stormwater (including land drainage services). There have been significant improvements since 2006, particularly in:

Wastewater

- Reticulated wastewater scheme has been installed in West Melton – treatment in Rolleston.
- The Council is migrating onsite serviced properties within township reticulated areas to the network – Section 459 Local Government Act 2002.
- The Eastern Selwyn Sewerage Scheme – disposing of wastewater to land at Pine Rolleston including rural – residential lots.
- The standard of wastewater quality at the point of disposal continues to increase.

Water Supply

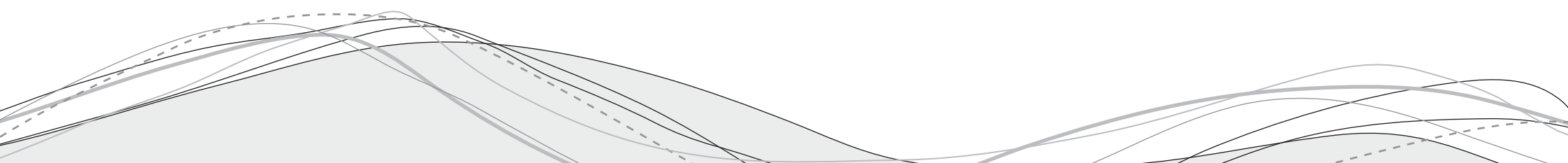
- Public Health Plans are in place for all schemes, with improvements in water quality underway or provided.
- Springston and Dunsandel scheme source water has been respectively made secure and treated to make the water safe to drink.

Water safe to drink

Private supply quality including domestic houses were tested (428) in 2010 with 4% (19) found to have low bacterial counts.

Stormwater (and land drainage)

- Stormwater systems are being installed at the time of subdivision and the quantity at discharge is improving as confirmed by measurement.



Service targets for 5 Waters activities

| | | | | | | Service Targets | | | |
|--|---|--|--|--|---------------------|-----------------|---------|---------|---------|
| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| Safe drinking water | | | | | | | | | |
| The community is provided with water services to a standard that protects their health and property. | Water is safe to drink. | Bacterial Compliance – source and treatment for all schemes meet national standards. | Bacterial Compliance – source and treatment for all schemes meet national standards. | Compliance with national standards for bacterial (E. coli) criteria for water leaving treatment plant as reported by the Ministry of Health, for each registered drinking water supply. | 98.8% | 99% | 99% | 99% | 100% |
| | Water is safe to drink. | Bacterial Compliance – distribution zone for all schemes meet national standards. | Bacterial Compliance – distribution zone for all schemes meet national standards. | Compliance with national standards for bacterial (E. coli) criteria for water in the distribution system as reported by the Ministry of Health, for each registered drinking water supply. | 99.3% | 99.5% | 99.5% | 99.5% | 100% |
| Fire fighting (urban fire districts) | | | | | | | | | |
| The community is provided with water services to a standard that protects their health and property. | There is adequate fire fighting supply in the approved areas. | Hydrant Coverage (57%). | Hydrant Coverage (60%). | The proportion of an urban fire district area within 135m of one fire hydrant and 270m of two fire hydrants. | 52% | 55% | 56% | 57% | 60% |
| Extended water supply interruption (urban) | | | | | | | | | |
| The community is provided with water services to a standard that protects their health and property. | Problems are resolved promptly. | Reduced number of unplanned water supply interruptions longer than five hours per 1000 properties. | Reduced number of unplanned water supply interruptions longer than five hours per 1000 properties. | The proportion of properties affected by unplanned water supply interruptions of more than five hours per 1000 properties. | Not measured | 50% | 45% | 35% | 20% |

| | | | | | | Service Targets | | | |
|--|--|---|---|---|---------------------|-----------------|---------|---------|---------|
| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | 2012/12 | 2013/14 | 2014/15 | 2016/22 |
| Extended water supply interruption (rural restricted) | | | | | | | | | |
| The community is provided with water services to a standard that protects their health and property. | Problems are resolved promptly. | Reduced number of unplanned water supply interruptions longer than 24 hours. | Reduced number of unplanned water supply interruptions longer than 24 hours. | The proportion of properties affected by unplanned water supply interruptions of more than 24 hours per 1000 properties. | 45% | 50% | 45% | 35% | 20% |
| Wastewater overflows | | | | | | | | | |
| The community is provided with water services to a standard that protects their health and property. | The Council manages wastewater schemes wisely. | Total sewer overflow events limited to 3 per year. | Total sewer overflow events limited to 2 per year. | The total number of sewer and sewer pump station overflows events (wet and dry weather). | - | 3 | 3 | 3 | 2 |
| Water quantity | | | | | | | | | |
| The community is provided with water services to a standard that protects their health and property. | There is enough water to meet customer needs. | Average water consumed per residential property per day reduced towards reasonable needs. | Average water consumed per residential property per day meets reasonable needs. | Average volume of water consumed per residential property per day in the 'Total Water Served Area' (litres/property/day). | 1,467 | 1,000 | 1,000 | 900 | 900 |

| | | | | | | Service Targets | | | |
|---|---|--|--|---|---------------------|-----------------|---------|---------|---------|
| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| Service disruption response (water races) | | | | | | | | | |
| Problems with water services are addressed in a timely manner and prioritised according to risk and need. | Provide a well-managed water race system with a high level of responsiveness to the customer. | Average interruption duration per incident – for water races is measured. | Average interruption duration per incident – for water races is measured. | The average duration for which a serviced property in the ‘Total Water Race Served Area’ is without supply due to unplanned interruption hours. | >10 hr | 10hr | 10hr | 10hr | 8hr |
| Serviced area | | | | | | | | | |
| Service capacity is provided to accommodate growing communities, where this growth is sustainable. | Water - 70% of residential properties serviced within the District. | Increased proportion of serviced properties to meet demand. | Increased proportion of serviced properties to meet demand. | Proportion of residential properties serviced within the District expressed as percentage of total residential properties. | 72% | 73% | 74% | 75% | 80% |
| | Wastewater - 50% of residential properties serviced within the District. | Increased proportion of serviced properties to meet demand. | Increased proportion of serviced properties to meet demand. | Proportion of residential properties serviced within the District expressed as percentage of total residential properties. | 52% | 53% | 54% | 55% | 60% |
| Operating costs | | | | | | | | | |
| Water Services are Provided In A Cost Effective Manner. | Water costs are effectively controlled. | Total operating cost per serviced property maintained at or below the targeted cost. | Total operating cost per serviced property maintained at or below the targeted cost. | Total average operating cost per serviced property. | \$229 | \$330 | \$335 | \$335 | \$335 |
| | Wastewater costs are effectively controlled. | Total operating cost per serviced property maintained at or below the targeted cost. | Total operating cost per serviced property maintained at or below the targeted cost. | Total average operating cost per serviced property. | \$309 | \$340 | \$380 | \$390 | \$400 |

Community water supplies funding impact statement

[illegible]

Community wastewater supplies funding impact statement

[illegible]

Stormwater funding impact statement

[illegible]

Water races and land drainage funding impact statement

[illegible]

IZONE SOUTHERN BUSINESS HUB

Services covered

Izone Southern Business Hub is a 200 hectare industrial park being developed by the Council at Rolleston.

The development which commenced in 2001, initially comprised 130 hectares but since that time, a further 70 hectares has been purchased to accommodate growth and demand for industrial land within Selwyn.

The park, which is located next to State Highway 1 and the Main South and Main West railway lines, has been very popular with parties interested in purchasing land.

Why is the Council involved?

In the late 1990s the Council's strategic planning identified:

- A desire for more Selwyn residents to be able to work in the District.
- There was a lack of industrial land in the District. The Council found there was no private sector interest in developing more industrial land. The Council identified the opportunity to address the lack of industrial land by purchasing the land known as Izone.

Activity goal

Izone is designed to provide employment within the Selwyn District. A secondary goal is to provide a financial return to the Council.

Council contribution to community outcomes

The Izone Southern Business Hub contributes to the community outcome a prosperous economy by encouraging potential employers to locate their operations within the District.

Negative effects of the activity

Carrying out development of commercial property will inevitably have some unintended consequences. The Council recognises these possible negative effects and takes these measures to address them.

| Well being | Possible negative effect | The Council's response is to |
|---------------|---|--|
| Environmental | The activity has the potential to create additional waste water which will require treatment. | Use capacity from the Eastern Selwyn Sewerage Scheme project to cater for this increased growth and associated increase in waste water |
| | There will be an increase in the traffic as a result of this activity. | Monitor traffic levels and carry out roading improvements to cater for this growth. |

Key assumptions

The key assumptions underpinning this LTP are:

- 10 hectares of land will be sold on an annual basis.

Major projects

The major projects planned for the next 10 years are:

- The development of Izone Stage 6 - \$27.7 million.
- The development of Izone Stage 7 - \$23.3 million

Service targets for Izone Southern Business Hub

| Objective | Current level of service | Planned service 2012/15 | Indicative service 2016/22 | Performance measure | Current performance | Service Targets | | | |
|---|--|----------------------------|-------------------------------|-------------------------------------|---------------------|-----------------|---------|---------|---------|
| | | | | | | 2012/13 | 2013/14 | 2014/15 | 2016/22 |
| To provide employment opportunities by selling 10 ha of land on an annual basis | To actively manage and market the Izone Southern Business Hub. | | | Sale of 10 ha per year ³ | 2.6 ha | 10 ha | 10 ha | 10 ha | 10 ha |

³ Projected asset sales are based on 77 ha over 10 years.

Izone Southern Business Hub funding impact statement

[illegible]

INTERNAL COUNCIL SERVICES

Support services

Internal support and administration functions exist to assist the Council's significant activities in the delivery of outputs and services with the exception of taxation expense. The cost of all support services (overheads) is allocated to each of the Council's significant activities on a cost basis.

Support services include:

- CEO's department
- Finance function
- Information services
- Records management
- Asset management and service delivery

The internal Council services activity also covers the Council's corporate income, including dividends, interest and property leases. Because it includes corporate income, the Internal Council Services activity generates a surplus. This surplus is used to reduce the general rate requirement so that all ratepayers benefit from this income. As a result, the general rates line in the funding impact statement represents a reduction to general rates rather than funding from general rates.

Internal Council services funding impact statement

[illegible]



FINANCIAL FORECASTS

- Financial Strategy
- Prospective Financial Statements
- Statement of Accounting Policies
- Key Assumptions

FINANCIAL STRATEGY

Introduction

The financial strategy guides the way the Council makes decisions over income, expenditure, borrowing and investments. It helps explain how it plans to balance the books and summarises the implications of these plans for ratepayers. In doing so it links the decisions the Council makes on what services to provide and how they will be paid for.

Summary

In developing its Long Term Plan (LTP) the Council has sought to preserve the Council's financial position and be fair in determining the amount current and future ratepayers, customers and developers should pay for the services they receive.

The Council continues to face pressures on its finances. It is starting the period of this LTP facing cost increases, reduced revenue from investments and rising borrowing. A number of factors have combined to create this position.

- The slowdown in the economy and the earthquakes have impacted on the Council's revenue.
- Borrowing has been used to help fund a programme of large capital projects to cater for the demands of a rapidly growing population, including new community facilities, expanded waste water capacity, road improvements and the Izone Southern Business Hub.

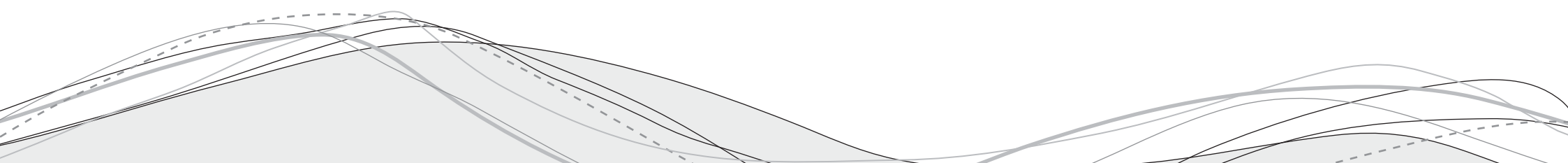
Although the Council remains in a sound financial position, the financial landscape is more challenging than it was three years ago. This means the Council will need to rebalance its finances over the coming 10 years – increasing income more quickly than expenditure so that the Council can fund its interest costs and slow the rise in borrowing. The Mayor and Councillors have scrutinised the expenditure plans for each service and sought to keep cost to a minimum while still allowing sufficient funds to deliver good quality services that meet local needs.

While rates will need to increase above the rate of inflation, the level of increase will be tightly managed and rates will remain reasonable. Similarly the level of borrowing will be controlled so that it will not leave an unreasonable burden for future ratepayers.

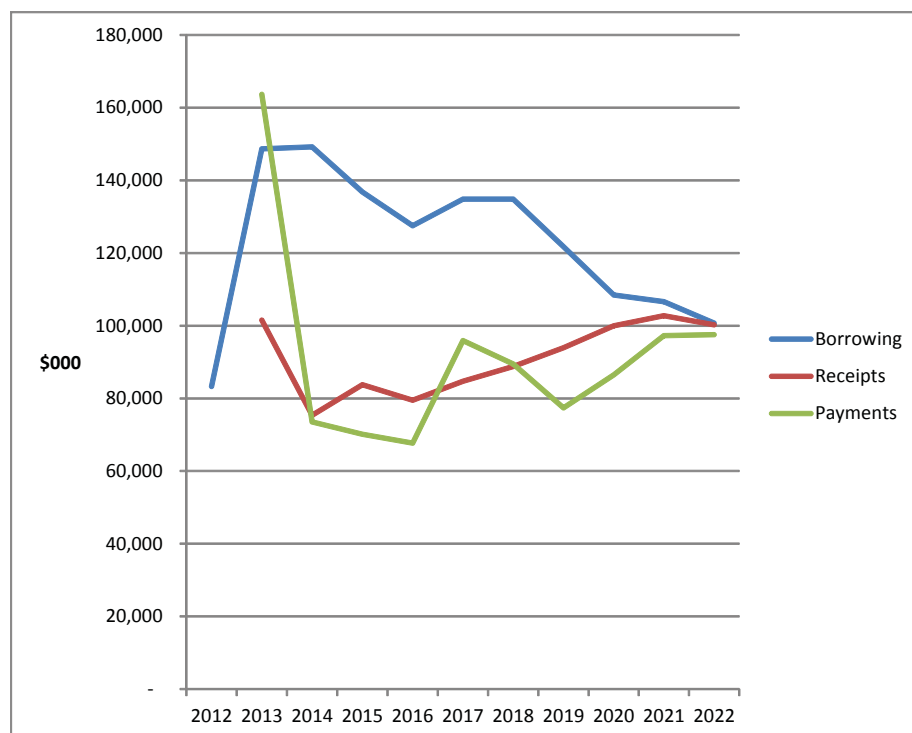
The Council is forecasting average rate rises per ratepayer of less than 5% per year over the next 10 years (this is a combined increase for both the general rate and targeted rates). The Local Government Act (2002) requires local authorities to set a limit on rate increases. The limit set by the Council is that the average increase per ratepayer should not exceed 8% in any one year. These are average increases per ratepayer across the District and the actual increase for individual properties may exceed these amounts.

The Council forecasts that borrowing will rise from around \$100 million to around \$150 million over the period of the LTP. This additional borrowing will be used to help fund the Council's capital programme, including the Eastern Selwyn Sewerage Scheme, the development of Izone and improvements to roads. The forecast debt is within the debt limits included in the Council's Liability Management (Borrowing) Policy. The Council is satisfied that the forecast level of borrowing is affordable and will not overburden future ratepayers. Much of the debt is funded by development contributions from land developers, lease income from the Council's commercial properties and targeted rates for community facilities.

The Council's financial strategy is illustrated in the chart below. It shows how forecast receipts, payments (capital and operating) and borrowing will track over the next 10 years. The chart shows that, when payments are higher than receipts, borrowing increases and when receipts exceed payments, borrowing decreases. In the early years of the LTP, borrowing increases because of a shortfall in receipts, but as receipts increase and rise above payments borrowing can be repaid. Without the increases in receipts arising from development contributions and rates, the level of borrowing would continue to increase and require large rate rises and/or expenditure cuts in the future to enable the Council to meet interest costs.



The Council's forecast receipts, payments and borrowing 2012/22



The detail behind the Council's financial strategy is set out in the following sections, including:

- A summary of how the Council decides who pays for what.
- An overview of the current financial position.
- The key factors that have influenced the financial strategy.
- The implications for rates, borrowing and service levels over the next 10 years.

Who pays for what?

The Council aims to be prudent in the management of its finances and fair in determining how much ratepayers, customers and developers should pay for the services they receive. This also means being fair to future ratepayers who will inherit the impact of decisions we make today. This approach requires a fine balancing act and calls for the Council to make complex judgements.

These judgements require consideration of:

- What activities are needed to achieve the Council's objectives.
- Who benefits from the activity.
- The period over which the benefit occurs.
- The extent to which the actions of individuals or groups require the activity to be undertaken.

The Council meets this challenge by using a tried and tested financing policy.

- Where the service is of direct benefit to a customer with little or no broader community benefit, most or all costs are recovered through user charges, for example, dog registration.
- Where the service is of direct benefit to a property, household or specific community, costs are recovered through targeted rates on those that benefit from the service, for example, water and sewerage.
- Where the service is of broad community benefit, costs are recovered through the general rate across the whole District, for example, roads, and civil defence.

Where the service is required because of the action of individuals or groups and does not provide broader benefits, the costs are largely recovered from that group, for example the provision of additional infrastructure to meet the needs of developers. Where costs are recovered from developers for the expansion of infrastructure, there is a risk that development will not occur as expected. In such cases some costs may fall to the existing users of the infrastructure.

In some cases there is a mix of these factors, for example building control where customers gain most of the benefit but the community as a whole also benefits, costs are recovered through a mix of user charges and the general rate.

Where the benefit is spread over a number of years, for example through the construction of an aquatic centre the Council may borrow to fund the initial expenditure and then recover the cost from ratepayers over a number of years. This spreads the cost fairly across current and future ratepayers.

Overview of the Council's financial position

Net assets

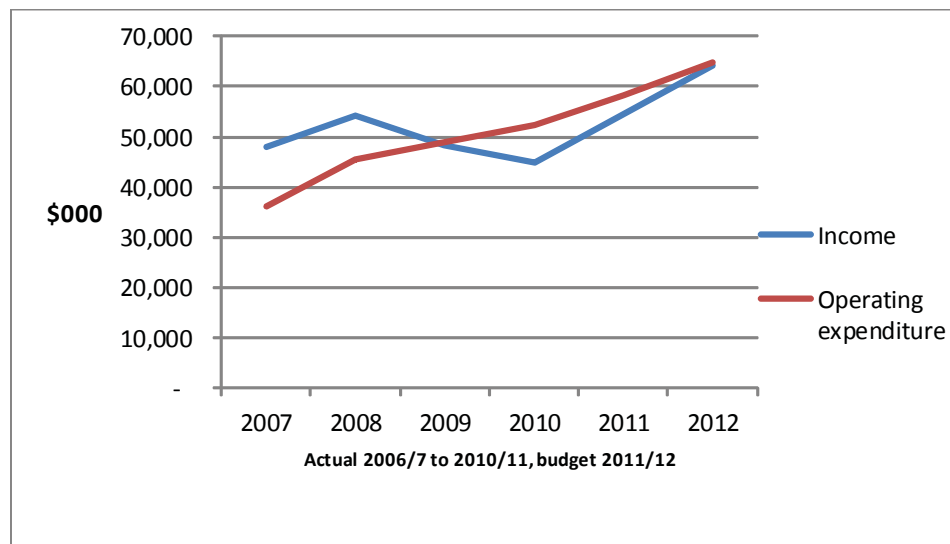
As at 30 June 2011 the Council had net assets of \$1,125 million. This is equal to \$65,000 per ratepayer. The majority of the Council's assets are the roads, water and sewerage systems that provide the District's essential infrastructure. In addition, the Council has some long term investments, including its shareholding in Orion New Zealand and investment property.

Income and operating expenditure

The cost of providing services is currently around \$65 million per year. This has risen over recent years as both costs and the level of services has increased. The Council is also incurring financing costs in relation to borrowing to pay for new facilities, new infrastructure to cater for population growth, and investment in commercial properties.

A summary of the Council's income and operating expenditure over the past 5 years plus the budget for 2011/12 is set out in the chart below. (The figures exclude vested assets income - the value of roads and water pipes etc. received from developers – because this is notional non-cash revenue that does not improve the Council's ability to fund its activities.)

Income and operating expenditure 2006/07 to 2011/12 (excluding vested assets income)



This chart demonstrates how difficult economic conditions over recent years have impacted on the Council with expenditure increasing more rapidly than income. It shows that the Council's start point for the LTP 2012/22 is a break even position. This is not ideal. Generally, local authorities, particularly ones with a growing population, aim to generate surpluses to help pay for new capital expenditure projects and repay borrowing.

Capital expenditure and borrowing

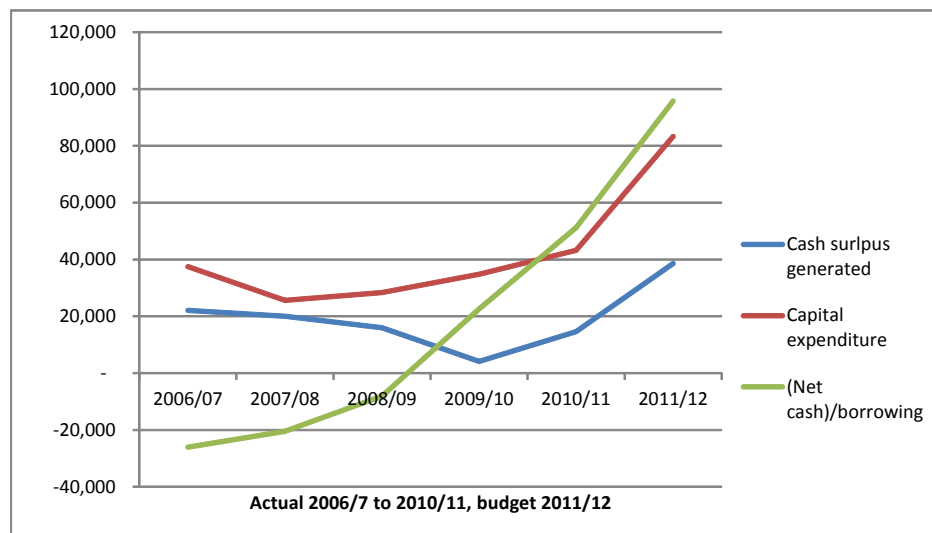
The Council has spent substantially on capital items in recent years, including:

- The new Eastern Selwyn Sewerage Scheme to provide the additional capacity that will allow the population of the District to continue to grow.
- The development of the Izone Southern Business Hub, including commercial property developments to bring jobs to the District and provide for future financial returns.
- New and improved community facilities including the Lincoln Event Centre, Leeston, Darfield and Lincoln Libraries plus the Selwyn Aquatic Centre.

To fund these investments and service development, the Council has taken on borrowing. The Council's borrowing is expected to be close to \$105 million by June 2012. This is \$6,100 per ratepayer. This borrowing will be repaid by a number of sources. The Eastern Selwyn Sewerage Scheme will be repaid by the contributions paid by developers, the Izone Southern Business Hub development will be repaid by property sales and rentals and the new community facilities will be repaid by a mix of development contributions and rates.

An illustration of the way that the Council's capital expenditure has resulted in the Council's current level of borrowing is shown in the chart below.

The Council's capital expenditure and cash reserves/borrowing 2006/07 to 2011/12 (\$'000)



Note: In this chart cash reserves are shown as negative and borrowing is shown as positive.

The chart shows that the level of capital expenditure over the past 5 years has exceeded the operating cash surpluses. To fund its capital expenditure, the Council initially used its cash reserves and then more recently took out borrowing to provide the cash required. The impact of the capital expenditure programme over recent years is that the level of borrowing is now close to the limit of the Council's Liability Management (Borrowing Policy) Policy. The current limit is around \$100 million, but will increase if the proposal set out in the LTP to amend the policy limits is implemented.

Key factors that have influenced the financial strategy

The financial strategy has been prepared taking into account the Council's starting financial position as summarised above, plus the factors that we expect to influence its financial position over the next 10 years. These include:

- population growth and changing land use
- inflation
- changes to services
- investment returns

- funding of renewals and depreciation.

Population growth and changing land use

As one of the fastest growing districts in the country, population growth is top of the list of factors that are influencing the Council's finances. It is this growth that leads to the increasing level of expenditure and the significant capital expenditure programme of recent years.

We have developed a population growth model for the District in conjunction with Business Economic Research Limited. The model was first developed in 2008 and has been revised and updated in 2011. The model is used to forecast population levels by township over the next 30 years. It takes a long term view based on historic trends and assumptions about the future. It allows the Council to assess the impact of different decisions, for example the provision of additional water and waste water capacity.

Forecasting population growth is tricky at the best of times, but particularly challenging at the present time. The impact of the earthquakes on our population movements around Canterbury remains unclear and the national and global economies are growing more slowly than in the recent past. However, we expect that the population of the District will continue to grow over the coming year and as such we need to plan for that growth.

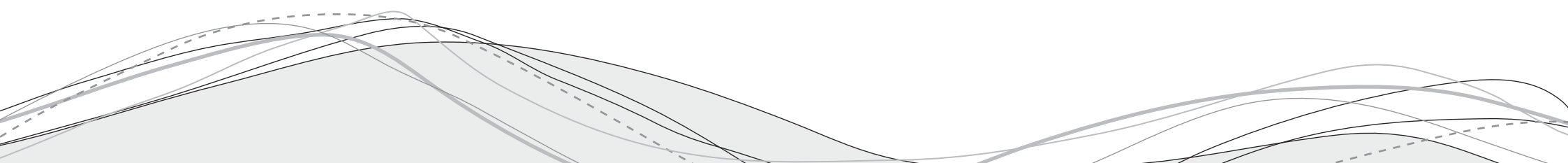
The current population of the District is about 39,000 (excluding the Burnham military base) and the forecast is that it will be 46,000 by 2022 (the end of the period covered by the LTP) and 64,000 by 2041.

To accommodate the additional residents, the Council has been through a planning process to rezone land as residential. Plan Change 7 has rezoned 809 hectares of land, enough for 8,800 new homes. The approach taken by the Council, as part of the Urban Development Strategy for the greater Christchurch area, has been to allow residential growth in tightly defined areas known as Metropolitan Urban Limits. This controlled development allows for efficient provision of new infrastructure (roads, water and waste water) and helps preserve the rural character of the District (the very reason many people enjoy living here).

The Council has already embarked upon the key projects that will support the population growth, including the Eastern Selwyn Sewerage Scheme, the upgrade of the road link between Rolleston and Christchurch, the Lincoln Event Centre, the Selwyn Aquatic Centre and the Rolleston Recreation Precinct. The Council's policy is that developers should pay for new infrastructure that is required to serve the growing population. Also funds from reserve development contributions

are helping to pay for the new community facilities. In this way the whole community benefits from the growing population but is not burdened with its costs. There is however some risk with this strategy. If the Council spends money providing infrastructure to allow more houses, but the population does not grow as anticipated, then the Council, and ultimately, the ratepayer is left with borrowing that still needs to be financed. This will be monitored over the coming years and action taken to try to mitigate the risk, but the requirement for large upfront expenditure on the Eastern Selwyn Sewerage Scheme means that it will remain a risk for many years to come.

The forecast cost of providing for the growing population over the next 10 years is set out in the table below.



Additional costs arising from population growth and land use change*

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Growth related expenditure | | | | | | | | | | |
| Operating expenditure | | | | | | | | | | |
| Community services | 6 | 10 | 56 | 57 | 103 | 103 | 106 | 106 | 109 | 109 |
| Community facilities | 2,886 | 3,610 | 3,764 | 3,838 | 4,007 | 4,193 | 4,218 | 4,339 | 4,570 | 5,191 |
| Commercial property | 1,555 | 1,555 | 1,555 | 1,555 | 1,555 | 1,555 | 1,555 | 1,555 | 1,555 | 1,555 |
| Water races and land drainage | - | - | - | - | - | - | - | - | - | - |
| Roading | 800 | 561 | 1,227 | 1,035 | 1,522 | 1,705 | 1,965 | 1,981 | 2,142 | 2,217 |
| Sewerage | 3,226 | 4,352 | 4,722 | 4,763 | 4,822 | 4,829 | 4,766 | 4,671 | 4,565 | 4,448 |
| Stormwater | 213 | 251 | 272 | 281 | 282 | 282 | 282 | 282 | 283 | 283 |
| Water supply | 137 | 142 | 153 | 164 | 215 | 227 | 239 | 252 | 264 | 348 |
| Waste management | 7 | 34 | 36 | 39 | 66 | 66 | 66 | 67 | 68 | 100 |
| Support services | 127 | 255 | 387 | 523 | 538 | 556 | 575 | 594 | 615 | 636 |
| | 8,957 | 10,770 | 12,172 | 12,255 | 13,110 | 13,516 | 13,772 | 13,847 | 14,171 | 14,887 |
| Capital expenditure | | | | | | | | | | |
| Community services | 121 | 88 | 197 | 6 | 211 | 6 | 225 | 6 | 241 | 7 |
| Community facilities | 18,378 | 1,082 | 1,039 | 1,909 | 2,841 | 2,168 | 962 | 2,826 | 4,854 | 11,741 |
| Commercial property | 35,169 | 2,539 | - | - | 7,770 | 15,540 | - | - | - | - |
| Water races and land drainage | 463 | - | - | - | - | - | - | - | - | - |
| Roading | 2,810 | 423 | 1,368 | 509 | 1,714 | 895 | 1,357 | 963 | 1,258 | 1,498 |
| Sewerage | 25,933 | 2,862 | - | - | 694 | - | 4 | 44 | 335 | 470 |
| Stormwater | 780 | 5 | 231 | 6 | - | - | - | - | 40 | - |
| Water supply | 4,211 | - | - | - | 1,260 | - | - | - | - | 2,273 |
| Waste management | 145 | 529 | 55 | 43 | 541 | 5 | 11 | 10 | 17 | 641 |
| Support services | 506 | 512 | 528 | 546 | 565 | 584 | 604 | 624 | 646 | 669 |
| | 88,516 | 8,040 | 3,418 | 3,019 | 15,596 | 19,198 | 3,163 | 4,473 | 7,391 | 17,299 |

* Note: these additional costs relating to population growth will also result in improved services to the existing population, for example through roading improvements and new or expanded community facilities.

The additional maintenance expenditure arising from growth will be met by the new ratepayers as they increase the rating base. This means that existing ratepayers will not need to meet these costs. The financing costs that relate to roading will be met by all ratepayers through the general rate, with the increasing rating base helping reduce the impact on existing ratepayers. The financing costs associated with the sewerage, stormwater and water supply services will be met through development contributions, provided that the anticipated growth happens. If growth is slower than anticipated the Council will seek to minimise the impact but it is still possible that existing ratepayers will need to fund some of these costs. The Council's policy is to fund the renewal of its infrastructure rather than the depreciation expense so the additional depreciation cost will not fall on ratepayers. (Depreciation and renewal funding are covered in more detail later).

The capital expenditure relating to growth is to provide additional capacity in the Council's road, footpath, water, waste water and stormwater networks, as well as providing additional community facilities. The roading capital expenditure will be funded by a combination of general rates and development contributions. The water, waste water and stormwater expenditure will be funded by development contributions. The community facilities expenditure will be funded by targeted rates and user charges.

Inflation

Everyone faces the impact of inflation and the Council is no exception. In fact price increases for local authorities tends to be higher than the rate of the consumer price index. This inevitably means the cost of providing services will increase over the next 10 years and these increases will affect the level of rates. Overall, we estimate that inflation will increase the costs by around 36% over the next 10 years. Although some activities are more affected than others, particularly those that are more dependent on energy and oil, the impact of inflation is across the board and all of the Council's rates and charges will increase as a result of inflation.

Changes to services

Over the past few years the Council has put in place a number of improvements to the level of services it provides. This includes the new community facilities and a greater emphasis on community development. The impact of these changes has already largely been reflected in the Council's cost and ratepayers bills. Over the next 10 years the Council is planning the following improvements in the levels of service.

- Roading improvements to improve the efficiency and safety of key arterial routes.
- New walking and cycling links between townships.
- New community halls in Dunsandel and Prebbleton and improvements to sporting facilities in a number of townships.

The improvements will be funded by targeted or general rates.

The level of general rate funding required for the land transport activity increases from \$7.5 million in 2012/13 to \$12.7 million in 2021/22. This increase is due to the:

- increasing cost of road maintenance
- the amount of renewals required (for example, resurfacing)
- the need for improvements to increase capacity and improve safety
- the implementation of projects to promote walking and cycling, and
- the reduction in the level of subsidy from the New Zealand Transport Agency.

Investment revenue

The Council has three main types of investments: its property portfolio, its shareholding in Selwyn Investment Holdings Limited (SIHL) and bonds. The property portfolio includes the development land at the Izone Southern Business Hub and commercial properties. SIHL owns shares in Orion New Zealand Limited and SICON Limited. It also holds shares in Selwyn Plantation Board Limited, but this company is no longer trading and its assets are being sold.

The main objective for the investment in the Izone Southern Business Hub is to bring employment opportunities into the District. Financial returns from Izone Southern Business Hub are a secondary objective. Izone Southern Business Hub has returned dividends to the Council over recent years that have been used to help reduce the level of rates. However, as sales slowed over the last 2 years, the Council has decided not to take dividends from Izone Southern Business Hub over the coming period. Sales revenues will be used to reinvest in Izone Southern Business Hub development and ultimately provide a capital surplus to the Council.

Similarly, the commercial property investments, including the construction of properties within Izone Southern Business Hub, are helping bring jobs to the District. The financial target for

commercial properties is a return of at least 7.5%. Revenue from one of the commercial properties is used to support the general rate because it was funded with cash that previously generated interest revenue. Other revenue from commercial properties is currently being used to meet the financing costs of the properties and any surpluses are being retained for future debt repayment.

The objective for holding the investment in SIHL is to secure a financial return to the Council and ratepayers. These are long term investments that provide both annual dividend revenue and regular capital growth that protects the underlying value of the investment. As such they generally provide a better long term return than from cash investments.

The objective of holding bonds is to hold a low risk investment that provides an annual return and that can be readily converted to cash if required. They can provide balance to the investment portfolio as the investment in SIHL and property cannot easily be converted to cash.

The Council has set the following target returns for its investments.

| | Target return | Use of investment returns |
|------------------------------------|--|--|
| Izone Southern Business Hub | Positive cash return over the life of the development. | Will be held for the future benefit of the District. |
| Commercial property | 7.5% | Will be used to fund interest and borrowing repayment and provide revenue to support the general rate requirement. |
| SIHL | 4% * | Will be used to support the general rate requirement. |
| Bonds | 5% | Will be used to support the general rate requirement. |

* This is 4% on the fair value of the Council's shareholding.

Renewals and depreciation

Depreciation is a measure of the consumption of the value of an asset – the annual depreciation charge represents the amount of the asset that is worn out each year. For example, if a road surface lasts about 10 years, the current ratepayers are assumed to use up one tenth of the value of the road each year and this amount forms part of the Council's operating expenses for the year. This is a non-cash expense as it is just a book entry and does not involve any payments.

Renewal costs are the actual cost of replacing the asset when it is worn out. It is the actual cash payment required to replace the old asset. Over time the depreciation charge for the Council's infrastructure assets (roads, water and waste water systems) should be similar to the renewals expenditure. But in any one year they can be very different – depreciation is a regular annual operating expense and the corresponding renewal is an irregular capital cost.

Historically, Council's policy was to fund initial installation costs and renewal costs as they were required. For example new water systems may have been paid for by lump sum contributions by ratepayers at the time it was constructed and in future years renewal costs were paid for when items such as pumps needed replacing. This approach meant that ratepayers did not need to start funding the replacement of new items straight away after they were installed. But it also means that the cost of renewals falls inconsistently across ratepayers over time and that current ratepayers are not paying for the proportion of the asset they are using up each year.

In 2009 the Council developed a new approach for water and waste water based on funding average renewals. The approach is to calculate the average cost of renewal work that will be required over the next 20 years and include this in the calculation of the amount of rates required to be collected each year. The aim of this approach is to spread the cost of the renewal over the ratepayers that are using up the asset towards the end of its useful life. As the Council's schemes are relatively young in terms of asset life this cost is generally lower than would be charged if the depreciation expense was included in the rate calculation. However, if no provision is made to collect funds for future replacement current ratepayers are effectively using up assets whose replacement will need to be paid for by future ratepayers. The 20 year average approach strikes a balance between the pure depreciation approach that can mean some ratepayers pay for an asset twice and the pure renewals approach that can mean some ratepayers never pay for the assets they consume.

The approach to renewals for roading has not changed; the approach remained that renewals would be funded as they fell due. This approach was considered appropriate for roading for two reasons. First, it reflects the way that the Council receives funding for road renewals from New Zealand Transport Agency and second, the costs of renewals for roading is less variable than individual water or waste water scheme as it covers the whole District with a mix of road ages and condition.

The Council has considered again the approach to funding renewals and has confirmed that the approach adopted in 2009 (to fund average 20 year renewals for water and waste water and annual renewal funding for roading) should continue for the 2012/22 LTP.

The implications for rates, borrowing and service levels over the next 10 years

Revenue, expenditure and net assets

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

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Annual Plan | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Income | | | | | | | | | | | |
| Rates (excluding metered water) | 27,446 | 28,305 | 30,455 | 32,728 | 35,358 | 37,537 | 39,924 | 42,716 | 45,380 | 48,546 | 51,426 |
| Development contributions | 7,431 | 5,698 | 5,674 | 5,778 | 5,638 | 7,050 | 7,302 | 7,419 | 9,219 | 9,319 | 10,286 |
| Subsidies | 6,081 | 4,534 | 4,336 | 4,183 | 5,206 | 5,692 | 5,872 | 7,093 | 7,346 | 7,660 | 7,936 |
| Vested assets | 10,659 | 10,807 | 7,039 | 10,455 | 9,385 | 8,015 | 14,273 | 8,350 | 10,671 | 10,257 | 10,538 |
| Other revenue | 23,071 | 29,331 | 27,480 | 28,691 | 28,066 | 29,045 | 30,273 | 31,099 | 32,184 | 32,250 | 28,661 |
| Total income | 74,688 | 78,675 | 74,984 | 81,835 | 83,653 | 87,339 | 97,644 | 96,677 | 104,800 | 108,032 | 108,847 |
| Operating expenditure | 64,742 | 71,852 | 75,460 | 79,844 | 80,088 | 82,601 | 87,294 | 88,768 | 90,657 | 95,469 | 97,403 |
| Surplus/(deficit) | 9,946 | 6,823 | (476) | 1,991 | 3,565 | 4,738 | 10,350 | 7,909 | 14,143 | 12,563 | 11,444 |
| Net assets | 938,018 | 1,156,456 | 1,268,161 | 1,272,601 | 1,287,789 | 1,403,570 | 1,416,661 | 1,437,263 | 1,576,643 | 1,592,399 | 1,618,770 |

The table shows that the Council will achieve a surplus in nine out of the ten years covered by the LTP. The Council has a statutory responsibility to set its operating revenues at a level sufficient to meet that year's projected operating expenses, unless it resolves that it is prudent not to do so. The Council's strategy is to increase surpluses over the period of the LTP, thereby slowing the rising level of borrowing so that future ratepayers are not left with a large level of borrowing built up by current ratepayers. The Council is satisfied that this is an appropriate approach and that, within the context of this strategy, it is prudent to allow a small projected deficit for one year of the LTP.

The surplus/(deficit) is after including revenue from vested assets. This is non-cash revenue that represents the value of infrastructure and reserve assets transferred to the Council by land developers and is revenue that cannot be used to fund the Council's activities. Without the inclusion of vested assets revenue the Council would incur a deficit in the early years of the LTP. The table shows the Council's strategy to address this by seeking to increase surpluses over the period of the plan. This will slow the rising level of borrowing so that future ratepayers are not left with a large level of borrowing built up by current ratepayers.

The Council's income includes rates, fees and charges, development contributions, New Zealand Transport Agency Subsidies and vested assets. The implications of the Council's financial strategy for rates is dealt with in detail below. In general, most fees and charges income will rise as prices are increased due to increasing costs and as the level of activity increases due to population growth.

The revenue from development contributions is very important as it is used to repay the cost of capital expenditure that was undertaken to provide additional capacity. The level of development contributions is linked directly to the rate of population growth. If growth is faster than forecast income will go up and help reduce the Council's level of borrowing. If growth is slower then there will be less income and the Council will incur higher interest costs. If this happens it is possible existing ratepayers may need to help fund these costs. The most significant example of this is the Eastern Selwyn Sewerage Scheme. This is a very large scheme that involves borrowing in excess of \$50 million. We have set the development contribution charge assuming long term population growth. If this long term growth does not eventuate the ratepayers served by the scheme may need to fund some of the interest costs associated with the scheme.

New Zealand Transport Agency subsidy helps fund the cost of maintaining, renewing and improving the Council's roads and footpaths. The level of subsidy will drop from 48% to 47% of approved operating and renewal expenditure on 1 July 2012. The amount of the subsidy is set by the New Zealand Transport Agency.

The Council's expenditure will increase by more than 40% over the next 10 years. The main reasons for this are the impact of inflation and population growth on the Council's costs.

Annual surpluses and periodic asset revaluations will increase the Council's net assets over the next 10 years. By 2022 we forecast that net assets will be around \$75,000 per ratepayer. These assets are made up of the essential road, water and waste water assets plus investments held on behalf of ratepayers.

Rates

General rate

The general rate accounts for around 40% of the total rates revenue (the other 60% is from targeted rates). The activities funded by the general rate include:

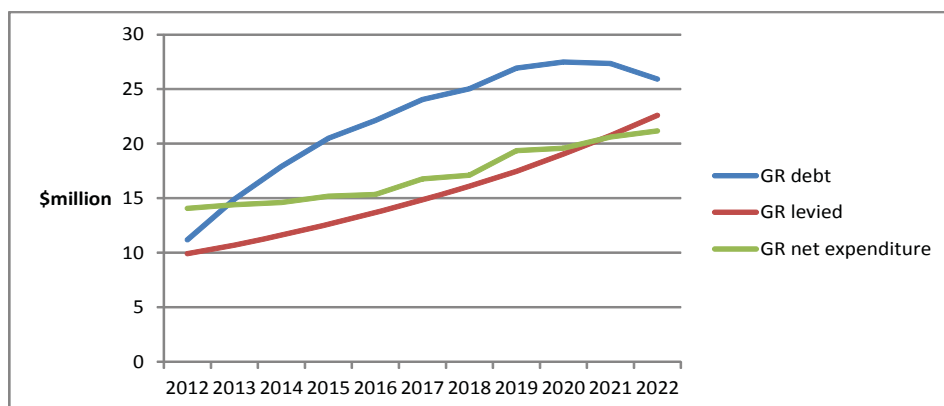
- land transport
- environmental services
- democracy
- cemeteries, public toilets, civil defence, community development
- a contribution towards community centres/halls, reserves and community swimming pools.

The amount individual ratepayers pay is based on the capital value of their property. The level of the general rate is influenced by many factors including the level of investment revenue and the level of capital expenditure on land transport. Historically, the Council has sought to minimise the level of the general rate and has kept annual increases to a minimum. To achieve low rate increases, and taking into account that capital expenditure brings benefits over a number of years, the Council has used borrowing so that future ratepayers share some of the costs incurred over recent years. This is an appropriate approach during a period when substantial expenditure is required on projects aimed at bringing future benefits. But it is not sustainable in the longer term because it just builds up interest costs that add to the amount that needs to be funded by rates, and builds up borrowing that will need to be repaid. The Council will need to reduce its reliance on borrowing over the coming years so that it is able to limit the level of general rate funded debt to a financially sustainable level.

The chart below illustrates how general rate expenditure will be met by borrowing over the next 10 years. Net expenditure on general rate funded budgets exceeds the proposed general rate that will be levied over the early years of the plan and as a result the general rate funded debt will

rise. However, a combination of growth in the rating base plus annual general rate increases of 6% means that the level of revenue will rise faster than the level of expenditure. This approach means that towards the latter years of the plan general rate revenue will exceed general rate expenditure and the level of debt will reduce. Without rate increases over the course of the plan, the level of debt will increase so that future rate payers will be faced with a large debt burden and the prospect of very large rate increases.

Funding the general rate requirement



Targeted rates

Targeted rates account for about 60% of total rates revenue and are in place to fund specific activities including.

- water, sewerage, water races, land drainage
- recreation reserves, community centres, libraries, swimming pools
- Canterbury Museum
- refuse
- Community Boards.

A self-contained account is maintained for each targeted rate that, over time, must be kept in balance. In any one year the account may be in surplus or deficit, but the level of the rate is set to achieve a balance over the medium term (five to 10 years). Where the activity requires substantial capital expenditure this may be met by one-off lump sums or a loan that is repaid over a period of time, typically 20 years.

The rate for local targeted rates such as community centres, recreation reserves, community boards, water and waste waters schemes is set in consultation with the local community, taking into account the Activity Management Plan for the activity. In this way the rate set takes account of each community's view on the level of service they want in their area. District-wide targeted rates such as libraries, swimming pools and refuse are based on the rate required to keep the targeted rate account in balance over the medium term based on the Activity Management Plans prepared for the activity. These plans take into account the district-wide consultation on levels of service.

Rates levels and limits

The 10 year forecast for rates income, average rates per ratepayer and average annual percentage increase is set out in the table below.

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Annual Plan | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| General rate | 9,985,000 | 10,686,000 | 11,609,000 | 12,611,000 | 13,700,000 | 14,856,000 | 16,110,000 | 17,469,000 | 19,036,000 | 20,743,000 | 22,603,000 |
| Targeted rates | 17,459,119 | 17,618,597 | 18,846,091 | 20,117,347 | 21,658,277 | 22,680,840 | 23,814,053 | 25,246,871 | 26,344,407 | 27,802,918 | 28,822,998 |
| Total rates | 27,444,119 | 28,304,597 | 30,455,091 | 32,728,347 | 35,358,277 | 37,536,840 | 39,924,053 | 42,715,871 | 45,380,407 | 48,545,918 | 51,425,998 |
| Average per ratepayer | 1,617 | 1,640 | 1,735 | 1,833 | 1,947 | 2,021 | 2,101 | 2,197 | 2,271 | 2,363 | 2,435 |
| Average increase per ratepayer | | 1.4% | 5.8% | 5.6% | 6.2% | 3.8% | 4.0% | 4.6% | 3.4% | 4.1% | 3.0% |
| Ratepayers (UAGCs) | 16,973 | 17,262 | 17,555 | 17,853 | 18,157 | 18,575 | 19,002 | 19,439 | 19,983 | 20,543 | 21,118 |

The average annual rates increase per ratepayer over the 10 years is 4.2%. The increase in total rates revenue over the period is higher, but this is due to the expected increase in the District's population.

The Council will endeavour to control the level of rate rises over the 10 year period and has set the following limits.

- Total rates revenue will not exceed more than an average of \$2,500 per ratepayer.
- The average percentage increase per ratepayer across the District will not exceed 8% in any one year.

The average rates per ratepayer is defined as the total rates revenue divided by the number of uniform annual general charges levied.

The Council can exceed these limits if it resolves to do so. This is only likely to happen if there is a specific reason. For example, the one-off earthquake rate introduced in 2011/12 to fund costs arising from the September 2010 earthquake.

These limits cover both general rates and targeted rates combined.

Borrowing

As has been signalled above, the Council is very conscious of its rising levels of borrowing and the need to reduce the speed of this increase. The increase over recent years has been to fund capital expenditure that will support the growth of the District including the Eastern Selwyn Sewerage Scheme, Izone Southern Business Hub and general rate funded expenditure on roading. These initiatives used up much of the Council's borrowing capacity and means that there is less capacity to fund future projects from borrowing. As a result the Council needs to ensure that it generates sufficient income to cover its expenditure over the next 10 years. Unless it takes this approach, borrowings will increase and future ratepayers will be faced with large rates increases as they will need to meet both rising interest costs and the repayment of borrowing.

The Council's forecast level of borrowing for the 10 years of the LTP is shown in the table below.

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Annual Plan | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Total borrowing | 97,520 | 148,637 | 149,177 | 136,800 | 127,463 | 134,804 | 134,822 | 121,745 | 108,416 | 106,584 | 100,688 |

The table shows that debt will increase in the early years of the Plan as the Council continues to spend on key capital projects including the Eastern Selwyn Sewerage Scheme, Izone, the Selwyn Aquatic Centre, and improvements to the roading network. The level of debt will reduce towards the middle of the 10 year plan as the increases in revenue allow.

The Council has set the following limits on its total borrowing.

| Ratio | Limit | Forecast maximum level during period 2012-22 |
|--|-------|--|
| Net borrowing as a percentage of equity | 12% | 11% |
| Net borrowing as a percentage of income | 250% | 210% |
| Net interest as a percentage of income | 20% | 13% |
| Net interest as a percentage of rates income | 30% | 26% |

The Council provides security on its borrowing through a Debenture Trust Deed. This provides lenders with a charge over the Council's rates income and means that, if the Council defaulted on a loan, the lender would have the ability to set a rate and recover the sums owed. In practice, it is the ability of local authorities to set rates that makes it very unlikely that a local authority will default on its obligations.

In previous years, when the Council has substantial cash balances, it provided 'internal loans' for specific projects. An internal loan involves book keeping entries that charge a specific account a notional amount for interest and principal. This approach has been used for new sewerage and

water supplies as well as some local community facilities, and the notional financing charges are included in the calculation of targeted rates for those schemes or facilities. Now that the Council is in position where it is borrowing to fund its capital expenditure it has less scope to utilise internal borrowing and in the future such projects are likely to be funded from external debt.

Levels of service

The Council has set its financial strategy so that it is able to fund its planned levels of service over the next 10 years. In the main the range and quality of services will be broadly similar to current provision. But additional capacity will be provided to meet the needs of the growing population, including reserves, waste water capacity, and community development activities.

The Council is not planning any major new services and the emphasis over the next few years will be making the most of the new facilities that have been established, including the Selwyn Aquatic Centre, and the Lincoln Event Centre.

In summary, the financial strategy is to collect sufficient funds from a mix of ratepayers, service users and developers to meet the cost of providing its planned level of service, as well as to provide adequate funds to maintain, renew and expand our infrastructure to meet our needs now and in the future.

Conclusion

The Council has designed its financial policies to be prudent and fair to current and future ratepayers. Current ratepayers pay for the services they enjoy, including a contribution to the cost of replacing the infrastructure they use. The cost of expanding our infrastructure to allow for new residents is generally paid for by developers. All ratepayers, current and future, pay for the costs involved in improving the quality of services. This approach will maintain the Council's solid financial position over the next 10 years and provide a sound base for maintaining the well-being of future generations.

PROSPECTIVE FINANCIAL STATEMENTS

Introduction

The financial statements in this section outline the Council's prospective financial information for the 10 years from 1 July 2012 to 30 June 2022.

Statement of responsibility and authorisation for issue

The Council is responsible for the preparation of the prospective financial statements, including the appropriateness of the underlying assumptions and other disclosures. The prospective financial statements for the period ending 30 June 2022 were authorised for issue by the Council on 27 June 2012.

Purpose of preparation

The purpose of the prospective financial information is to inform the community about the Council's financial plans and may not be appropriate for other purposes.

Cautionary note

The prospective financial statements are based on assumptions and actual results are likely to vary from the information presented and the variations may be material.

The prospective statement of financial position is based on an updated projection of the opening statement of financial position as at 1 July 2012 and is not based on the annual plan 2012. There is therefore a difference between the closing equity and cash balances shown for the 2012 annual plan and the opening equity and cash balances in the Long Term Plan forecast. The differences arise because the Long Term Plan opening balances reflect the Council's actual results for 2011 and updated information in relation to the 2012 forecasts.

Significant assumptions

The Council has made assumptions in preparing the prospective financial statements and these are set out after the accounting policies.

Prospective statement of comprehensive income

A forecast for the 10 years ending 30 June 2022

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---------------|---------------|----------------|---------------|---------------|----------------|---------------|---------------|----------------|----------------|----------------|
| | Annual Plan | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Income | | | | | | | | | | | |
| Rates (other than for metered water supply) | 27,446 | 28,305 | 30,455 | 32,728 | 35,358 | 37,537 | 39,924 | 42,716 | 45,380 | 48,546 | 51,426 |
| Development contributions | 7,431 | 5,698 | 5,674 | 5,778 | 5,638 | 7,050 | 7,302 | 7,419 | 9,219 | 9,319 | 10,286 |
| Subsidies and grants | 6,081 | 4,534 | 4,336 | 4,183 | 5,206 | 5,692 | 5,872 | 7,093 | 7,346 | 7,660 | 7,936 |
| Other revenue | 33,730 | 40,138 | 34,519 | 39,146 | 37,451 | 37,060 | 44,546 | 39,449 | 42,855 | 42,507 | 39,199 |
| Total income | 74,688 | 78,675 | 74,984 | 81,835 | 83,653 | 87,339 | 97,644 | 96,677 | 104,800 | 108,032 | 108,847 |
| Expenditure | | | | | | | | | | | |
| Employees benefit expenses | 11,205 | 12,018 | 12,687 | 13,133 | 13,500 | 13,986 | 14,319 | 14,678 | 15,057 | 15,476 | 15,906 |
| Depreciation and amortisation (Note 1) | 17,063 | 20,665 | 21,890 | 24,443 | 24,514 | 25,062 | 27,683 | 27,897 | 28,319 | 31,239 | 31,553 |
| Finance costs | 5,489 | 6,958 | 9,679 | 10,184 | 9,249 | 9,179 | 9,437 | 8,980 | 8,056 | 7,525 | 7,255 |
| Other expenses | 30,985 | 32,211 | 31,204 | 32,084 | 32,825 | 34,374 | 35,855 | 37,213 | 39,225 | 41,229 | 42,689 |
| Total operating expenditure | 64,742 | 71,852 | 75,460 | 79,844 | 80,088 | 82,601 | 87,294 | 88,768 | 90,657 | 95,469 | 97,403 |
| Surplus/(deficit) | 9,946 | 6,823 | (476) | 1,991 | 3,565 | 4,738 | 10,350 | 7,909 | 14,143 | 12,563 | 11,444 |
| Other comprehensive income | | | | | | | | | | | |
| Gain on property revaluations | - | 7,781 | 109,790 | - | 9,117 | 108,369 | - | 9,771 | 122,239 | - | 11,768 |
| Financial assets at fair value through other comprehensive income | 2,626 | 2,335 | 2,391 | 2,448 | 2,507 | 2,674 | 2,741 | 2,922 | 2,998 | 3,194 | 3,159 |
| Total other comprehensive income | 2,626 | 10,115 | 112,181 | 2,448 | 11,624 | 111,043 | 2,741 | 12,693 | 125,237 | 3,194 | 14,926 |
| Total comprehensive income | 12,572 | 16,938 | 111,705 | 4,439 | 15,189 | 115,781 | 13,091 | 20,602 | 139,380 | 15,757 | 26,370 |

Prospective statement of changes in equity

A forecast for the 10 years ending 30 June 2022

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Annual Plan | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Balance at 1 July | 925,446 | 1,139,518 | 1,156,456 | 1,268,161 | 1,272,601 | 1,287,789 | 1,403,570 | 1,416,661 | 1,437,263 | 1,576,643 | 1,592,399 |
| Comprehensive income | | | | | | | | | | | |
| Net surplus/(deficit) for the year | 9,946 | 6,823 | (476) | 1,991 | 3,565 | 4,738 | 10,350 | 7,909 | 14,143 | 12,563 | 11,444 |
| Other comprehensive income | 2,626 | 10,115 | 112,181 | 2,448 | 11,624 | 111,043 | 2,741 | 12,693 | 125,237 | 3,194 | 14,926 |
| Total comprehensive income for the year | 12,572 | 16,938 | 111,705 | 4,439 | 15,189 | 115,781 | 13,091 | 20,602 | 139,380 | 15,757 | 26,370 |
| Balance at 30 June | 938,018 | 1,156,456 | 1,268,161 | 1,272,601 | 1,287,789 | 1,403,570 | 1,416,661 | 1,437,263 | 1,576,643 | 1,592,399 | 1,618,770 |

Prospective statement of financial position

A forecast for the 10 years ending 30 June 2022

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Annual Plan | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Current assets | | | | | | | | | | | |
| Cash and cash equivalents | 2,101 | 18,087 | 20,438 | 21,637 | 24,092 | 20,233 | 19,550 | 23,035 | 23,174 | 26,813 | 23,612 |
| Debtors and other receivables | 9,700 | 11,711 | 12,127 | 11,511 | 11,511 | 11,511 | 11,511 | 11,511 | 11,511 | 11,511 | 11,511 |
| Other financial assets | 119 | 107 | 107 | 107 | 107 | 107 | 107 | 107 | 107 | 107 | 107 |
| Property held for sale | 4,634 | 3,099 | 1,171 | 14,292 | 9,135 | 3,783 | 1,434 | 13,176 | 7,240 | 2,112 | - |
| Total current assets | 16,554 | 33,004 | 33,843 | 47,547 | 44,845 | 35,634 | 32,602 | 47,829 | 42,032 | 40,543 | 35,230 |
| Non current assets | | | | | | | | | | | |
| Debtors and other receivables | 175 | 182 | 182 | 182 | 182 | 182 | 182 | 182 | 182 | 182 | 182 |
| Other financial assets | 4,377 | 9,780 | 10,196 | 4,579 | 4,579 | 4,578 | 4,578 | 4,577 | 9,577 | 21,576 | 21,577 |
| Investments in council controlled organisations | 97,277 | 99,612 | 102,002 | 104,450 | 106,957 | 109,631 | 112,372 | 115,294 | 118,291 | 121,485 | 124,644 |
| Investment property | 21,862 | 21,724 | 22,421 | 23,138 | 23,917 | 24,737 | 25,577 | 26,438 | 27,319 | 28,282 | 29,286 |
| Forestry | 358 | 460 | 460 | 460 | 460 | 460 | 460 | 460 | 460 | 460 | 460 |
| Development property | 4,586 | 22,075 | 21,979 | 3,198 | 3,198 | 9,026 | 17,482 | - | - | - | - |
| Intangible assets | 171 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 |
| Property, plant and equipment - operational | 164,758 | 196,404 | 194,741 | 194,462 | 203,380 | 204,681 | 204,859 | 213,761 | 215,006 | 218,437 | 239,847 |
| Property, plant and equipment - infrastructural | 735,825 | 936,250 | 1,045,911 | 1,045,781 | 1,042,131 | 1,163,843 | 1,167,768 | 1,164,865 | 1,286,589 | 1,282,415 | 1,282,629 |
| Total non current assets | 1,029,389 | 1,286,627 | 1,398,033 | 1,376,391 | 1,384,945 | 1,517,278 | 1,533,418 | 1,525,716 | 1,657,564 | 1,672,977 | 1,698,765 |
| TOTAL ASSETS | 1,045,943 | 1,319,630 | 1,431,875 | 1,423,938 | 1,429,789 | 1,552,911 | 1,566,020 | 1,573,545 | 1,699,596 | 1,713,520 | 1,733,995 |
| Current liabilities | | | | | | | | | | | |
| Creditors and other payables | 9,378 | 12,964 | 12,964 | 12,964 | 12,964 | 12,964 | 12,964 | 12,964 | 12,964 | 12,964 | 12,964 |
| Borrowings | - | - | - | - | - | 1,000 | 15,000 | 13,913 | 3,582 | 5,896 | 3,000 |
| Total current liabilities | 9,378 | 12,964 | 12,964 | 12,964 | 12,964 | 13,964 | 27,964 | 26,877 | 16,546 | 18,860 | 15,964 |
| Non current liabilities | | | | | | | | | | | |
| Provisions | 658 | 676 | 676 | 676 | 676 | 676 | 676 | 676 | 676 | 676 | 676 |
| Other financial liabilities | 369 | 897 | 897 | 897 | 897 | 897 | 897 | 897 | 897 | 897 | 897 |
| Borrowings | 97,520 | 148,637 | 149,177 | 136,800 | 127,463 | 133,804 | 119,822 | 107,832 | 104,834 | 100,688 | 97,688 |
| Total non current liabilities | 98,547 | 150,210 | 150,750 | 138,373 | 129,036 | 135,377 | 121,395 | 109,405 | 106,407 | 102,261 | 99,261 |
| Equity | | | | | | | | | | | |
| General reserves | 565,378 | 588,339 | 586,585 | 590,058 | 592,356 | 609,711 | 618,716 | 625,084 | 637,703 | 646,602 | 656,191 |
| Special funds (Note 2) | 34,080 | 27,456 | 28,734 | 27,252 | 28,519 | 15,902 | 17,247 | 18,788 | 20,312 | 23,976 | 25,831 |
| Fair value reserve | 54,646 | 51,330 | 53,720 | 56,168 | 58,675 | 61,349 | 64,090 | 67,012 | 70,009 | 73,203 | 76,362 |
| Asset revaluation reserves | 283,914 | 489,332 | 599,122 | 599,122 | 608,239 | 716,608 | 716,608 | 726,379 | 848,618 | 848,618 | 860,386 |
| Total equity | 938,018 | 1,156,456 | 1,268,161 | 1,272,601 | 1,287,789 | 1,403,570 | 1,416,661 | 1,437,263 | 1,576,643 | 1,592,399 | 1,618,770 |
| TOTAL LIABILITIES AND EQUITY | 1,045,943 | 1,319,630 | 1,431,875 | 1,423,938 | 1,429,789 | 1,552,911 | 1,566,020 | 1,573,545 | 1,699,596 | 1,713,520 | 1,733,995 |

Prospective statement of cash flows

A forecast for the 10 years ending 30 June 2022

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-----------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Annual Plan | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Operating activities | | | | | | | | | | | |
| Cash was provided from: | | | | | | | | | | | |
| Receipts from customers | 53,078 | 49,353 | 52,078 | 54,821 | 58,872 | 63,424 | 67,053 | 71,519 | 76,705 | 80,934 | 85,675 |
| Agency receipts | - | 600 | 619 | 639 | 661 | 683 | 706 | 730 | 755 | 781 | 809 |
| Interest received | 294 | 858 | 1,345 | 2,497 | 1,416 | 1,400 | 1,383 | 1,364 | 1,469 | 1,871 | 2,141 |
| Dividends received | 2,841 | 4,714 | 4,726 | 4,877 | 5,043 | 5,215 | 5,392 | 5,575 | 5,759 | 5,961 | 6,176 |
| | 56,213 | 55,525 | 58,768 | 62,834 | 65,992 | 70,722 | 74,534 | 79,188 | 84,688 | 89,547 | 94,801 |
| Cash was distributed to: | | | | | | | | | | | |
| Suppliers/employees | 42,190 | 44,228 | 43,892 | 45,218 | 46,325 | 48,361 | 50,175 | 51,892 | 54,282 | 56,704 | 58,595 |
| Agency payments | - | 600 | 619 | 639 | 661 | 683 | 706 | 730 | 755 | 781 | 809 |
| Interest paid | 5,489 | 6,958 | 9,679 | 10,184 | 9,249 | 9,179 | 9,437 | 8,980 | 8,056 | 7,525 | 7,255 |
| | 47,679 | 51,786 | 54,190 | 56,041 | 56,235 | 58,223 | 60,318 | 61,602 | 63,093 | 65,010 | 66,659 |
| Net cash from operating activities | 8,534 | 3,739 | 4,578 | 6,793 | 9,757 | 12,499 | 14,216 | 17,586 | 21,595 | 24,537 | 28,142 |
| Investment activities | | | | | | | | | | | |
| Cash was provided from: | | | | | | | | | | | |
| Sale of property, plant & equipment | 975 | 7,981 | 6,499 | 738 | 229 | 229 | - | - | - | - | - |
| Sale of property intended for sale | 9,071 | 18,015 | 10,092 | 14,542 | 13,250 | 13,750 | 14,250 | 14,750 | 15,250 | 13,175 | 5,425 |
| Proceeds from investments | 20,000 | 20,000 | - | 5,616 | - | - | - | - | - | - | - |
| | 30,046 | 45,996 | 16,591 | 20,896 | 13,479 | 13,979 | 14,250 | 14,750 | 15,250 | 13,175 | 5,425 |
| Cash was applied to: | | | | | | | | | | | |
| Purchase of property, plant and equipment | 83,295 | 71,465 | 16,402 | 14,114 | 11,443 | 29,908 | 13,628 | 15,774 | 18,378 | 20,239 | 30,872 |
| Purchase of development property | - | 35,169 | 2,539 | - | - | 7,770 | 15,540 | - | - | - | - |
| Purchase of intangible assets | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of investments | - | 5,200 | 416 | - | - | - | - | - | 5,000 | 12,000 | - |
| | 83,295 | 111,834 | 19,357 | 14,114 | 11,443 | 37,678 | 29,168 | 15,774 | 23,378 | 32,239 | 30,872 |
| Net cash from investing activities | (53,249) | (65,838) | (2,766) | 6,782 | 2,036 | (23,699) | (14,918) | (1,024) | (8,128) | (19,064) | (25,447) |
| Financing activities | | | | | | | | | | | |
| Cash was provided from: | | | | | | | | | | | |
| Loans raised | 39,158 | 65,335 | 539 | (12,376) | (9,338) | 7,341 | 1,019 | 1,923 | 585 | 1,748 | - |
| Cash was applied to: | | | | | | | | | | | |
| Settlement of loans | - | - | - | - | - | - | 1,000 | 15,000 | 13,913 | 3,582 | 5,896 |
| Net cash from financing activities | 39,158 | 65,335 | 539 | (12,376) | (9,338) | 7,341 | 19 | (13,077) | (13,328) | (1,834) | (5,896) |
| Net increase/decrease in cash | (5,557) | 3,236 | 2,351 | 1,199 | 2,455 | (3,859) | (683) | 3,485 | 139 | 3,639 | (3,201) |
| Plus opening cash 1 July | 7,658 | 14,851 | 18,087 | 20,438 | 21,637 | 24,092 | 20,233 | 19,550 | 23,035 | 23,174 | 26,813 |
| Closing cash 30 June | 2,101 | 18,087 | 20,438 | 21,637 | 24,092 | 20,233 | 19,550 | 23,035 | 23,174 | 26,813 | 23,612 |

Reconciliation of surplus to statement of cash flows

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Annual Plan | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Surplus after taxation | 9,946 | 6,823 | (476) | 1,991 | 3,565 | 4,738 | 10,350 | 7,909 | 14,143 | 12,563 | 11,444 |
| <i>Add/(deduct) non-cash items</i> | | | | | | | | | | | |
| Vested asset revenue | (10,659) | (10,807) | (7,039) | (10,455) | (9,385) | (8,015) | (14,273) | (8,350) | (10,671) | (10,257) | (10,538) |
| Revaluation of investment property | (586) | (492) | (697) | (717) | (779) | (820) | (840) | (861) | (881) | (963) | (1,004) |
| Depreciation and amortisation | 17,063 | 20,665 | 21,890 | 24,443 | 24,514 | 25,062 | 27,683 | 27,897 | 28,319 | 31,239 | 31,553 |
| | 5,818 | 9,366 | 14,154 | 13,271 | 14,350 | 16,227 | 12,570 | 18,686 | 16,767 | 20,019 | 20,011 |
| <i>Movement in working capital items</i> | | | | | | | | | | | |
| Accounts receivable | - | 200 | 416 | (615) | - | - | - | - | - | - | - |
| Accounts payable and accruals | - | - | - | - | - | - | - | - | - | - | - |
| | - | 200 | 416 | (615) | - | - | - | - | - | - | - |
| <i>Items classified as investing activities</i> | | | | | | | | | | | |
| Gain on sale of property | 7,230 | 12,250 | 8,684 | 9,084 | 8,158 | 8,466 | 8,704 | 9,009 | 9,315 | 8,045 | 3,313 |
| | 7,230 | 12,250 | 8,684 | 9,084 | 8,158 | 8,466 | 8,704 | 9,009 | 9,315 | 8,045 | 3,313 |
| Net cash flow from operating activities | 8,534 | 3,739 | 4,578 | 6,793 | 9,757 | 12,499 | 14,216 | 17,586 | 21,595 | 24,537 | 28,142 |

Note 1: Depreciation and amortisation expense for assets used directly in providing the group of activities

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Annual Plan | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Community services | 204 | 231 | 194 | 167 | 98 | 99 | 119 | 120 | 125 | 129 | 133 |
| Community facilities | 1,976 | 2,374 | 2,842 | 2,898 | 2,930 | 3,227 | 3,261 | 3,231 | 3,364 | 3,422 | 3,430 |
| Democracy | - | - | - | - | - | - | - | - | - | - | - |
| Commercial property | 12 | 15 | 15 | 12 | 12 | 12 | 12 | 6 | 6 | 1 | - |
| Environmental services | 90 | 45 | 33 | 17 | - | 1 | 1 | 1 | 1 | 1 | 1 |
| Support services | 454 | 370 | 458 | 511 | 494 | 534 | 551 | 570 | 595 | 615 | 636 |
| Refuse | 118 | 166 | 181 | 187 | 188 | 187 | 167 | 167 | 179 | 179 | 143 |
| Transport | 9,436 | 9,838 | 10,008 | 11,303 | 11,386 | 11,485 | 12,779 | 12,887 | 13,003 | 14,570 | 14,701 |
| Water races and drainage | 434 | 528 | 549 | 611 | 572 | 563 | 622 | 629 | 635 | 699 | 699 |
| Stormwater | 515 | 655 | 686 | 774 | 801 | 828 | 924 | 954 | 987 | 1,102 | 1,141 |
| Sewerage | 1,869 | 4,064 | 4,466 | 5,136 | 5,170 | 5,208 | 5,829 | 5,873 | 5,920 | 6,581 | 6,641 |
| Water supply | 1,955 | 2,379 | 2,457 | 2,826 | 2,861 | 2,917 | 3,419 | 3,459 | 3,504 | 3,938 | 4,026 |
| | 17,063 | 20,665 | 21,890 | 24,443 | 24,514 | 25,062 | 27,683 | 27,897 | 28,319 | 31,239 | 31,553 |

Note 2: Statement of movements in reserve funds

A - General Reserve: The purpose of a general reserve fund is to provide funding for new capital items arising from increased levels of service or growth.

B - Renewal Reserves: The purpose of a renewal reserve is to provide funding for the renewal of existing capital items.

C - Specific Reserves: The purpose of these reserves is to provide funding for the maintenance of specific assets or to generate funds for future specific assets.

D - Special Reserve: The purpose of these reserves is for specific purposes as indicated by the reserve name.

| Reserve fund | Purpose of reserve fund | Opening balance 1 July | Deposits | Withdrawals | Closing balance 30 |
|--|----------------------------|---------------------------|----------|-------------|-----------------------|
| | | 2012 | | | June 2022 |
| | | \$000 | \$000 | \$000 | \$000 |
| 5 Waters | | | | | |
| Armack Drive Capital Injection Special Fund | D | 5 | - | - | 5 |
| Armack Drive Water Supply Renewal Reserve | B | 12 | 9 | (15) | 7 |
| Arthur's Pass Sewerage Renewal Reserve | B | 15 | 91 | (179) | (73) |
| Arthur's Pass Water Supply Renewal Reserve | B | 15 | 234 | (410) | (161) |
| Bealey River Protection Reserve | D | (1) | - | - | (1) |
| Branthwaite Drive Water Supply Renewal Reserve | B | 20 | 11 | (21) | 10 |
| Branthwaite Drive Water Supply Reserve | A | 23 | - | - | 23 |
| Burnham Water Supply Renewal Reserve | B | 10 | 114 | (91) | 33 |
| Burnham Water Supply Reserve | A | 23 | - | - | 23 |
| Castle Hill Sewerage Renewal Reserve | B | 12 | 304 | (519) | (203) |
| Castle Hill Sewerage Reserve | A | (14) | - | - | (14) |
| Castle Hill Water Supply Renewal Reserve | B | 16 | 798 | (185) | 629 |
| Castle Hill Water Supply Reserve | A | (23) | - | (108) | (131) |
| Darfield Water Supply Capital Rate Reserve | A | (30) | 2,344 | (1,224) | 1,090 |
| Darfield Water Supply Renewal Reserve | B | 794 | 2,185 | (3,269) | (290) |
| Darfield Water Supply Water Quality Upgrade | C | 582 | - | - | 582 |

| Reserve fund | Purpose of reserve fund | Opening balance 1 July 2012 | Deposits | Withdrawals | Closing balance 30 June 2022 |
|--|-------------------------|-----------------------------|----------|-------------|------------------------------|
| | | \$000 | | | \$000 |
| Doyleston Sewerage Renewal Reserve | B | (5) | 335 | (281) | 49 |
| Doyleston Sewerage Reserve | A | 252 | - | - | 252 |
| Doyleston Water Supply Capital Contribution | A | 141 | - | - | 141 |
| Doyleston Water Supply Renewal Reserve | B | 37 | 156 | (54) | 139 |
| Dunsandel Water Supply Renewal Reserve | B | 5 | 276 | (338) | (57) |
| Dunsandel Water Supply Reserve | A | (1) | - | - | (1) |
| Edendale Water Supply Renewal Reserve | B | 15 | 376 | (489) | (99) |
| Edendale Water Supply Reserve | A | 58 | - | - | 58 |
| Ellesmere Sewerage Renewal Reserve | B | (1) | - | - | (1) |
| Ellesmere Water Race Renewal Reserve | B | 8 | 83 | (170) | (80) |
| ESSS Contribution Reserve | A | 501 | 40,551 | (42,502) | (1,450) |
| Greenpark Land Drainage Reserve | A | 19 | - | - | 19 |
| Hororata River Land Drainage Reserve | A | 14 | - | - | 14 |
| Irwell Land Drainage Reserve | A | 1 | - | - | 1 |
| Johnson Road Capital Injection Special Fund | C | 6 | - | - | 6 |
| Johnson Road Water Supply Reserve | A | 24 | - | - | 24 |
| Johnson Road Water Supply Renewal Reserve | B | 19 | - | (49) | (30) |
| Jowers Rd Water Supply Equipment Reserve | A | 6 | - | - | 6 |
| Jowers Road Water Supply Renewal Reserve | B | 9 | 62 | (64) | 7 |
| Kirwee Water Supply Equipment Reserve | A | 236 | - | - | 236 |
| Kirwee Water Supply Renewal Reserve | B | 111 | 934 | (807) | 238 |
| L2 River Land Drainage De-silting Reserve from surpluses | C | 91 | - | - | 91 |
| L2 River Land Drainage Machinery Reserve from surpluses | C | 244 | - | - | 244 |
| Lake Coleridge Quality Upgrade Special Reserve | C | 82 | 160 | - | 242 |

| Reserve fund | Purpose of reserve fund | Opening balance 1 July | Deposits | Withdrawals | Closing balance 30 June 2022 |
|--|-------------------------|------------------------|----------|-------------|------------------------------|
| | | 2012 | | | June 2022 |
| | | \$000 | | | \$000 |
| Lake Coleridge Sewerage Electricorp Payment | C | 42 | - | - | 42 |
| Lake Coleridge Sewerage Renewal Reserve | B | 115 | 525 | (677) | (37) |
| Lake Coleridge Water Supply Renewal Reserve | B | 9 | 200 | (236) | (28) |
| Lake Coleridge Water Supply Reserve | A | 43 | - | (11) | 32 |
| Leeston Sewerage Renewal Reserve | B | 210 | 5,620 | (2,012) | 3,818 |
| Leeston Sewerage Reserve | A | 138 | - | - | 138 |
| Leeston Sewerage to Record Surpluses | C | 40 | - | - | 40 |
| Leeston Stormwater Reserve | A | 71 | 200 | (81) | 190 |
| Leeston Water Supply Renewal Reserve | B | 117 | 949 | (957) | 109 |
| Leeston Water Supply Reserve | A | 513 | - | - | 513 |
| Lincoln Sewerage Pipeline Reserve | C | 296 | - | - | 296 |
| Lincoln Sewerage Renewal Reserve | B | 98 | 2,566 | (4,109) | (1,444) |
| Lincoln Sewerage Reserve | A | 892 | - | (849) | 43 |
| Lincoln Water Supply Renewal Reserve | B | 84 | 928 | (892) | 120 |
| Lincoln Water Supply Reserve | A | 587 | - | (211) | 376 |
| Malvern Area Water Race Renewal Reserve | B | 9 | 446 | (1,099) | (644) |
| Malvern Area Water Race Reserve | A | (722) | - | (391) | (1,113) |
| Malvern Hills Rural Water Supply Renewal Reserve | B | 202 | 1,487 | (2,296) | (607) |
| Malvern Hills Rural Water Supply Reserve | A | 351 | - | - | 351 |
| Osborne Land Drainage Reserve | A | 10 | - | - | 10 |
| Prebbleton Sewerage Renewal Reserve | B | 10 | 400 | (459) | (49) |
| Prebbleton Sewerage Reserve | A | 235 | - | - | 235 |
| Prebbleton Water Supply Renewal Reserve | B | 27 | 1,117 | (1,130) | 14 |
| Prebbleton Water Supply Reserve | A | 1,010 | - | (648) | 362 |
| Rakaia Huts Water Supply Renewal Reserve | B | 11 | 148 | (180) | (21) |
| Rakaia Huts Water Supply Reserve | A | 28 | - | - | 28 |
| Raven Drive Water Supply Renewal Reserve | B | 24 | 67 | (134) | (43) |
| Raven Drive Water Supply Special Reserve | C | 1 | - | - | 1 |
| Rolleston Sewerage Helpet | C | 24 | - | - | 24 |

| Reserve fund | Purpose of reserve fund | Opening balance 1 July | Deposits | Withdrawals | Closing balance 30 June 2022 |
|--|-------------------------|------------------------|----------|-------------|------------------------------|
| | | 2012 | | | June 2022 |
| | | \$000 | | | \$000 |
| Rolleston Sewerage Renewal Reserve | B | (117) | 2,285 | (2,697) | (529) |
| Rolleston Sewerage Reserve | A | 674 | - | - | 674 |
| Rolleston Water Supply Renewal Reserve | B | 474 | 3,328 | (2,303) | 1,500 |
| Rolleston Water Supply Reserve | A | 3,359 | - | (4,179) | (820) |
| Selwyn Rural Water Supply Capital Rate Reserve | A | 252 | - | - | 252 |
| Selwyn Rural Water Supply Renewal Reserve | B | (20) | 892 | (633) | 239 |
| Selwyn Rural Water Supply Reserve | A | 85 | - | (295) | (210) |
| Sheffield Water Supply Renewal Reserve | B | 10 | 241 | (285) | (34) |
| Sheffield Water Supply Reserve | A | 162 | - | - | 162 |
| Southbridge Sewerage Contributions | A | 96 | - | - | 96 |
| Southbridge Sewerage Renewal Reserve | B | 61 | 692 | (827) | (75) |
| Southbridge Water Supply Renewal Reserve | B | 41 | 392 | (551) | (119) |
| Southbridge Water Supply Reserve | A | 68 | - | - | 68 |
| Springfield Water Supply Annat Ext | A | 1 | - | - | 1 |
| Springfield Water Supply Kowai Ext | A | 3 | - | - | 3 |
| Springfield Water Supply Renewal Reserve | B | 45 | 280 | (380) | (55) |
| Springfield Water Supply Reserve | A | 35 | - | (21) | 14 |
| Springston Sewerage Renewal Reserve | B | 60 | 83 | (244) | (101) |
| Springston Special Reserve | D | 896 | - | - | 896 |
| Springston Water Supply Renewal Reserve | B | 28 | 392 | (337) | 83 |
| Springston Water Supply Reserve | A | 179 | - | - | 179 |
| Tai Tapu Sewerage Renewal Reserve | B | 46 | 120 | (299) | (134) |
| Tai Tapu Sewerage Reserve | A | 96 | - | - | 96 |
| Tai Tapu Water Supply Renewal Reserve | B | 67 | 340 | (562) | (155) |
| Tai Tapu Water Supply Reserve | A | 302 | - | - | 302 |
| Tai Tapu/Otahuna Water Supply Reserve | A | 95 | - | (55) | 40 |
| Taumutu Culverts Land Drainage Reserve | A | 37 | - | - | 37 |
| Taumutu Water Supply Renewal Reserve | B | 18 | 43 | (89) | (28) |

| Reserve fund | Purpose of reserve fund | Opening balance 1 July | Deposits | Withdrawals | Closing balance 30 June 2022 |
|--|-------------------------|------------------------|---------------|-----------------|------------------------------|
| | | 2012 | | | 2012 |
| | | \$000 | | | \$000 |
| Te Piritā Rural Water Supply Renewal Reserve | B | 32 | 71 | (115) | (12) |
| Templeton/Claremont Capital Reserve | A | 2 | - | - | 2 |
| Templeton/Claremont Sewerage Renewal Reserve | B | - | 236 | (213) | 23 |
| Templeton/Claremont Water Supply Renewal Reserve | B | 6 | 135 | (72) | 70 |
| Templeton/Claremont Water Supply Reserve Surpluses | C | 31 | - | - | 31 |
| Upper Selwyn Huts Sewerage Renewal Reserve | B | 82 | 638 | (398) | 323 |
| Wairiri Valley Land Drainage Reserve | A | 4 | - | - | 4 |
| West Melton Sewerage Reserve | A | 484 | - | (470) | 14 |
| West Melton Water Supply Renewal Reserve | B | (3) | 749 | (557) | 188 |
| | | 15,497 | 74,593 | (82,730) | 7,360 |

| | | | | | |
|--|---|-----|-------|-------|-------|
| Community facilities | | | | | |
| Art Acquisition Reserve | D | 20 | 50 | - | 70 |
| Arts Council Grants Reserve | D | 6 | - | - | 6 |
| Breach Blk Proceeds Res. Rolleston | D | 103 | - | - | 103 |
| Broadfield Contributions Reserve | A | 51 | - | - | 51 |
| Broadfields Community Centre Reserve | A | 46 | 193 | (328) | (89) |
| Castle Hill Recreation Reserve Ex Land Subdivision | A | 1 | 70 | (148) | (77) |
| Civil Defence Special Reserve | D | 9 | - | - | 9 |
| Claremont Contributions Reserve | A | 37 | - | - | 37 |
| Coalgate Contributions Reserve | A | 57 | - | - | 57 |
| Coalgate/Glentunnel Rec Res Ex Land Subd | A | 12 | - | - | 12 |
| Darfield - Tussock Square | D | 3 | - | - | 3 |
| Darfield Domain Reserve | A | 67 | - | - | 67 |
| Darfield Ward Contributions Reserve | A | 70 | 1,684 | (517) | 1,236 |

| Reserve fund | Purpose of reserve fund | Opening balance 1 July | Deposits | Withdrawals | Closing balance 30 June 2022 |
|--|-------------------------|------------------------|----------|-------------|------------------------------|
| | | 2012 | | | 2012 |
| | | \$000 | | | \$000 |
| District Reserve Contributions Reserve | A | 159 | 990 | (335) | 814 |
| Doyleston Contributions Reserve | A | 220 | - | - | 220 |
| Dunsandel Community Centre Reserve | A | (27) | 3,044 | (3,044) | (26) |
| Dunsandel Contributions Reserve | A | 157 | - | - | 157 |
| Edendale Contributions Reserve | A | 40 | - | (11) | 29 |
| Ellesmere Cemetery Investment Reserve | D | 7 | - | - | 7 |
| Ellesmere RSA Reserve | D | 6 | - | - | 6 |
| Glenroy Community Centre (Ex MoE) Reserve | A | 0 | - | - | 0 |
| Glenroy Community Centre Reserve | A | 13 | - | (5) | 9 |
| Glentunnel Community Centre Reserve | A | 41 | - | (22) | 19 |
| Glentunnel/Coalgate Capital Equipment Reserve | A | 28 | - | - | 28 |
| Greendale Building/Pavilion Upgrade Reserve | C | 0 | - | (13) | (13) |
| Greendale Recreation Reserve | A | (4) | 79 | - | 75 |
| Halkett Community Centre Ex Land Subdivision Reserve | C | 14 | - | - | 14 |
| Hororata Contributions Reserve | A | 137 | - | - | 137 |
| Hororata Reserve Board | A | 9 | - | - | 9 |
| Hororata Reserve Ex Land Subdivision | A | 12 | - | - | 12 |
| Johnsons Road Contributions Reserve | A | 22 | - | - | 22 |
| Kimberley Reserve Timber Sales | C | 30 | - | - | 30 |
| Kimberley Reserve Ex Land Subdivision | A | 1 | - | - | 1 |
| Kirwee Contributions Reserve | A | 109 | - | - | 109 |
| Kirwee Operational Reserve | A | 23 | - | - | 23 |
| Kirwee Pavillion/Hall Reserve | A | 33 | - | - | 33 |
| Kirwee Reserve Ex Land Subdivision | A | 2 | - | - | 2 |
| Ladbrooks Community Centre Investment Reserve | C | 16 | 4 | - | 20 |
| Ladbrooks Community Centre Reserve | A | 36 | 37 | - | 74 |
| Lake Coleridge Community Centre Reserve | A | 9 | - | - | 9 |

| Reserve fund | Purpose of reserve fund | Opening balance 1 July | Deposits | Withdrawals | Closing balance 30 |
|---|-------------------------|------------------------|----------|-------------|--------------------|
| | | 2012 | | | June 2022 |
| | | \$000 | | | \$000 |
| Lake Coleridge Contributions Reserve | A | 12 | - | - | 12 |
| Lakeside Community Centre Reserve | A | 5 | - | (155) | (150) |
| Leeston Contributions Reserve | A | 360 | - | (298) | 62 |
| Leeston Progress League | D | 1 | - | - | 1 |
| Leeston Township Est NA Osborne | D | 62 | - | - | 62 |
| Leeston Ward Contributions Reserve | A | 6 | - | - | 6 |
| Lincoln Community Centre Cheque A/C Balance | A | 23 | - | - | 23 |
| Lincoln Community Centre Ex Paparua SF | A | 7 | - | - | 7 |
| Lincoln Community Centre Operating A/C Credit Balance | A | 42 | - | - | 42 |
| Lincoln Contributions Reserve | A | 1,047 | 4,116 | (4,902) | 261 |
| Lincoln Library Ex Paparua Reserve | D | 11 | - | - | 11 |
| Malvern Recreation Centre Reserve | A | 46 | - | (105) | (59) |
| Metal Pits | D | 1,048 | 11,003 | (6,208) | 5,842 |
| Motukarara Contributions Reserve | A | 7 | - | - | 7 |
| Osbourne Park Pavilion Upgrade | C | 1 | - | - | 1 |
| Plant Depreciation Replacement | B | 7 | - | - | 7 |
| Prebbleton Cell Tower special Fund | D | 57 | - | - | 57 |
| Prebbleton Contributions Reserve | A | 168 | 3,045 | (3,441) | (228) |
| Rakaia Huts Boat Ramp | D | 55 | - | - | 55 |
| Rhodes Park - Grant | A | 4 | - | - | 4 |
| Rolleston Community Centre Cheque A/C Closed | A | 18 | - | - | 18 |
| Rolleston Community Centre Ex Paparua SF | A | 17 | - | - | 17 |
| Rolleston Community Centre Memorial Hall Site | A | 186 | 225 | (819) | (408) |
| Rolleston Community Centre Paparua Library | A | 5 | - | - | 5 |
| Rolleston Ward Contributions Reserve | A | 3,611 | 6,328 | (8,927) | 1,011 |
| Sheffield Community Centre Carpet Replacement Reserve | B | 2 | - | - | 2 |

| Reserve fund | Purpose of reserve fund | Opening balance 1 July | Deposits | Withdrawals | Closing balance 30 |
|---|-------------------------|------------------------|---------------|-----------------|--------------------|
| | | 2012 | | | June 2022 |
| | | \$000 | | | \$000 |
| Sheffield Community Centre Investment Reserve | A | 2 | 1 | (113) | (111) |
| Sheffield Contributions Reserve | A | 46 | - | - | 46 |
| Sheffield Res Ex Land Subdivision | A | 14 | - | - | 14 |
| Sheffield Reserve Special Funds | A | 2 | - | - | 2 |
| Sheffield Swimming Pool School Donation Reserve | C | (28) | - | (44) | (72) |
| Southbridge Contributions Reserve | A | 76 | - | (81) | (5) |
| Special fund - Ex Local Funds | A | 5 | - | - | 5 |
| Springston Cemetery Investment Reserve | D | 3 | - | - | 3 |
| Springston Contributions Reserve | A | 106 | - | - | 106 |
| Springston Ex Ellesmere Res | A | 39 | - | - | 39 |
| Springston Rd Gravel Reserve | D | 6 | - | - | 6 |
| Springston South Reserve Contribution | A | 6 | - | - | 6 |
| Tai Tapu ex Paparua Library Reserve | D | 37 | - | - | 37 |
| TaiTapu Contributions Reserve | A | 334 | - | (35) | 299 |
| Tawera Ward Contribution Reserve | A | 9 | - | - | 9 |
| Weedons Country Club Loan | C | 175 | - | - | 175 |
| Weedons Discretionary Fund | D | 3 | - | - | 3 |
| Weedons Reserve Ex Paparua Investment | A | 8 | - | - | 8 |
| Weedons Reserve Ex Paparua SF | A | 13 | - | - | 13 |
| West Melton Capital Reserve | A | 3 | - | - | 3 |
| West Melton Community Centre Ex Paparua SF | A | 29 | - | - | 29 |
| West Melton Community Centre Future Development | B | 105 | 72 | (161) | 16 |
| West Melton Community Centre Scholarship Fund | C | 39 | - | - | 39 |
| West Melton Ward Contributions Reserve | A | 307 | 1,575 | (1,083) | 799 |
| Whitecliffs Contributions Reserve | A | 43 | - | - | 43 |
| Whitecliffs Reserve Ex Land Subdiv | A | 1 | - | - | 1 |
| | | 9,767 | 32,516 | (30,795) | 11,487 |

| Reserve fund | Purpose of reserve fund | Opening | Deposits | Withdrawals | Closing |
|--------------|-------------------------|----------------|----------|-------------|------------|
| | | balance 1 July | | | balance 30 |
| | | 2012 | | | June 2022 |
| | | \$000 | \$000 | \$000 | \$000 |

Community Services

| | | | | | |
|--|---|--------------|---|---|--------------|
| District Recreation & Cultural Reserve | D | 244 | - | - | 244 |
| Ex Ellesmere - Ellesmere Clay Loan | A | 25 | - | - | 25 |
| Ex Ellesmere - Ellesmere Golf Loan | A | 40 | - | - | 40 |
| Ex Ellesmere - Leeston Ward Cash | A | 223 | - | - | 223 |
| Ex Ellesmere - Lincoln | A | 425 | - | - | 425 |
| Ex Ellesmere - Rolleston | A | 2 | - | - | 2 |
| Insurance Reserve Fund | A | 617 | - | - | 617 |
| Operational Assets Replacement Fund | B | 433 | - | - | 433 |
| Retentions | A | 46 | - | - | 46 |
| Selwyn District Education Fund | D | 57 | - | - | 57 |
| Undergrounding Reserve | A | 3,680 | - | - | 3,680 |
| | | 5,790 | - | - | 5,790 |

Democracy

| | | | | | |
|--------------------------------|---|-----------|---|---|-----------|
| Mayoral Emergency Special Fund | D | 53 | - | - | 53 |
| | | 53 | - | - | 53 |

Other

| | | | | | |
|------------------------|---|-----------|---|---|-----------|
| MAB Discretionary Fund | D | 5 | - | - | 5 |
| Pre 1989 contributions | D | 55 | - | - | 55 |
| | | 60 | - | - | 60 |

Transportation

| | | | | | |
|-----------------------|---|--------------|--------------|----------------|--------------|
| Roading Contributions | A | 1,480 | 6,663 | (7,063) | 1,080 |
| | | 1,480 | 6,663 | (7,063) | 1,080 |

| | | | | | |
|--|--|---------------|----------------|------------------|---------------|
| | | 32,647 | 113,772 | (120,588) | 25,831 |
|--|--|---------------|----------------|------------------|---------------|

STATEMENT OF ACCOUNTING POLICIES

Statement of reporting entity

Selwyn District Council is a territorial local authority governed by the Local Government Act 2002. The prospective financial statements reflect the operations of the Council and do not include the consolidated results of its Council Controlled Organisations. The Council has not presented group prospective financial statements because the Council believes that the parent's financial statements are more relevant to users. The main purpose of prospective financial statements in the annual budget is to provide users with information about the core services that the Council intends to provide to ratepayers, the expected cost of those services, and, as a consequence, how much the Council requires by way of rates to fund the intended levels of service. The only impact of the group on the level of rates funding is the impact of dividends from Selwyn Investment Holdings Limited which are allowed for in the prospective financial statements.

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

The prospective financial statements of the Council are for the period 1 July 2012 to 30 June 2022.

Basis of preparation

The prospective financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 93 and 111, and Part 1 of Schedule 10, which includes the requirement to comply with New Zealand General Accepted Accounting Practice (NZ GAAP).

These prospective financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities, including FRS42 – Prospective Financial Statements.

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

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

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

Zealand dollars. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the surplus or deficit.

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the prospective financial statements.

Revenue

Revenue is measured at the fair value of consideration received.

Rates revenue

Rates are set annually by a resolution from the Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Other revenue

Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on a usage basis.

The Council receives government grants from New Zealand Transport Agency, which subsidises part of the Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Grant revenue other than New Zealand Transport Agency is recognised when terms and conditions pertaining to that grant have been fulfilled.

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in the Council are recognised as revenue when control over the asset is obtained.

Development contribution revenue is recognised when received.

Revenue from sale of goods is recognised when the Council has transferred to the buyer the significant risks and rewards of ownership of the goods.

Revenue from a contract to provide services is recognised by reference to stage of completion of the contract at year-end balance date.

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

Borrowing costs

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

Grant expenditure

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

Income tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting surplus nor taxable surplus.

Deferred tax is recognised on taxable temporary differences arising on investments and subsidiaries, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

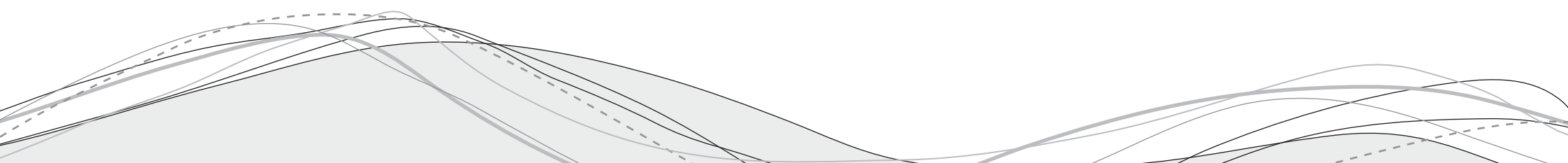
Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that they will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Financial assets

The Council classifies financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determine the classification of investments at initial recognition and re-evaluate this designation at every reporting date.



Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of investments are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

1. Financial assets at fair value through surplus or deficit.

This category has two sub-categories: financial assets held for trading and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance date.

After initial recognition, they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit.

Currently, the Council values embedded derivatives and interest rate swaps in this category.

2. Loans and receivables.

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition, they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit.

Currently, the Council has community loans, Central Plains Water Limited loan, short term deposits and trade and other receivables in this category.

3. Held to maturity investments.

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit.

Currently, the Council holds bond investments in this category.

4. Financial assets at fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are those that are designated as fair value through other comprehensive income or are not classified in any of the other categories above.

This category encompasses

- investments that the Council intends to hold long-term but which may be realised before maturity; and
- shareholdings that the Council holds for strategic purposes. The Council's investment in its subsidiary and other equity investments that are not associates are included in this category.

After initial recognition, these investments are measured at their fair value with valuations performed by an independent valuer with sufficient regularity to ensure no investments are included at a valuation that is materially different from fair value. The valuation changes are recognised and held in a revaluation reserve.

The investment in Selwyn Investment Holdings Ltd (SIHL) is valued based on an independent valuation as at 30 June 2009 completed by Ernst & Young Transaction Advisory Services Limited, Wellington dated 25 August 2009.

Gains and losses are recognised directly in other comprehensive income except for impairment losses, which are recognised in the surplus or deficit. In the event of impairment, any cumulative losses previously recognised in other comprehensive income will be removed from equity and recognised in the surplus or deficit even though the asset has not been de-recognised.

Impairment of financial assets

At each balance date, the Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Derivative financial instruments

The Council uses derivative financial instruments to hedge interest rate risks arising from financial activities. The Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value at each balance date.

The associated gains or losses of derivatives are recognised in the surplus or deficit.

The full fair value of derivatives are classified as non-current if the remaining maturity of the item is more than 12 months and as current if the remaining maturity of the item is less than 12 months.

Property, plant and equipment

Property, plant and equipment of the Council consist of:

Operational Assets - these include land, farm land, buildings, heritage assets, library books and plant and machinery.

Infrastructural Assets – infrastructural assets are fixed utility systems and roading networks owned by the Council. Each asset class includes all items that are required for the network to function.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses. Farm land, land under roads and other land are not depreciated.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is

probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

| Category | Period | Percentage |
|------------------------------|-----------------|---------------|
| Buildings | 20 - 180 years | (0.6% - 5%) |
| Heritage | 20 - 180 years | (0.6% - 5%) |
| Heavy plant and machinery | 10 years | (10%) |
| Other plant and machinery | 5 years | (20%) |
| Motor vehicles | 4 years | (25%) |
| Furniture and fittings | 10 years | (10%) |
| Library books | 7 years | (14.3%) |
| Computer equipment | 4 years | (25%) |
| Roads | | |
| Formation / sub grade | Not depreciated | |
| Sub base – sealed roads only | Not depreciated | |
| Base course | 13 – 99 years | (1.0% - 7.7%) |
| Surface – sealed roads | 1 – 18 years | (5.6% - 100%) |
| Surface – unsealed roads | 40 years | (2.5%) |

| Roads | | |
|-------------------------------|-----------------|---------------|
| Kerb & channelling | 50 years | (2%) |
| Footpaths base & surface | 40 years | (2.5) |
| Culverts | 50 – 100 years | (1% - 2%) |
| Traffic signs | 10 years | (10%) |
| Street lights | 20 years | (5%) |
| Street light poles | 40 years | (2.5%) |
| Bridges | 50-150 years | (0.7%-2%) |
| Water races and land drainage | | |
| Water races – structure | 30 – 122 years | (0.8% - 3.3%) |
| Water races – race | Not depreciated | |
| Land drainage – structure | 9 – 100 years | (1% - 11%) |
| Land drainage – drain | Not depreciated | |
| Water supplies | | |
| Wells | 40 years | (2.5%) |
| Pump stations | 10 - 100 years | (1% - 10%) |
| Reservoirs | 50 – 75 years | (1.3% - 2%) |
| Valves service connections | 20 – 50 years | (2% - 5%) |
| Pipes & fire hydrants | 33 – 75 years | (1.3% - 3%) |
| Sewerage systems | | |
| Manholes | 75 years | (1.3%) |
| Pipes | 50 – 75 years | (1.3% - 2%) |
| Pump stations | 10 – 100 years | (1% - 10%) |
| Sewerage treatment stations | 10 – 75 years | (1.3% - 10%) |
| Service connection | 75 years | (1.3%) |

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Revaluation

Those asset classes that are revalued are valued either on a three yearly or yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

If there is a material difference, then the relevant classes are revalued.

Farm land

Farm land is revalued annually at fair value as determined from market-based evidence by an independent valuer. The valuation of the Council's farm land was performed by EM Saunders FNZIV, FPINZ Registered Valuer of Ford Baker Limited and the valuation is effective as at 30 June 2011.

Other land and buildings

Other land and buildings are valued on a three yearly basis at fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by S E J Newberry B Com (VPM) SPINZ (ANZIV) Registered Valuer of Ford Baker Limited and the valuation is effective as at 1 July 2010.

Infrastructural asset classes: roads, water reticulation, sewerage reticulation and stormwater systems

These assets are valued at fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date, the Council assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued. The roading network was valued as at 30 June 2011 by Mike Trapper (BE (Elec), MPINZ) who is a senior valuer with Beca Valuation Ltd. Water, sewerage, stormwater, land drainage and water race assets were valued as at 30 June 2011 by John Vessey BE (Civil), BA (Econs) Transitional Certificate (Econs), MIPENZ a partner of Opus International Consultants Limited.

Land under roads

Land under roads, is valued based on the fair value of adjacent land determined by the Council's finance staff effective 30 June 2005. Land under roads is not subsequently revalued.

Accounting for revaluations

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

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

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property under construction is measured at value when fair value can be determined reliably. Where the fair value of investment property under construction cannot be determined

reliably, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably determinable.

The Council measures investment property at fair value as determined annually by an independent valuer. The most recent valuations were performed by S E J Newberry B Com (VPM) SPINZ (ANZIV) Registered Valuer of Ford Baker Limited and the valuations are effective as at 30 June 2011.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Development property

Development properties are properties that are being developed for sale. Development properties are measured at the lower of cost and net realisable value. They are transferred to non-current assets held for sale once they are ready and being marketed for sale.

Forestry assets

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. The Council forest was independently revalued as at 30 June 2011 by Terry O'Neill, Qualified Forester.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the surplus or deficit. The costs to maintain the forestry assets are included in the surplus or deficit.

Intangible assets

Goodwill

Goodwill is initially measured at its cost, being the excess of the cost of the acquisition over the Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill on acquisition of subsidiaries is included in intangible assets by applying the purchase method.

Goodwill arising in business combinations is not amortised. Instead, goodwill is tested for impairment annually. After initial recognition, the Council measures goodwill at cost less any

accumulated impairment losses. An impairment loss recognised for goodwill will not be reversed in any subsequent period.

Software acquisition

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use, the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates for software are estimated at 4 years (25%).

Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss of that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount (other than goodwill), the reversal of an impairment loss is recognised in the surplus or deficit.

Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost.

Borrowings

Borrowings are initially measured at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Employee benefits

Short-term benefits

Employee benefits that the Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, bonus accruals and sick leave.

The Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the Council anticipates it will be used by staff to cover those future absences.

The Council recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-term benefits

Long service leave and retirement leave

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows. A discount rate and an inflation factor were used in this calculation.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Defined benefit schemes

The Council belongs to the Defined Benefit Plan Contribution Scheme (the Scheme) which is managed by the Board of Trustees of the National Provident Fund. The Scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the Scheme, the extent to which the surplus/deficit will affect contributions by individual employers, as there is no prescribed basis for allocation. The Scheme is therefore accounted for as a defined contribution scheme.

Provisions

The Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Landfill aftercare provision

A provision for future landfill site restoration and aftercare costs is recognised when the activities giving rise to the need for site restoration and aftercare have commenced. The provision is stated at the present value of the future cash outflows expected to be incurred, which increases each period due to the passage of time. Any increase in the provision due to the change in present value is recognised in the surplus or deficit as a time value adjustment.

Future landfill site restoration and aftercare costs provided for are initially capitalised in the statement of financial position. Any change in the provision for future landfill site restoration and aftercare costs arising from a change in estimate of those costs is also recognised in non-current assets in the statement of financial position.

Future landfill site restoration and aftercare costs capitalised in the statement of financial position are depreciated at rates that match the pattern of benefits expected to be derived from the landfill, including power generation using landfill gas.

Restricted and Council created reserves

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

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

Also included in restricted reserves are reserves restricted by the Council decision. The Council may alter them without references to any third party of the Courts. Transfers to and from these reserves are at the discretion of the Council.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

Finance leases as lessee

At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Finance leases as lessor

The Council recognised a receivable equal to the net investment in the lease. Lease payments are allocated between principal repayments and finance income, based on the interest rate implicit in the lease.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cost allocation

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

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

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

Critical assumptions

In preparing these prospective financial statements the Council has made assumptions concerning the future. These assumptions may differ from the subsequent actual results. The key assumptions that have been used in the preparation of the prospective financial statements are set out below:

KEY ASSUMPTIONS USED IN PREPARING THE PROSPECTIVE FINANCIAL STATEMENTS

| Activity | Asset management area | Assumption area | Source of information | Stated assumption | Level of uncertainty | Risk | Potential impact/ consequence if assumption wrong |
|----------|-----------------------|-----------------|--|--|----------------------|---|---|
| All | Financial | Inflation | SOLGM/BERL forecasts. | The level of prices is assumed to increase over the period of the Long Term Plan. The level of increase assumed in the Long Term Plan is set out in the table at the end of the key assumptions. The assumed increases include general prices, pay costs and construction costs. | Moderate | There is a risk that price level changes will be greater or lower than those assumed and that costs and revenues will be higher or lower than forecast. | Should the level of price change differ from those assumed, expenditure, capital costs and revenues may differ from those forecast. The Council mitigates this risk by setting its rates and fees and charges each year based on its forecast costs for the following year. |
| All | Financial | Borrowing costs | The Council in conjunction with its financial advisors. | Interest on term debt is assumed to be 6.0% to 7.0%. | Moderate | There is a risk that interest rates will differ from those assumed and that borrowing costs will be higher than those assumed. | If borrowing costs are greater than those assumed, the Council may need to increase development contribution charges, rates or reduce expenditure. Conversely, lower borrowing costs may mean future rate increases will be lower than they would otherwise have been. |
| All | Financial | Borrowing costs | The Council in conjunction with its financial advisors and the LGFA. | The Council is a shareholder in the Local Government Funding Agency (LGFA). As a shareholder, the District Council has financial guarantee obligations. The Council has insufficient information to reliably forecast the impact of this shareholding and guarantee. | Low | Risk that a participating council will default which will result in a liability. | Council's liability will depend on the level of default by other participating councils. The Council's liability is proportionate to its rates revenue, and is therefore only a small portion of the default. |

| Activity | Asset management area | Assumption area | Source of information | Stated assumption | Level of uncertainty | Risk | Potential impact/ consequence if assumption wrong |
|----------|-----------------------|-----------------------|---|--|----------------------|--|---|
| | | | | <p>It is assumed that no substantial liability will arise from Council's participation in the LGFA scheme.</p> <p>It is also assumed that the Council will be able to continue to borrow from LGFA and other financial institutions.</p> | | | Any default is likely to be recovered through the rate security provided against the loan |
| All | Financial | Insurance | The Council in conjunction with its insurance brokers. | That increases in Insurance Premiums will not exceed 20% in 2012-13 and be similar to CPI thereafter. | High | There is a risk that insurance premiums will rise more rapidly than expected. | Premiums will exceed budget allocation and savings will be required in insurance policies or funds will need to be reallocated from other areas of expenditure. |
| All | Financial | Return on investments | The Council in conjunction with its financial advisors. | It is assumed that the Council's investments will generate a return of 4.0% to 5.0% and that the proposed loan to CPWL will return 8%. | Moderate | <p>There is a risk that returns on investments will be higher or lower than forecast because actual investment balances and interest rates may vary from those used in the forecast.</p> <p>There is some risk that CPWL will not be able to repay the loan principal and/or interest and that the security available will not cover the amount outstanding.</p> | <p>If investments returns are lower than those assumed, the Council may need to increase its rates or reduce expenditure. Conversely, higher investment returns may mean rates may be lower than they would otherwise have been.</p> <p>Should CPWL be unable to repay the loan principal and/or interest, the Council will need to review its expenditure or raise income to meet the shortfall.</p> |

| Activity | Asset management area | Assumption area | Source of information | Stated assumption | Level of uncertainty | Risk | Potential impact/ consequence if assumption wrong |
|----------|-----------------------|--------------------------------------|-----------------------|---|----------------------|---|--|
| All | Financial | Dividends | SIHL. | It is assumed that dividends from Selwyn Investment Holdings Limited (SIHL) will be \$4.5 million in 2013 and \$4.5 million in 2014. Thereafter it is assumed that dividends will increase by general price increases. | Moderate | There is a risk that dividends will be higher or lower than forecast depending on the performance of SIHL's subsidiaries. | If dividends are lower than those assumed, the Council may need to increase its rates or reduce expenditure. Conversely, higher investment returns may mean rates are lower than they would otherwise have been. |
| All | Financial | Investment in SIHL | The Council / SIHL. | The Council revalues its investment in SIHL so that the carrying value is maintained at fair value. It is assumed that the value of the investment will be maintained at its relative dollar value, with the investment increasing in line with general price levels. | Moderate | There is a risk that the value of the investment may increase or decrease. | A change in the value of the investment in SIHL will change the Council's equity but will not have a direct impact on revenue or expenditure. |
| All | Financial | Izone Southern Business Hub surplus. | Izone | It is assumed that the Izone Southern Business Hub will sell an average of 10 hectares of land over the period 2012/22. | High | There is a risk that the sales generated by Izone will be higher or lower than that forecast. | If sales are higher than forecast, additional funds will be available to the Council to repay debt or invest. If sales are lower than forecast less funds than expected will be available to repay debt. |

| Activity | Asset management area | Assumption area | Source of information | Stated assumption | Level of uncertainty | Risk | Potential impact/ consequence if assumption wrong |
|----------|-----------------------|-------------------------------|-----------------------|---|----------------------|--|---|
| All | Financial | Asset lives and depreciation. | NAMS | It is assumed asset lives will be as set out in the statement of accounting policies. | Moderate | There is a risk that assets will wear out more quickly than forecast and require replacement earlier than planned. | If assets require replacement more quickly than forecast, capital expenditure projects may need to be brought forward. The Council will consider the funding implications of any early replacements as they occur. Early replacement will result in a write off of the book value of the asset, increasing expenditure in the year it occurs. |
| All | Financial | Asset values | BERL | The Council revalues its assets so that carrying values are maintained at fair value based on condition. It is assumed that revaluations will take place a minimum of every three years and that replacement value of the assets will reflect construction costs. | Moderate | There is a risk that price level changes will be greater or lower than those assumed and that revaluation movements will be higher or lower than forecast. | If price levels increase by more than forecast, the value of the Council's assets and the associated depreciation charge will increase. If price levels increase by less than that forecast, the value of the Council's assets and associated depreciation will increase less quickly. The impact of any such changes on rates will depend on whether the depreciation charge is funded by rates. |

| Activity | Asset management area | Assumption area | Source of information | Stated assumption | Level of uncertainty | Risk | Potential impact/ consequence if assumption wrong |
|----------|-----------------------|--------------------------------|-----------------------|---|----------------------|--|---|
| All | Financial | Resource consents | The Council | It is assumed that the conditions of Resource Consents held by the Council (requirements and costs) will remain similar to current levels and that the Council will obtain the necessary Resource Consents for planned projects. | Moderate | There is a risk that the consent conditions will change or that consents will not be obtained for the Council projects. | If consent conditions change, expenditure may increase to comply with the conditions and this may have an impact on rate levels. If consents cannot be obtained for planned projects, the project may be delayed or may not go ahead. |
| All | Financial | Funding of capital expenditure | The Council | <p>The Council funds capital expenditure from a number of sources:</p> <ul style="list-style-type: none"> • development contributions • lump sum contributions • government subsidy • rates • reserves • external borrowing <p>Assumptions have been made on how each capital project included in the Long Term Plan will be funded. The Council's policy in relation to the funding of capital expenditure is set out in the Revenue and Financing Policy.</p> | Moderate | There is a risk that sufficient funds will not be available to pay for the planned capital projects or any contributing share. For example, because growth does not provide sufficient funding from development contributions, the community considers that required rate rises are not affordable or the Council is unable to charge development contributions at the level expected. | The Council will assess the availability of funds as part of the annual budget process and if funds are not available, it may revise the capital programme that is set out in the Long Term Plan. It may also need to consider alternative funding sources. |

| Activity | Asset management area | Assumption area | Source of information | Stated assumption | Level of uncertainty | Risk | Potential impact/ consequence if assumption wrong |
|----------------|-----------------------|---|-----------------------|--|----------------------|---|---|
| All | Financial | Timing and level of capital expenditure | The Council | The Long Term Plan assumes that the timing and cost of capital projects and associated operating costs are as determined through the Council's activity management planning process. | High | There is a risk that capital projects may not occur as planned. This may have an impact on the costs of the project. Any changes will also have an impact on the Council's cash flow. | If projects do not occur as planned, capital expenditure in any year may differ from that forecast and delay may also change the cost of individual projects. The Council will consider the impact of any change, including the cash flow impact, as part of the annual budget process and consider the funding implications of any cost changes. |
| All | Financial | Unidentified liabilities | The Council | It is assumed that the Council does not have any unidentified liabilities. | Low | There is a risk of an unexpected liability coming to light, for example, a claim against the Council. | If an unidentified liability arises it may increase the Council's expenditure. This risk is mitigated by the Council's Risk Management and Insurance Policies. |
| Transportation | Financial | NZTA revenue | The Council | It is assumed that NZTA subsidy rates and conditions will continue at 2012/13 levels. Additional Crown funding for, or in support of, national or regionally significant projects is dependent on obtaining sufficient local funding (if required). It is assumed that such local funding will be secured. | Moderate | A change in the level of subsidy will increase or reduce the level of resources available to fund the maintenance, renewal and improvement of the roading and transport network. | If subsidy levels are lower than those assumed, the Council may need to increase its rates. Higher subsidy levels may mean rates are lower than they would otherwise have been. If local funding (if required) is not available to support significant projects, improvement work may not go ahead or as planned. |

| Activity | Asset management area | Assumption area | Source of information | Stated assumption | Level of uncertainty | Risk | Potential impact/ consequence if assumption wrong |
|----------|-----------------------|-------------------|--------------------------------|---|----------------------|---|--|
| All | Growth | Population Change | Population growth model – BERL | <p>The Council commissioned Business and Economic Research Limited (BERL) to prepare population projections for the District for the period to 2041. The projections are based on authoritative population and economic data as well as assumptions in relation to land zoning the provision of infrastructure in the District.</p> <p>The growth model projects that the population of the District (excluding Burnham Military Camp) will grow from 39,000 in 2011 to 45,500 by 2022 and 63,500 by 2041.</p> <p>These population projections have been used as the basis for forecasting:</p> <ul style="list-style-type: none"> • the growth in the rating base and therefore rate revenue • the increase in the cost of service provision • the cost and timing of capital expenditure to meet increasing demand • the level of revenue from development contributions. | High | <p>The model is based on a number of assumptions including economic growth and levels of migration and therefore subject to some uncertainty. There is a risk that the level of population growth will be higher or lower than the projections and that the timing of population growth will differ from that in the model.</p> | <p>The Council has based its plans for the management and expansion of its infrastructure on the population projections. Should growth occur at different rates, it can respond by accelerating, delaying or revising planned capital works. The level of revenue from development contributions will vary from that forecast if actual growth differs from the projections, but any variation will tend to mirror the need for capital expenditure, thereby allowing the Council to mitigate the risk to some extent. The largest risk relates to the Eastern Selwyn Sewerage Scheme which requires the Council to incur capital expenditure in advance of expected development contribution revenue. If growth occurs at a different rate from the projections, the forecasts for the cost of service provision will differ from the actual. Any impact on the Council's financial performance will be mitigated because the change in forecast revenue from rates and fees and charges will tend to mirror the change in the cost of service provision.</p> |

| Activity | Asset management area | Assumption area | Source of information | Stated assumption | Level of uncertainty | Risk | Potential impact/ consequence if assumption wrong |
|----------|-----------------------|---|-----------------------|---|----------------------|--|---|
| All | Growth | Population Change | The Council | Growth in the District's communities will occur as stated in the Council's adopted forecasts and strategies. | High | There is a risk that growth will occur faster or slower than expected. | Lower forecast growth rates will increase holding costs if expenditure is incurred ahead of need. Higher growth rates may require capital projects to be brought forward. |
| All | Growth | Greater Christchurch Urban Development Strategy (UDS) | The Council | In 2007, the Waimakariri and Selwyn District Councils, Christchurch City Council, Environment Canterbury and NZ Transport Agency adopted as policy, the Greater Christchurch Urban Development Strategy. The adopted strategy and action plan contained a preferred long-term urban development pattern for the greater Christchurch area and signalled the intent to reflect that pattern in a change to the RPS - PC1. The policies of PC1 and PC7 (SDC) that direct the staging and sequencing of urban expansion for 'greenfield' residential growth and new business areas will be adhered to. The UDS will continue to promote collaborative planning and project implementation across the partner agencies. | High | There is a risk that coordination across agencies will cease based on possible internal and external influences e.g. Canterbury earthquakes. | If development patterns do not take place as planned for under the UDS, the Council will need to review and revise its capital works programmes. It will also need to revise operations and maintenance budgets and renewals programmes to suit unpredicted demand. |

| Activity | Asset management area | Assumption area | Source of information | Stated assumption | Level of uncertainty | Risk | Potential impact/ consequence if assumption wrong |
|----------|-----------------------|----------------------------------|-----------------------|---|----------------------|---|---|
| All | Lifecycle | Central Plains Irrigation Scheme | The Council | <p>The Central Plains Irrigation scheme will be constructed.</p> <p>The timing and details of the scheme along with its impacts on the Council's activities and finances are uncertain at this time.</p> <p>The impact on the Council's activities will be limited in the 2012/2015 period and the Council will clarify the expected impacts on activities during this period as more information becomes available. This will allow the impacts to be reflected in the 2015/25 Long Term Plan.</p> | High | There is a risk that the scheme proceeds more quickly than assumed. | <p>If the scheme proceeds more quickly than assumed then some of the following impacts may occur prior to the preparation of the 2015/2025 Long Term Plan:</p> <p>5Waters: Minor measurable reductions to drinking water quality changes in asset demand, efficiency of wastewater scheme disposal and land drainage channel operation. These issues may initiate higher levels of monitoring and maintenance (e.g. water chemical analysis and drain cleaning). New assets associated with this scheme may be vested in the Council.</p> <p>Transportation: Changes in network use will occur during and after construction and additional infrastructure located with transport corridors.</p> <p>Community Facilities: Construction may have minor effects on cemetery and gravel pit operations and requirements for the Council's properties.</p> |

| Activity | Asset management area | Assumption area | Source of information | Stated assumption | Level of uncertainty | Risk | Potential impact/ consequence if assumption wrong |
|----------------|-----------------------|-------------------------|-----------------------|--|----------------------|--|--|
| All | Lifecycle | No major adverse events | The Council | <p>It is assumed that there will be no major adverse events during the period covered by the Long Term Plan, for example, earthquake, pandemic or flood.</p> <p>It is assumed that recent seismic activity will return to pre 4 September 2010 levels.</p> <p>It is assumed that there is no significant undiscovered damage to Council's underground infrastructural assets.</p> <p>While events may occur at any time, the Council's planning will focus on operational resilience and Emergency Management.</p> | High | <p>There is a risk that a major adverse event will occur and result in damage to assets and additional costs to the Council.</p> <p>There is a risk that there is significant undiscovered damage to Council's underground infrastructural assets.</p> | Any major adverse event will have a significant impact on the Council and the community. The Council seeks to mitigate this risk through its Civil Defence, Risk Management and Insurance Policies. |
| Transportation | Lifecycle | Long Term Strategies | The Council | <p>That there will be no significant change to the intent of the policies and strategies in place, but the funding available and implementation timetables may change.</p> <p>Funding National - includes NZ Transport Strategy, Government Policy Statement On Land Transport, RoNS programme.</p> | Moderate | There is a risk that national, regional and Greater Christchurch priorities change or differ from the priorities identified by the Council. | The Council's programmes that do not integrate with NZTA and other priorities (national and regionally) or are not representative of its own adopted transport strategies are unlikely to attract funding. |

| Activity | Asset management area | Assumption area | Source of information | Stated assumption | Level of uncertainty | Risk | Potential impact/ consequence if assumption wrong |
|----------|-----------------------|-----------------|-----------------------|---|----------------------|--|--|
| | | | | Regional and Greater Christchurch includes Regional Land Transport Strategy, Travel Demand Management Strategy, Metro Strategy, CRETS and the Council's specific strategies include Walking and Cycling and Road Safety. | | | |
| All | Levels of Service | Legislation | The Council | <p>The Long Term Plan assumes that existing Legislation will remain in place and that the structure and responsibilities of the Council will remain the same over the period covered by the Long Term Plan.</p> <p>5Waters: Includes Environmental Protection Agency, Purpose of Local Government review, Land and Water Forum, Urban Infrastructure Reform.</p> <p>Transportation: Includes Land Transport Management Act, Government Policy Statement on Land Transport Funding, NZTA Policies and Rules.</p> | Moderate | There is a risk that legislative change will bring about changes to the responsibilities of the Council. | <p>If legislative responsibilities change, it may increase or reduce the Council's expenditure and income and associated rate levels. Significant changes to:</p> <ul style="list-style-type: none"> •Funding levels and the AcMP- contracts, staff and funding arrangements. •External subsidy funding sources. |

| Activity | Asset management area | Assumption area | Source of information | Stated assumption | Level of uncertainty | Risk | Potential impact/ consequence if assumption wrong |
|----------------------|-----------------------|------------------------|------------------------------|---|----------------------|---|---|
| Community Facilities | Levels of Service | Committees | The Council | The structure and role of the Council's committees are not expected to alter. | Moderate | There is a risk that the Council's structure will be altered, either increasing or decreasing committee numbers and the role of those committees. | May result in improvement to delivery of projects by the Council, where resources are available and provided to meet the works required. |
| All | Sustainability | Climate change | Ministry for the Environment | It is assumed that climate change is happening but that there will be no significant impact on the Council's activities within the period covered by the Long Term Plan. However, the Council will take into account the predicted impacts of climate change as it plans, builds and renews its infrastructure. | Low | There is a risk that climate change will happen more quickly than expected and require changes to the Council's activities. | If climate change happens more quickly, the Council may need to carry out work on its infrastructure assets. The Council's business units may not recognise climate change in the delivery of their services. Decisions made now without considerations may have intergenerational effects on land use decisions, environmental policy and infrastructure decisions e.g. relying on undersized assets and resources in highly vulnerable parts of the District. |
| All | Sustainability | District-wide strategy | The Council | No significant changes in the management of infrastructure assets, reserves and community facilities are expected from the District-wide strategy outcomes. | Moderate | There is a risk that the visions and initiatives identified through the District-wide strategy process cannot be accommodated through current planning and delivery mechanisms. | Changes in service (demand, performance, condition, resourcing) may be required as a result of decisions resulting from the Strategy. Changes to Activity Planning including funding may be required. |

| Activity | Asset management area | Assumption area | Source of information | Stated assumption | Level of uncertainty | Risk | Potential impact/ consequence if assumption wrong |
|----------|-----------------------|------------------------|-----------------------|--|----------------------|--|---|
| All | Sustainability | Inflation (Fuel costs) | BERL | It is assumed there will be no major change in fuel costs over and above those incorporated into the inflation assumption. | High | There is a risk that fuel prices will be greater than those assumed. | <p>Rapid increases will significantly affect contract prices, settlement and travel patterns.</p> <p>Increased fuel costs would have a particular impact on the cost of road maintenance, renewal and improvements. This may affect the Council's ability to carry out planned work without additional funding. It may also increase demand for alternative modes of transport.</p> |

Inflation assumptions used in the preparation of the prospective financial statements

| | Roading | Property | Water | Energy | Staff | Other | CPI |
|---------|---------|----------|-------|--------|-------|-------|------|
| 2012/13 | 3.7% | 2.9% | 4.2% | 4.8% | 2.5% | 2.3% | 2.4% |
| 2013/14 | 3.0% | 2.9% | 3.9% | 4.8% | 2.4% | 3.2% | 2.4% |
| 2014/15 | 3.6% | 2.9% | 3.5% | 4.7% | 2.4% | 3.2% | 2.4% |
| 2015/16 | 3.1% | 3.0% | 3.7% | 5.0% | 2.5% | 3.4% | 2.4% |
| 2016/17 | 2.9% | 3.2% | 3.9% | 5.1% | 2.7% | 3.4% | 2.5% |
| 2017/18 | 3.3% | 2.7% | 3.5% | 6.0% | 2.3% | 3.4% | 2.5% |
| 2018/19 | 3.5% | 2.8% | 3.5% | 2.5% | 2.4% | 3.4% | 2.6% |
| 2019/20 | 3.7% | 3.0% | 3.8% | 5.7% | 2.5% | 3.3% | 2.6% |
| 2020/21 | 3.5% | 3.3% | 4.1% | 5.3% | 2.7% | 3.5% | 2.7% |
| 2021/22 | 3.5% | 3.3% | 4.1% | 5.4% | 2.7% | 3.6% | 2.6% |

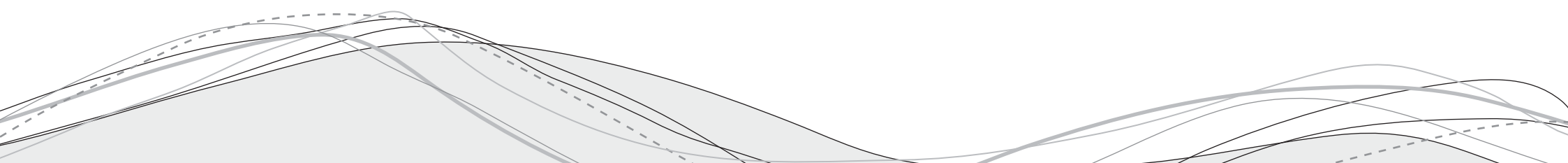


RATING INFORMATION AND FEES AND CHARGES

- Funding Impact Statement
- The Rates System
- Schedule of Chargeable Costs for Environmental Services
- Refuse Collection Charges

FUNDING IMPACT STATEMENT

The funding impact statement shows the revenue and financing mechanisms the Council uses to fund its operating and capital expenditure.



Revenue and funding mechanisms

The revenue and funding mechanisms used by the Council to cover expenditure are:

[illegible]

THE RATES SYSTEM

The rating system is the primary mechanism used by the Council to fund the operating and capital expenditure planned for the District. The table below explains some of the terminology used in the rates system.

| Rating unit | The rating unit is what attracts the liability for rates and is basically what has been known in the past as a 'rateable property'. |
|--|--|
| Separately used or inhabited part of a rating unit | Any portion of a rating unit used or inhabited by any person, other than the ratepayer or member of the ratepayer's household, having a right to use or inhabit that portion by virtue of a tenancy, lease licence or other agreement. |
| Rating factor | This is the basis on which a targeted rate is calculated, such as property value, land area, number of separately occupied parts etc. |
| General rate | A rate that is set and levied for the general purpose of the Council. |
| Uniform annual general charge | A rate that is a set fixed dollar amount irrespective of the value of the property and is used for the general purposes of the Council. |
| Targeted rate | A rate that is set and levied for a specified purpose. |

General rates

The Council sets the general rate using a uniform annual general charge of \$154.27 with the balance collected on the capital value of all rating units in the District. There are no differentials applied to the general rate.

Targeted rates

The Council sets targeted rates under section 16 of the Local Government (Rating) Act 2002. Targeted rates may be set for all rateable land in the District or a category of rateable land. Schedule 2 of the Local Government (Rating) Act 2002 lists options which may be used to define categories of rateable land, for example the availability of the service, location etc.

The purpose of each targeted rate, the category of rateable land to which the rate is applied and the basis for calculation (or rating factor) is described below:

- Community Boards – these rates are set to fund the operations of the Selwyn Central and Malvern Community Boards. A uniform annual charge is applied based on each rating unit in the Selwyn Central and Malvern Wards.
- Canterbury Museum levy funding – this rate is set to fund the levy paid under the Canterbury Museum Trust Board Act. A uniform annual charge is applied based on each rating unit in the Selwyn District.
- Community centres and recreation reserves – these rates are set for the purpose of providing and maintaining the various community centres and recreation reserves in the Selwyn District. These rates are applied based on each separately used or inhabited part of a rating unit within the following community centre and recreation reserve districts. Community centre loan rates are set for some community centres. These are payable by each occupied rating unit which elected to make contributions to a past capital project via a loan rate rather than by lump sum contribution.

Community centres

| | | | |
|----------------|----------------|------------|-------------|
| Broadfield | Castle Hill | Darfield | Doyleston |
| Dunsandel-Mead | Glenroy | Glentunnel | Greendale |
| Greenpark | Halkett | Hororata | Killinchy |
| Ladbrooks | Lake Coleridge | Lakeside | Lincoln |
| Prebbleton | Rolleston | Sheffield | Southbridge |
| Springston | Tai Tapu | Tawera | West Melton |

Recreation reserves

| | | | |
|-------------|---------------------|--------------|-------------|
| Castle Hill | Courtenay | Darfield | Dunsandel |
| Ellesmere | Glentunnel/Coalgate | Greendale | Halkett |
| Hororata | Kimberley | Kirwee | Leeston |
| Lincoln | McHughs Plantation | Osborne Park | Prebbleton |
| Rhodes Park | Rolleston | Sheffield | Southbridge |
| Springston | Weedons | West Melton | Whitecliffs |

- McHughs Plantation - this rate is set for the purpose of providing and maintaining the McHughs Plantation. The targeted rate is applied differentially using a 'zone benefit' approach based on the proximity to the plantation. The rate is applied across the following zones based on the existing recreation reserve rating districts:

| Zone | Rating areas |
|--------|--|
| Zone 1 | Darfield, Sheffield, Glentunnel/Coalgate, Kirwee, Hororata, Greendale, Courtenay, Kimberley and Whitecliffs. |
| Zone 2 | Comprised of the balance of the District. |

- Swimming pools – this rate is set for the purpose of providing and maintaining swimming pools in the District. The rate is applied differentially on each separately used or inhabited part of a rating unit based on proximity to the Council's swimming facilities. The rate is applied across the following zones based on the existing recreation reserve rating districts:

| Zone | Rating areas |
|--------|--|
| Zone 1 | Rolleston |
| Zone 2 | Broadfield, Courtenay, Darfield, Dunsandel, Greendale, Halkett, Killinchy, Kimberley, Kirwee, Ladbrooks, Lakeside, Leeston, Lincoln, Osborne Park, Prebbleton, Rhodes Park, Sheffield, Springston, Southbridge, Templeton, Weedons, West Melton, other properties within the zone 2 geographical area, but which are not part of an existing reserve rating area |
| Zone 3 | Arthur's Pass, Castle Hill, Glentunnel/Coalgate, Hororata, Kowai Pass, Lake Coleridge, Rakaia Huts, Snowdon, Whitecliffs, other properties within the zone 3 geographical area, but which are not part of an existing reserve rating area |

- Libraries – this rate is set for the purpose of providing the District library service. The rate is applied based on each rating unit within the Selwyn District.
- Refuse collection and disposal – these rates are set for the purpose of providing a refuse collection and disposal service. These rates are applied based on each separately used or inhabited part of a rating unit located on the refuse collection route and rating units in Arthur's Pass, Castle Hill and Lake Coleridge.
- Land drainage and river protection – these rates are set for the purpose of maintaining drainage and protecting schemes. These rates are applied based on the capital value, land value or area of all rating units in the following classified areas:

| | |
|-----------------------------------|---------------|
| Ellesmere No. 3 Subdivision | Capital Value |
| Ellesmere No. 4 (Osborne's Drain) | Area |
| Greenpark | Capital Value |
| Hororata River | Capital Value |
| L2 River | Capital Value |
| Leeston | Area |
| Leeston Township | Land Value |
| Taumutu | Area |
| Taumutu Culverts | Capital Value |
| Wairiri Valley | Capital Value |

- Urban and rural water supplies – these rates are set for the purpose of providing and maintaining the individual water supply schemes. These rates are applied based on each separately used or inhabited part of a rating unit which has the provision or availability of the service within the following potable water supplies:

| | | |
|-----------------------------|-----------------------|---------------------|
| Armack Drive | Arthur's Pass | Branthwaite Drive |
| Burnham | Castle Hill | Darfield |
| Doyleston | Dunsandel | Edendale |
| Fisherman's Point (Taumutu) | Hororata | Johnson Road |
| Jowers Road | Kirwee | Lake Coleridge |
| Leeston | Lincoln | Malvern Hills Rural |
| Prebbleton | Rakaia Huts | Raven Drive |
| Rolleston | Selwyn Rural | Sheffield |
| Southbridge | Springfield | Springston |
| Tai Tapu | Templeton (Claremont) | Te Piritā Rural |
| West Melton | | |

Half charges are applied to each separately used or inhabited part of a rating unit within 100 metres from any part of the supply to which water can be, but is not supplied.

For some supplies, targeted rates for water supplies are charged in accordance with Section 19 of the Local Government (Rating) Act 2002.

Water supply loan rates are set for some water supplies. These are payable by those rating units

who elected to make their contribution to a past capital project via the rates system rather than by lump sum contributions.

- Sewerage schemes – these rates are set for the purpose of providing and maintaining the individual sewerage treatment and disposal systems. These rates are applied based on each separately used or inhabited part of a rating unit which has the provision or availability of the service within the following sewerage schemes:

| | | |
|----------------|-------------|-----------------------|
| Arthur's Pass | Castle Hill | Doyleston |
| Lake Coleridge | Leeston | Lincoln |
| Prebbleton | Rolleston | Southbridge |
| Springston | Tai Tapu | Templeton (Claremont) |
| West Melton | | |

Half charges are applied to each separately or inhabited part of a rating unit to which a connection can be made, but is not supplied.

Sewerage loan rates are set for some schemes. These are payable by those rating units who elected to make their contribution to a past capital project via the rates system rather than by lump sum contributions.

- From 1 July 2009 a rate has been applied on each separately used or inhabited part of a rating unit in Darfield to cover the cost of monitoring the environmental effects of discharging waste water to ground.
- Stock water – these rates are set for the purpose of providing and maintaining water race systems within the District. These rates are applied based on the area of a rating unit which has the provision or availability of the service within the former County Council Districts.

| | | |
|-----------|---------|---------|
| Ellesmere | Malvern | Paparua |
|-----------|---------|---------|

The Malvern and Paparua urban water race rates are set for the purpose of maintaining the water races in urban areas. The rate is paid by all separately rateable properties within the following living zone areas:

| | |
|--------------------|--------------------|
| Malvern Water Race | Paparua Water Race |
| Darfield | Claremont |

| | |
|----------------------|------------|
| Kirwee | Edendale |
| Sheffield/Waddington | Prebbleton |
| Springfield | Rolleston |
| West Melton | |

- Stormwater - from 1 July 2012 a rate will be set for the purpose of providing and maintaining stormwater systems. These rates are applied based on each separately used or inhabited part of a rating unit within areas serviced by stormwater systems in the following areas.

| | | |
|----------------|-----------------------|-------------|
| Arthur's Pass | Castle Hill | Darfield |
| Doyleston | Dunsandel | Edendale |
| Glentunnel | Hororata | Kirwee |
| Lake Coleridge | Leeston | Lincoln |
| Prebbleton | Rakaia Huts | Rolleston |
| Southbridge | Springfield | Springston |
| Tai Tapu | Templeton (Claremont) | West Melton |
| Whitecliffs | | |

Rate charges

The LTP proposes a number of rate increases in both the general rate and targeted rates. The forecast average annual rates increase per ratepayer over the 10 years is 4.2%. The increase in total rates revenue over the period is higher, but this is due to the expected increase in the district's population.

Roughly 40% of the council's work is paid for by rates – 15% from general rates, which all land and property owners pay, and 25% from targeted rates which are charged for particular services. The remainder of the work is funded from other sources including government grants, community funds, user-pay charges and council investment income. Property development contributions also provide funds for new reserves, roads, and water and sewerage assets.

General rates pay for roads, townships, reserves, community development and environmental services. General rates have two parts: a fixed amount (the Uniform Annual General Charge 2012/2013: \$154.27); and a variable amount which is based on the Capital Value of the property.

Targeted rates pay for services such as water, sewerage, and refuse collection, recreational and cultural facilities.

The following examples show how the proposed changes will affect properties in different areas. The examples show the proposed rate charges for 2012/2013 as well as giving indicative rates for the subsequent two years.

In the following examples the variables are used to demonstrate the potential impacts on rateable properties in different districts:

- Wheelie bin charges vary dependent on whether the property chooses an organic bin, an 80 litre or a 240 litre bin.
- Water metered charges are not included and are additional to the rates identified.

Rate examples

Example 1: A residential property in Armack Drive

| | Actual | LTP | LTP | LTP |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |
| Capital Valuation | 400,000 | 400,000 | 400,000 | 400,000 |
| General Rates | 308 | 327 | 346 | 367 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 540 | 540 | 540 | 540 |
| Swimming Pool Rate | 124 | 124 | 124 | 124 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Capital Injection 5 Year Loan Rate | - | 485 | 485 | 485 |
| Recreation Reserves Rate | 56 | 65 | 75 | 75 |
| Community Centre Rate | 77 | 85 | 85 | 85 |
| Community Board Rate | 16 | 16 | 16 | 16 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$2,033 | \$2,442 | \$2,499 | \$2,539 |

| | | | | |
|------------------|--|--------|-------|-------|
| Annual % change | | 20.10% | 2.33% | 1.62% |
| Annual \$ change | | \$409 | \$57 | \$41 |

Example 2: A residential property in Arthurs Pass

| | Actual | LTP | LTP | LTP |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |
| Capital Valuation | 240,000 | 240,000 | 240,000 | 240,000 |
| General Rates | 185 | 196 | 208 | 220 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 560 | 570 | 580 | 590 |
| Stormwater Rate | - | 100 | 100 | 100 |
| Swimming Pool Rate | 31 | 31 | 31 | 31 |
| Refuse Charges | 77 | 77 | 77 | 77 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Community Board Rate | 27 | 27 | 27 | 27 |
| | \$1,323 | \$1,332 | \$1,381 | \$1,424 |

| | | | | |
|------------------|--|-------|-------|-------|
| Annual % change | | 0.71% | 3.68% | 3.06% |
| Annual \$ change | | \$9 | \$49 | \$42 |

Example 3: A residential property in Branthwaite Drive

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 400,000 | 400,000 | 400,000 | 400,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 308 | 327 | 346 | 367 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 810 | 810 | 810 | 810 |
| Swimming Pool Rate | 124 | 124 | 124 | 124 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Recreation Reserves Rate | 56 | 65 | 75 | 75 |
| Community Centre Rate | 77 | 85 | 85 | 85 |
| Community Board Rate | 16 | 16 | 16 | 16 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$2,303 | \$2,227 | \$2,284 | \$2,324 |

| | | | | |
|------------------|--|--------|-------|-------|
| Annual % change | | -3.31% | 2.55% | 1.78% |
| Annual \$ change | | (\$76) | \$57 | \$41 |

Example 4: A residential property in Burnham

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 400,000 | 400,000 | 400,000 | 400,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 308 | 327 | 346 | 367 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 560 | 600 | 650 | 700 |
| Swimming Pool Rate | 124 | 124 | 124 | 124 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Recreation Reserves Rate | 56 | 65 | 75 | 75 |
| Community Centre Rate | 77 | 85 | 85 | 85 |
| Community Board Rate | 16 | 16 | 16 | 16 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$2,053 | \$2,017 | \$2,124 | \$2,214 |

| | | | | |
|------------------|--|--------|-------|-------|
| Annual % change | | -1.77% | 5.30% | 4.27% |
| Annual \$ change | | (\$36) | \$107 | \$91 |

Example 5: A residential property in Coalgate

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 275,000 | 275,000 | 275,000 | 275,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 212 | 225 | 238 | 252 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Malvern Hills Rural Water Rate | 305 | 315 | 345 | 345 |
| Swimming Pool Rate | 31 | 31 | 31 | 31 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 23 | 23 | 23 |
| Reserve Rate | 35 | 40 | 40 | 40 |
| Community Centre Rate | 23 | 31 | 50 | 50 |
| Community Board Rate | 27 | 27 | 27 | 27 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 80 Litre Wheelie Bin | 117 | 117 | 117 | 117 |
| | \$1,278 | \$1,217 | \$1,307 | \$1,341 |

| | | | | |
|------------------|--|--------|-------|-------|
| Annual % change | | -4.81% | 7.41% | 2.61% |
| Annual \$ change | | (\$62) | \$90 | \$34 |

Example 6: A residential property in Darfield

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 255,000 | 255,000 | 255,000 | 255,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|----------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 197 | 208 | 221 | 234 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 350 | 350 | 350 | 375 |
| Urban Water Race Charge | 10 | 10 | 10 | 10 |
| Darfield Sewerage Investigations | 58 | 63 | 63 | 73 |
| Swimming Pool Rate | 87 | 87 | 87 | 87 |
| Stormwater Rate | - | 24 | 24 | 24 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 23 | 23 | 23 |
| Recreation Centre & Reserve Rate | 87 | 90 | 90 | 95 |
| Community Board Rate | 27 | 27 | 27 | 27 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 80 Litre Wheelie Bin | 117 | 117 | 117 | 117 |
| | \$1,460 | \$1,408 | \$1,448 | \$1,520 |

| | | | | |
|------------------|--|--------|-------|-------|
| Annual % change | | -3.58% | 2.82% | 5.01% |
| Annual \$ change | | (\$52) | \$40 | \$73 |

Example 7: A residential property in Doyleston

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| Capital Valuation | 255,000 | 255,000 | 255,000 | 255,000 |
| General Rates | 197 | 208 | 221 | 234 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 330 | 350 | 350 | 400 |
| Water Supply - holding capacity | 32 | 32 | 32 | 32 |
| Sewerage Rate | 450 | 500 | 600 | 700 |
| Swimming Pool Rate | 87 | 87 | 87 | 87 |
| Stormwater | - | 30 | 30 | 30 |
| Land Drainage | 41 | 41 | 41 | 41 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Recreation Centre Rate | 14 | 17 | 22 | 22 |
| Reserve Rate | 12 | 17 | 17 | 17 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 80 Litre Wheelie Bin | 117 | 117 | 117 | 117 |
| | \$1,808 | \$1,816 | \$1,961 | \$2,144 |

| | | | | |
|------------------|--|-------|-------|-------|
| Annual % change | | 0.44% | 7.97% | 9.34% |
| Annual \$ change | | \$8 | \$145 | \$183 |

Example 8: A residential property in Dunsandel

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| Capital Valuation | 255,000 | 255,000 | 255,000 | 255,000 |
| General Rates | 197 | 208 | 221 | 234 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 500 | 500 | 525 | 525 |
| Swimming Pool Rate | 87 | 87 | 87 | 87 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Community Hall Rate | 31 | 161 | 200 | 250 |
| Reserve Rate | 31 | 35 | 35 | 35 |
| Stormwater Rate | - | 45 | 45 | 45 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$1,757 | \$1,836 | \$1,940 | \$2,023 |

| | | | | |
|------------------|--|-------|-------|-------|
| Annual % change | | 4.50% | 5.65% | 4.28% |
| Annual \$ change | | \$79 | \$104 | \$83 |

Example 9: A residential property in Edendale

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 400,000 | 400,000 | 400,000 | 400,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 308 | 327 | 346 | 367 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 327 | 327 | 450 | 550 |
| Swimming Pool Rate | 87 | 87 | 87 | 87 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Recreation Reserves Rate | 51 | 60 | 60 | 60 |
| Community Centre Rate | 31 | 35 | 35 | 35 |
| Community Board Rate | 16 | 16 | 16 | 16 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$1,732 | \$1,652 | \$1,822 | \$1,962 |

| | | | | |
|------------------|--|--------|--------|-------|
| Annual % change | | -4.63% | 10.28% | 7.72% |
| Annual \$ change | | (\$80) | \$170 | \$141 |

Example 10: A rural property in Ellesmere Ward

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|-----------|-----------|-----------|-----------|
| Capital Valuation | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 |
|-------------------|-----------|-----------|-----------|-----------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 1,695 | 1,797 | 1,905 | 2,019 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge Rate | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Swimming Pool Rate | 87 | 87 | 87 | 87 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Park Rate | 35 | 40 | 40 | 40 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$2,729 | \$2,724 | \$2,859 | \$2,993 |

| | | | | |
|------------------|--|--------|-------|-------|
| Annual % change | | -0.18% | 4.96% | 4.69% |
| Annual \$ change | | (\$5) | \$135 | \$134 |

Example 11: A residential property in Glentunnel

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 400,000 | 400,000 | 400,000 | 400,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 308 | 327 | 346 | 367 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Malvern Hills Rural Water Rate | 305 | 315 | 345 | 345 |
| Swimming Pool Rate | 31 | 31 | 31 | 31 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 23 | 23 | 23 |
| Reserve Rate | 35 | 40 | 40 | 40 |
| Community Centre Rate | 23 | 31 | 50 | 50 |
| Community Board Rate | 27 | 27 | 27 | 27 |
| Stormwater Rate | - | 50 | 50 | 50 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 80 Litre Wheelie Bin | 117 | 117 | 117 | 117 |
| | \$1,374 | \$1,369 | \$1,465 | \$1,506 |

| | | | | |
|------------------|--|--------|-------|-------|
| Annual % change | | -0.42% | 7.04% | 2.77% |
| Annual \$ change | | (\$6) | \$96 | \$41 |

Example 12: A residential property in Hororata

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 350,000 | 350,000 | 350,000 | 350,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 270 | 286 | 303 | 321 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Selwyn Rural Water Supply - operating | 125 | 140 | 150 | 160 |
| Selwyn Rural Water Supply - capital | 41 | 41 | 41 | 41 |
| Stormwater Rate | - | 200 | 200 | 200 |
| Swimming Pool Rate | 31 | 31 | 31 | 31 |
| Library Rate | 153 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 23 | 23 | 23 |
| Reserve Rate | 46 | 46 | 46 | 46 |
| Community Centre Rate | 30 | 55 | 55 | 65 |
| Community Board Rate | 27 | 27 | 27 | 27 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 80 Litre Wheelie Bin | 117 | 117 | 117 | 117 |
| | \$1,225 | \$1,374 | \$1,429 | \$1,487 |

| | | | | |
|------------------|--|--------|-------|-------|
| Annual % change | | 12.20% | 3.96% | 4.06% |
| Annual \$ change | | \$149 | \$54 | \$58 |

Example 13: A residential property in Johnsons Road

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 400,000 | 400,000 | 400,000 | 400,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 308 | 327 | 346 | 367 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 410 | 410 | 410 | 410 |
| Swimming Pool Rate | 87 | 87 | 87 | 87 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Recreation Reserves Rate | 51 | 60 | 60 | 60 |
| Community Centre Rate | 31 | 35 | 35 | 35 |
| Community Board Rate | 16 | 16 | 16 | 16 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$1,815 | \$1,735 | \$1,782 | \$1,822 |

| | | | | |
|------------------|--|--------|-------|-------|
| Annual % change | | -4.42% | 2.70% | 2.28% |
| Annual \$ change | | (\$80) | \$47 | \$41 |

Example 14: A residential property in Jowers Road

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 400,000 | 400,000 | 400,000 | 400,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 308 | 327 | 346 | 367 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 725 | 735 | 750 | 770 |
| Swimming Pool Rate | 87 | 87 | 87 | 87 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Recreation Reserves Rate | 51 | 60 | 60 | 60 |
| Community Centre Rate | 31 | 35 | 35 | 35 |
| Community Board Rate | 16 | 16 | 16 | 16 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$2,130 | \$2,060 | \$2,122 | \$2,182 |

| | | | | |
|------------------|--|--------|-------|-------|
| Annual % change | | -3.30% | 3.00% | 2.86% |
| Annual \$ change | | (\$70) | \$62 | \$61 |

Example 15: A residential property in Kirwee

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 400,000 | 400,000 | 400,000 | 400,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 308 | 327 | 346 | 367 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 360 | 400 | 440 | 500 |
| Stormwater Rate | - | 35 | 35 | 35 |
| Swimming Pool Rate | 87 | 87 | 87 | 87 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 23 | 23 | 23 |
| Reserve & Pavilion Upgrade Rate | 88 | 105 | 105 | 105 |
| Community Board Rate | 27 | 27 | 27 | 27 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 80 Litre Wheelie Bin | 117 | 117 | 117 | 117 |
| | \$1,515 | \$1,529 | \$1,616 | \$1,717 |

| | | | | |
|------------------|--|-------|-------|-------|
| Annual % change | | 0.91% | 5.68% | 6.22% |
| Annual \$ change | | \$14 | \$87 | \$101 |

Example 16: A residential property in Lake Coleridge

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 220,000 | 220,000 | 250,000 | 250,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 170 | 180 | 190 | 202 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 325 | 375 | 425 | 450 |
| Water Quality - upgrade | 286 | 286 | 286 | 286 |
| Swimming Pool Rate | 31 | 31 | 31 | 31 |
| Sewerage Rate | 700 | 1,000 | 1,300 | 1,300 |
| Stormwater Rate | - | 220 | 220 | 220 |
| Refuse Rate | 77 | 77 | 77 | 77 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Community Hall Rate | 46 | 46 | 46 | 46 |
| | \$2,078 | \$2,547 | \$2,935 | \$2,991 |

| | | | | |
|------------------|--|--------|--------|-------|
| Annual % change | | 22.54% | 15.24% | 1.92% |
| Annual \$ change | | \$468 | \$388 | \$56 |

Example 17: A residential property in Leeston

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 255,000 | 255,000 | 255,000 | 255,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 197 | 208 | 221 | 234 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 245 | 250 | 300 | 350 |
| Sewerage Rate | 460 | 510 | 560 | 630 |
| Sewerage - holding capacity | 42 | 42 | 42 | 42 |
| Swimming Pool Rate | 87 | 87 | 87 | 87 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Park Rate | 35 | 40 | 40 | 40 |
| Stormwater Rate | - | 70 | 70 | 70 |
| Land Drainage | 19 | 19 | 19 | 19 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$1,997 | \$2,027 | \$2,166 | \$2,320 |

| | | | | |
|------------------|--|-------|-------|-------|
| Annual % change | | 1.50% | 6.90% | 7.06% |
| Annual \$ change | | \$30 | \$140 | \$153 |

Example 18: A residential property in Lincoln

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 450,000 | 450,000 | 450,000 | 450,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 347 | 368 | 390 | 413 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 155 | 170 | 200 | 225 |
| Sewerage Rate | 400 | 250 | 280 | 280 |
| ESSS treatment | - | 240 | 240 | 260 |
| Swimming Pool Rate | 87 | 87 | 87 | 87 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Domain Rate | 35 | 40 | 40 | 45 |
| Events Centre Rate | 225 | 225 | 225 | 225 |
| Stormwater Rate | - | 65 | 65 | 65 |
| L2 River (Class F) | 20 | 20 | 20 | 20 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$2,180 | \$2,264 | \$2,373 | \$2,467 |

| | | | | |
|------------------|--|-------|-------|-------|
| Annual % change | | 3.85% | 4.83% | 3.93% |
| Annual \$ change | | \$84 | \$109 | \$93 |

Example 19: A rural property in Malvern Ward

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|-----------|-----------|-----------|-----------|
| Capital Valuation | 2,700,000 | 2,700,000 | 2,700,000 | 2,700,000 |
|-------------------|-----------|-----------|-----------|-----------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 2,081 | 2,206 | 2,338 | 2,478 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Swimming Pool Rate | 87 | 87 | 87 | 87 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Watterrace Rate - minimum | 112 | 112 | 112 | 112 |
| Watterrace Rate - per ha | 2,100 | 2,147 | 2,147 | 2,400 |
| Community Centre Rate | 60 | 70 | 75 | 80 |
| Community Board Rate | 27 | 27 | 27 | 27 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$5,378 | \$5,448 | \$5,612 | \$6,031 |

| | | | | |
|------------------|--|-------|-------|-------|
| Annual % change | | 1.29% | 3.02% | 7.46% |
| Annual \$ change | | \$70 | \$165 | \$419 |

Example 20: A residential property in Prebbleton

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 450,000 | 450,000 | 450,000 | 450,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 347 | 368 | 390 | 413 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 180 | 200 | 250 | 300 |
| Sewerage Rate | 350 | 250 | 250 | 275 |
| ESSS treatment Rate | - | 240 | 240 | 260 |
| Swimming Pool Rate | 87 | 87 | 87 | 87 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Domain Rate | 56 | 65 | 70 | 70 |
| Community Centre Rate | 23 | 23 | 23 | 23 |
| Stormwater Rate | - | 43 | 43 | 43 |
| Urban Watterrace Rate | 10 | 10 | 10 | 10 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$1,964 | \$2,085 | \$2,190 | \$2,328 |

| | | | | |
|------------------|--|-------|-------|-------|
| Annual % change | | 6.16% | 5.00% | 6.31% |
| Annual \$ change | | \$121 | \$104 | \$138 |

Example 21: A residential property in Rakaia Huts

| | Actual | LTP | LTP | LTP |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |
| Capital Valuation | 255,000 | 255,000 | 255,000 | 255,000 |
| General Rates | 197 | 208 | 221 | 234 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 305 | 325 | 345 | 365 |
| Swimming Pool Rate | 31 | 31 | 31 | 31 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Stormwater Rate | - | 40 | 40 | 40 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 80 Litre Wheelie Bin | 117 | 117 | 117 | 117 |
| | \$1,178 | \$1,138 | \$1,198 | \$1,251 |
| Annual % change | | -3.39% | 5.25% | 4.43% |
| Annual \$ change | | (\$40) | \$60 | \$53 |

Example 22: A residential property in Rolleston

| | Actual | LTP | LTP | LTP |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |
| Capital Valuation | 400,000 | 400,000 | 400,000 | 400,000 |
| General Rates | 308 | 327 | 346 | 367 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 165 | 165 | 165 | 200 |
| Sewerage Rate | 410 | 240 | 240 | 240 |
| ESSS treatment Rate | - | 240 | 240 | 260 |
| Swimming Pool Rate | 124 | 124 | 124 | 124 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Recreation Reserves Rate | 56 | 65 | 75 | 75 |
| Community Centre Rate | 77 | 85 | 85 | 85 |
| Community Board Rate | 16 | 16 | 16 | 16 |
| Stormwater Rate | - | 40 | 40 | 40 |
| Urban Waterrace Rate | 10 | 10 | 10 | 10 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$2,078 | \$2,112 | \$2,169 | \$2,264 |
| Annual % change | | 1.62% | 2.69% | 4.41% |
| Annual \$ change | | \$34 | \$57 | \$96 |

Example 23: A rural property in Selwyn Central

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|-----------|-----------|-----------|-----------|
| Capital Valuation | 2,700,000 | 2,700,000 | 2,700,000 | 2,700,000 |
|-------------------|-----------|-----------|-----------|-----------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 2,081 | 2,206 | 2,338 | 2,478 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Swimming Pool Rate | 87 | 87 | 87 | 87 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Watterace Rate - minimum | 150 | 150 | 150 | 152 |
| Watterace Rate - per ha | 660 | 652 | 1,100 | 1,320 |
| Recreational Reserve Rate | 51 | 60 | 60 | 60 |
| Community Centre Rate | 31 | 35 | 35 | 35 |
| Community Board Rate | 16 | 16 | 16 | 16 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$3,988 | \$4,006 | \$4,613 | \$4,995 |

| | | | | |
|------------------|--|-------|--------|-------|
| Annual % change | | 0.45% | 15.16% | 8.29% |
| Annual \$ change | | \$18 | \$607 | \$382 |

Example 24: A residential property in Sheffield

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 280,000 | 280,000 | 280,000 | 280,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 216 | 229 | 242 | 257 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 410 | 410 | 410 | 425 |
| Swimming Pool Rate | 31 | 31 | 31 | 31 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 23 | 23 | 23 |
| Community Hall Rate | 31 | 40 | 40 | 45 |
| Recreational Reserve Rate | 41 | 50 | 50 | 55 |
| Community Board Rate | 27 | 27 | 27 | 27 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$1,667 | \$1,601 | \$1,642 | \$1,701 |

| | | | | |
|------------------|--|--------|-------|-------|
| Annual % change | | -3.95% | 2.56% | 3.61% |
| Annual \$ change | | (\$66) | \$41 | \$59 |

Example 25: A residential property in Springfield

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 280,000 | 280,000 | 280,000 | 280,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 216 | 229 | 242 | 257 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 510 | 510 | 510 | 510 |
| Stormwater Rate | - | 25 | 25 | 25 |
| Swimming Pool Rate | 31 | 31 | 31 | 31 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Community Hall Rate | 60 | 70 | 75 | 80 |
| Community Board Rate | 27 | 27 | 27 | 27 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 80 Litre Wheelie Bin | 117 | 117 | 117 | 117 |
| | \$1,489 | \$1,425 | \$1,471 | \$1,510 |

| | | | | |
|------------------|--|--------|-------|-------|
| Annual % change | | -4.29% | 3.23% | 2.68% |
| Annual \$ change | | (\$64) | \$46 | \$39 |

Example 26: A residential property in Springston

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 400,000 | 400,000 | 400,000 | 400,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 308 | 327 | 346 | 367 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 220 | 240 | 260 | 300 |
| Sewerage Rate | 195 | 150 | 160 | 170 |
| ESSS treatment Rate | - | 240 | 240 | 260 |
| Swimming Pool Rate | 87 | 87 | 87 | 87 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Reserve Rate | 38 | 40 | 40 | 40 |
| Community Centre Rate | 14 | 20 | 20 | 20 |
| Stormwater Rate | - | 45 | 45 | 45 |
| L2 River (Class C) | 52 | 52 | 52 | 52 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$1,826 | \$2,001 | \$2,077 | \$2,188 |

| | | | | |
|------------------|--|-------|-------|-------|
| Annual % change | | 9.57% | 3.84% | 5.32% |
| Annual \$ change | | \$175 | \$77 | \$111 |

Example 27: A rural property in Springs Ward

| | Actual | LTP | LTP | LTP |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |
| Capital Valuation | 2,600,000 | 2,600,000 | 2,600,000 | 2,600,000 |
| General Rates | 2,004 | 2,124 | 2,251 | 2,386 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Swimming Pool Rate | 87 | 87 | 87 | 87 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Rhodes Park Rate | 56 | 65 | 65 | 65 |
| Community Centre Rate | 75 | 75 | 75 | 75 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$3,133 | \$3,151 | \$3,305 | \$3,460 |
| Annual % change | | 0.56% | 4.91% | 4.69% |
| Annual \$ change | | \$17 | \$155 | \$155 |

Example 28: A residential property in Southbridge

| | Actual | LTP | LTP | LTP |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |
| Capital Valuation | 290,000 | 290,000 | 290,000 | 290,000 |
| General Rates | 223 | 237 | 251 | 266 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 305 | 320 | 340 | 360 |
| Sewerage Rate | 410 | 425 | 425 | 425 |
| Swimming Pool Rate | 87 | 87 | 87 | 87 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Hall Rate | 36 | 45 | 50 | 55 |
| Park Rate | 23 | 30 | 30 | 30 |
| Stormwater Rate | - | 38 | 38 | 38 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$1,996 | \$1,982 | \$2,048 | \$2,108 |
| Annual % change | | -0.72% | 3.35% | 2.92% |
| Annual \$ change | | (\$14) | \$66 | \$60 |

Example 29: A residential property in Tai Tapu

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 420,000 | 420,000 | 420,000 | 420,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 324 | 343 | 364 | 385 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 330 | 350 | 350 | 400 |
| Sewerage Rate | 400 | 500 | 550 | 650 |
| Sewerage - holding capacity | 199 | 199 | 199 | 199 |
| Swimming Pool Rate | 87 | 87 | 87 | 87 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Rhodes Park Rate | 56 | 65 | 65 | 65 |
| Community Centre Rate | 75 | 75 | 75 | 75 |
| Stormwater Rate | - | 100 | 100 | 100 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$2,383 | \$2,519 | \$2,617 | \$2,809 |

| | | | | |
|------------------|--|-------|-------|-------|
| Annual % change | | 5.74% | 3.88% | 7.32% |
| Annual \$ change | | \$137 | \$98 | \$192 |

Example 30: A residential property in West Melton

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 400,000 | 400,000 | 400,000 | 400,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 308 | 327 | 346 | 367 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Water Supply Rate | 350 | 375 | 400 | 450 |
| Sewerage Rate | 410 | 200 | 200 | 200 |
| ESSS treatment Rate | - | 240 | 240 | 260 |
| Swimming Pool Rate | 87 | 87 | 87 | 87 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 8 | 8 | 8 |
| Recreation Reserves Rate | 51 | 60 | 60 | 60 |
| Community Centre Rate | 31 | 35 | 35 | 35 |
| Community Board Rate | 16 | 16 | 16 | 16 |
| Stormwater Rate | - | 53 | 53 | 53 |
| Urban Waterrace Rate | 10 | 10 | 10 | 10 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 240 Litre Wheelie Bin | 383 | 383 | 383 | 383 |
| | \$2,175 | \$2,203 | \$2,275 | \$2,385 |

| | | | | |
|------------------|--|-------|-------|-------|
| Annual % change | | 1.27% | 3.26% | 4.86% |
| Annual \$ change | | \$28 | \$72 | \$111 |

Example 31: A residential property in Whitecliffs

| | Actual | LTP | LTP | LTP |
|--|-----------|-----------|-----------|-----------|
| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| Capital Valuation | 250,000 | 250,000 | 250,000 | 250,000 |
|-------------------|---------|---------|---------|---------|

| | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|
| General Rates | 193 | 204 | 216 | 229 |
| UAGC | 146 | 154 | 164 | 173 |
| Earthquake Uniform Charge | 135 | - | - | - |
| Canterbury Museum Levy | 20 | 20 | 28 | 28 |
| Malvern Hills Rural Water Rate | 305 | 315 | 345 | 345 |
| Swimming Pool Rate | 31 | 31 | 31 | 31 |
| Library Rate | 143 | 150 | 160 | 170 |
| McHughs Plantation Reserve Rate | - | 23 | 23 | 23 |
| Reserve Rate | 23 | 30 | 30 | 35 |
| Community Centre Rate | 23 | 50 | 50 | 50 |
| Community Board Rate | 27 | 27 | 27 | 27 |
| Stormwater Rate | - | 40 | 40 | 40 |
| Refuse Charges | | | | |
| Collection Rate | 24 | 24 | 24 | 24 |
| Recycling Charge | 61 | 61 | 61 | 61 |
| 80 Litre Wheelie Bin | 117 | 117 | 117 | 117 |
| | \$1,247 | \$1,246 | \$1,315 | \$1,353 |

| | | | | |
|------------------|--|--------|-------|-------|
| Annual % change | | -0.10% | 5.58% | 2.87% |
| Annual \$ change | | (\$1) | \$70 | \$38 |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|--|-------------------|---------|---------|-------------------------|
|--|-------------------|---------|---------|-------------------------|

General Rate

(The Uniform Annual General Charge is levied on all rating units in the Selwyn District. The balance of the General Rate requirements is applied to the capital value of all rating units in the District.)

| | | | | |
|-------------------------------|----------------|--------------|-------------|-----------|
| Uniform Annual General Charge | 17,262 | 154.27 | 145.54 | 2,663,052 |
| General Rate | 11,784,160,293 | 0.0008168773 | 0.000732960 | 9,626,213 |

| | | | | |
|---|--|--|--|-------------------|
| Total General Rate (including GST) | | | | 12,289,265 |
| Total General Rate (excluding GST) | | | | 10,686,317 |

Community Board Uniform Annual Charge

(The uniform annual charge is levied on all rating units in the Selwyn Central and Malvern Wards)

| | | | | |
|---------------------|-------|-------|-------|---------|
| Selwyn Central Ward | 5,583 | 16.30 | 16.30 | 91,003 |
| Malvern Ward | 4,143 | 26.58 | 26.58 | 110,121 |

| | | | | |
|--|--|--|--|----------------|
| Total Community Board Uniform Annual Charge (including GST) | | | | 201,124 |
| Total Community Board Uniform Annual Charge (excluding GST) | | | | 174,890 |

Canterbury Museum Levy Funding Uniform Annual Charge

(The uniform annual charge is levied on all rating units in the Selwyn District)

| | | | | |
|--------------------------------|--------|-------|-------|---------|
| Canterbury Museum levy funding | 17,262 | 20.00 | 20.00 | 345,240 |
|--------------------------------|--------|-------|-------|---------|

| | | | | |
|--|--|--|--|----------------|
| Total Canterbury Museum levy funding Uniform Annual Charge (including GST) | | | | 345,240 |
| Total Canterbury Museum Levy Uniform Annual Charge (excluding GST) | | | | 300,209 |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|--|-------------------|---------|---------|-------------------------|
|--|-------------------|---------|---------|-------------------------|

Community Centre Targeted Rate

(Targeted rate applied to separately used or inhabited part of a rating unit based on the location)

| | | | | |
|----------------------------------|-------|--------|--------|---------|
| Broadfield | 270 | 60.00 | 28.00 | 16,200 |
| Castle Hill | 94 | 60.00 | 51.00 | 5,640 |
| Darfield | 1,065 | 44.00 | 44.00 | 46,860 |
| Doyleston | 195 | 17.00 | 14.00 | 3,315 |
| Dunsandel/Mead | 613 | 161.00 | 31.00 | 98,693 |
| Glenroy | 187 | 36.00 | 36.00 | 6,732 |
| Glentunnel (excluding loan rate) | 377 | 30.55 | 23.00 | 11,517 |
| Glentunnel loan rate | 188 | 39.00 | 39.00 | 7,332 |
| Greendale (excluding loan rate) | 199 | 23.00 | 23.00 | 4,577 |
| Greendale loan rate | 73 | 108.63 | 108.63 | 7,930 |
| Greenpark | 171 | 46.00 | 46.00 | 7,866 |
| Halkett | 151 | 95.00 | 95.00 | 14,345 |
| Hororata | 253 | 55.00 | 30.00 | 13,915 |
| Killinchy | 104 | 60.00 | 42.00 | 6,240 |
| Ladbrooks | 256 | 41.00 | 41.00 | 10,496 |
| Lake Coleridge | 75 | 46.00 | 46.00 | 3,450 |
| Lakeside | 78 | 37.00 | 37.00 | 2,886 |
| Lincoln | 1,215 | 225.00 | 225.00 | 273,375 |
| Prebbleton | 1,037 | 23.00 | 23.00 | 23,851 |
| Rolleston | 3,270 | 85.00 | 77.00 | 277,950 |
| Sheffield | 256 | 40.00 | 31.00 | 10,240 |
| Southbridge | 504 | 45.00 | 36.00 | 22,680 |
| Springston | 465 | 20.00 | 14.00 | 9,300 |
| Tai Tapu | 426 | 75.00 | 75.00 | 31,950 |
| Tawera | 178 | 70.00 | 60.00 | 12,460 |
| West Melton | 980 | 35.00 | 31.00 | 34,300 |

| | | | | |
|---|--|--|--|----------------|
| Total Community Centre Targeted Rate (including GST) | | | | 964,100 |
| Total Community Centre Targeted Rate (excluding GST) | | | | 838,348 |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|---|----------------|---------|---------|----------------------|
| Recreation Reserve Targeted Rate | | | | |
| (Targeted rate applied to separately used or inhabited part of a rating unit based on the location) | | | | |
| Castle Hill | 94 | 35.00 | 23.00 | 3,290 |
| Courtenay | 42 | 100.00 | 85.00 | 4,200 |
| Darfield | 1,015 | 46.00 | 41.00 | 46,690 |
| Dunsandel | 559 | 35.00 | 31.00 | 19,565 |
| Glentunnel/Coalgate | 248 | 40.00 | 35.00 | 9,920 |
| Greendale | 199 | 23.00 | 23.00 | 4,577 |
| Halkett | 151 | 17.00 | 17.00 | 2,567 |
| Hororata | 330 | 46.00 | 46.00 | 15,180 |
| Kimberley | 41 | 50.00 | 50.00 | 2,050 |
| Kirwee | 436 | 73.00 | 56.00 | 31,828 |
| Kirwee - Pavilion Upgrade | 436 | 32.00 | 31.59 | 13,952 |
| Leeston | 616 | 40.00 | 35.00 | 24,640 |
| Lincoln | 1,213 | 40.00 | 35.00 | 48,520 |
| McHughs Plantation (Zone 1) | 2,696 | 22.50 | - | 60,660 |
| McHughs Plantation (Zone 2) | 12,031 | 7.50 | - | 90,233 |
| Osborne Park | 193 | 17.00 | 12.00 | 3,281 |
| Prebbleton | 1,035 | 65.00 | 56.00 | 67,275 |
| Rhodes Park | 426 | 65.00 | 56.00 | 27,690 |
| Rolleston | 3,269 | 65.00 | 56.00 | 212,485 |
| Sheffield | 256 | 50.00 | 41.00 | 12,800 |
| Southbridge | 503 | 30.00 | 23.00 | 15,090 |
| Springston | 460 | 40.00 | 38.00 | 18,400 |
| Weedons | 297 | 70.00 | 51.00 | 20,790 |
| Weedons - New Pavilion | 297 | 53.95 | - | 16,022 |
| West Melton | 966 | 60.00 | 51.00 | 57,960 |
| Whitecliffs | 129 | 30.00 | 23.00 | 3,870 |
| Total Recreation Reserve Targeted Rate (including GST) | | | | 833,535 |
| Total Recreation Reserve Targeted Rate (excluding GST) | | | | 724,813 |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|--|----------------|----------|---------|----------------------|
| Sewerage Targeted Rates | | | | |
| (Targeted rate applied to separately used or inhabited part of a rating unit based on availability of service) A full charge is made for each building which is connected to the scheme, and a half charge is made in respect of any property which can be, but is not, connected to the sewerage scheme. Loan charges only apply to those properties that have not elected to pay a lump sum for physical works constructed within the area of benefit. | | | | |
| Castle Hill | | | | |
| Full | 94 | 413.00 | 375.00 | 38,822 |
| Half | 89 | 206.50 | 187.50 | 18,379 |
| Pan charge from 4+ | | 103.25 | 93.75 | |
| Darfield | | | | |
| Sewerage investigations | 1,004 | 63.00 | 57.50 | 63,252 |
| Doyleston | | | | |
| Full | 95 | 500.00 | 450.00 | 47,500 |
| Half | 19 | 250.00 | 225.00 | 4,750 |
| Loan | 22 | 439.48 | 439.48 | 9,669 |
| Pan charge from 4+ | | 125.00 | 112.50 | |
| Lake Coleridge | | | | |
| Full | 70 | 1,000.00 | 700.00 | 70,000 |
| Half | 22 | 500.00 | 350.00 | 11,000 |
| Pan charge from 4+ | | 250.00 | 175.00 | |
| Leeston Sewerage Maintenance | | | | |
| Full | 676 | 510.00 | 460.00 | 344,760 |
| Half | 72 | 255.00 | 230.00 | 18,360 |
| Pan charge from 4+ | | 127.50 | 115.00 | |
| Leeston Holding Capacity | | | | |
| Full | 676 | 42.45 | 42.45 | 28,694 |
| Half | 72 | 21.22 | 21.22 | 1,528 |
| Loan | 122 | 227.64 | 227.64 | 27,772 |
| Pan charge from 4+ | | 10.61 | 10.61 | |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|-----------------------------------|----------------|---------|---------|----------------------|
| Lincoln | | | | |
| Full | 2118 | 250.00 | 400.00 | 529,500 |
| Half | 139 | 125.00 | 200.00 | 17,375 |
| Pan charge from 4+ | | 62.50 | 100.00 | |
| Eastern Selwyn Sewerage Treatment | | | | |
| Full | 2118 | 240.00 | - | 508,320 |
| Half | 143 | 120.00 | - | 17,160 |
| Pan charge from 4+ | | 60.00 | - | |

| | | | | |
|-----------------------------------|-----|--------|--------|---------|
| Prebbleton | | | | |
| Full | 785 | 250.00 | 350.00 | 196,250 |
| Half | 46 | 125.00 | 175.00 | 5,750 |
| Loan | 70 | 206.14 | 206.14 | 14,430 |
| Pan charge from 4+ | | 62.50 | 87.50 | |
| Eastern Selwyn Sewerage Treatment | | | | |
| Full | 785 | 240.00 | - | 188,400 |
| Half | 47 | 120.00 | - | 5,640 |
| Pan charge from 4+ | | 60.00 | - | |

| | | | | |
|-----------------------------------|------|--------|--------|---------|
| Rolleston | | | | |
| Full | 2850 | 240.00 | 410.00 | 684,000 |
| Half | 464 | 120.00 | 205.00 | 55,680 |
| Loan (new development area) | 408 | 80.95 | 80.95 | 33,029 |
| Loan (existing township) | 156 | 561.10 | 561.10 | 87,532 |
| Pan charge from 4+ | | 60.00 | 102.50 | |
| Eastern Selwyn Sewerage Treatment | | | | |
| Full | 2850 | 240.00 | - | 684,000 |
| Half | 469 | 120.00 | - | 56,280 |
| Pan charge from 4+ | | 60.00 | - | |

| | | | | |
|--------------------|-----|--------|--------|---------|
| Southbridge | | | | |
| Full | 287 | 425.00 | 410.00 | 121,975 |
| Half | 113 | 212.50 | 205.00 | 24,013 |
| Loan | 99 | 384.89 | 384.89 | 38,105 |
| Pan charge from 4+ | | 106.25 | 102.50 | |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|-----------------------------------|----------------|---------|---------|----------------------|
| Springston | | | | |
| Full | 218 | 150.00 | 195.00 | 32,700 |
| Half | 27 | 75.00 | 97.50 | 2,025 |
| Loan | 34 | 490.67 | 490.67 | 16,683 |
| Pan charge from 4+ | | 37.50 | 48.75 | |
| Eastern Selwyn Sewerage Treatment | | | | |
| Full | 218 | 240.00 | - | 52,320 |
| Half | 28 | 120.00 | - | 3,360 |
| Pan charge from 4+ | | 60.00 | - | |

| | | | | |
|----------------------------------|---|----------|----------|--------|
| Sunshine Terrace (Arthur's Pass) | | | | |
| Full | 9 | 1,438.00 | 1,150.00 | 12,942 |
| Half | 1 | 719.00 | 575.00 | 719 |
| Pan charge from 4+ | | 359.50 | 287.50 | |

| | | | | |
|-------------------------------|-----|--------|--------|--------|
| Tai Tapu Sewerage Maintenance | | | | |
| Full | 176 | 500.00 | 400.00 | 88,000 |
| Half | 26 | 250.00 | 200.00 | 6,500 |
| Pan charge from 4+ | | 125.00 | 100.00 | |

| | | | | |
|------------------------------------|-----|--------|--------|--------|
| Tai Tapu Sewerage Holding Capacity | | | | |
| Full | 176 | 199.47 | 199.47 | 35,106 |
| Half | 26 | 99.73 | 99.73 | 2,593 |
| Loan | 42 | 697.82 | 697.82 | 29,309 |
| Pan charge from 4+ | | 49.87 | 49.87 | |

| | | | | |
|---------------------------------------|---|--------|--------|-----|
| Lincoln/Tai Tapu Road Sewer Extension | | | | |
| Loan | 1 | 654.27 | 654.27 | 654 |

| | | | | |
|----------------------|---|--------|--------|-------|
| Tai Tapu Rising Main | | | | |
| Loan | 4 | 598.22 | 598.22 | 2,393 |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|-----------------------|----------------|---------|---------|----------------------|
| Templeton (Claremont) | | | | |
| Full | 47 | 840.00 | 770.00 | 39,480 |
| Half | 12 | 420.00 | 385.00 | 5,040 |
| Pan charge from 4+ | | 210.00 | 192.50 | |

| | | | | |
|-----------------------------------|-----|--------|--------|--------|
| West Melton | | | | |
| Full | 90 | 200.00 | 410.00 | 18,000 |
| Half | 134 | 100.00 | 205.00 | 13,400 |
| Pan charge from 4+ | | 50.00 | 102.50 | |
| Eastern Selwyn Sewerage Treatment | | | | |
| Full | 90 | 240.00 | - | 21,600 |
| Half | 135 | 120.00 | - | 16,200 |
| Pan charge from 4+ | | 60.00 | - | |

| | | | | |
|--|--|--|--|------------------|
| Total Sewerage Targeted Rates (including GST) | | | | 4,350,946 |
| Total Sewerage Targeted Rates (excluding GST) | | | | 3,783,432 |

| | | | | |
|---|--|--|--|--|
| Refuse Collection and Disposal Targeted Rate | | | | |
|---|--|--|--|--|

Each separately used or inhabited portion of a property serviced by refuse collection route will be levied:

| | | | | |
|-------------------------|--------|-------|-------|---------|
| Refuse Targeted Rate | 12,625 | 24.00 | 24.00 | 303,000 |
| Refuse Recycling Charge | 13,200 | 61.00 | 61.00 | 805,200 |

| | | | | |
|---|-----|-------|-------|--------|
| Each separately used or inhabited portion of a property serviced in the following locations will be levied: | | | | |
| Arthur's Pass | 134 | 77.00 | 77.00 | 10,318 |
| Castle Hill | 93 | 77.00 | 77.00 | 7,161 |
| Lake Coleridge | 44 | 77.00 | 77.00 | 3,388 |

| | | | | |
|--|-------|--------|--------|-----------|
| Additional charges for physical collection and disposal: | | | | |
| Refuse Wheelie Bin (240 Litre) | 5,475 | 383.00 | 383.00 | 2,096,925 |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|-----------------------------------|----------------|---------|---------|----------------------|
| Refuse Wheelie Bin (80 Litre) | 3,120 | 117.00 | 117.00 | 365,040 |
| Organic (Green Waste) Wheelie Bin | 2,050 | 204.00 | 204.00 | 418,200 |
| Bag Collection (per bag) | | 1.70 | 1.70 | |

| | | | | |
|---|--|--|--|------------------|
| Total Refuse Collection and Disposal Targeted Rate (including GST) | | | | 4,009,232 |
| Total Refuse Collection and Disposal Targeted Rate (excluding GST) | | | | 3,486,289 |

Urban and Rural Water Targeted Rate

(Targeted rate applied to separately used or inhabited part of a rating unit based availability of service)

Full charges are made to all properties connected to the individual supplies, with half charges being made to all those properties within 100 metres from any part of the supply to which water can be, but is not supplied.

Loan charges only apply to those properties that have not elected to pay a lump sum for physical works constructed within the area of benefit.

| | | | | |
|--|----|--------------------|--------------------|--------|
| Armack Drive | | | | |
| Full | 20 | 540.00 | 540.00 | 10,800 |
| Half | - | 270.00 | 270.00 | - |
| Capital injection | 20 | 485.00 | - | 9,700 |
| Metered supply where metered (>900m ³ annually) | | 0.48m ³ | 0.48m ³ | |

| | | | | |
|---------------|-----|--------|--------|--------|
| Arthur's Pass | | | | |
| Full | 131 | 570.00 | 560.00 | 74,670 |
| Half | 11 | 285.00 | 280.00 | 3,135 |

| | | | | |
|--|----|--------------------|--------------------|--------|
| Branthwaite Drive | | | | |
| Full | 24 | 810.00 | 810.00 | 19,440 |
| Half | - | 405.00 | 405.00 | - |
| Metered supply where metered (>900m ³ annually) | | 0.39m ³ | 0.39m ³ | |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|-------------|----------------|---------|---------|----------------------|
| Burnham | | | | |
| Full | 29 | 600.00 | 560.00 | 17,400 |
| Half | 2 | 300.00 | 280.00 | 600 |
| Castle Hill | | | | |
| Full | 92 | 500.00 | 410.00 | 46,000 |
| Half | 99 | 250.00 | 205.00 | 24,750 |

| | | | | |
|--|-----|--------------------|--------------------|---------|
| Darfield | | | | |
| Full | 900 | 350.00 | 350.00 | 315,000 |
| Half | 108 | 175.00 | 175.00 | 18,900 |
| Metered supply where metered (>500m ³ annually) | | 0.42m ³ | 0.42m ³ | |

| | | | | |
|------------------------------|-----|--------|--------|--------|
| Darfield 'Rural A' extension | | | | |
| Full | 554 | 175.00 | 175.00 | 96,950 |

| | | | | |
|------------------------------|-----|--------|--------|--------|
| Darfield 'Rural B' extension | | | | |
| Full | 192 | 175.00 | 175.00 | 33,600 |

| | | | | |
|--|----|--------------------|--------------------|--------|
| Doyleston | | | | |
| Full | 82 | 350.00 | 330.00 | 28,700 |
| Half | 40 | 175.00 | 165.00 | 7,000 |
| Metered supply where metered (>800m ³ annually) | | 0.16m ³ | 0.15m ³ | |

| | | | | |
|----------------------------|----|--------|--------|--------|
| Doyleston Holding Capacity | | | | |
| Full | 82 | 31.92 | 31.92 | 2,618 |
| Half | 40 | 31.92 | 31.92 | 1,277 |
| Loan | 52 | 415.96 | 379.19 | 21,630 |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|--|----------------|--------------------|--------------------|----------------------|
| Dunsandel | | | | |
| Full | 170 | 500.00 | 500.00 | 85,000 |
| Half | 9 | 250.00 | 250.00 | 2,250 |
| Metered supply where metered (>600m ³ annually) | | 0.27m ³ | 0.27m ³ | |

| | | | | |
|-----------------------|----|--------------------|--------------------|--------|
| Edendale | | | | |
| Full | 64 | 327.00 | 327.00 | 20,928 |
| Half | 5 | 163.50 | 163.50 | 818 |
| Irrigation connection | 4 | 327.00 | 327.00 | 1,308 |
| Metered supply | | 0.48m ³ | 0.48m ³ | |
| Metered irrigation | | 0.59m ³ | 0.59m ³ | |

| | | | | |
|----------|-----|--------|--------|--------|
| Hororata | | | | |
| Full | 156 | 140.00 | 125.00 | 21,840 |
| Half | 15 | 70.00 | 62.50 | 1,050 |

| | | | | |
|--------------------------------|-----|-------|-------|-------|
| Hororata - capital improvement | | | | |
| One charge per water unit | 164 | 40.89 | 40.89 | 6,706 |

| | | | | |
|------------------------------|----|--------------------|--------------------|--------|
| Johnson Road | | | | |
| Full | 58 | 410.00 | 410.00 | 23,780 |
| Half | 3 | 205.00 | 205.00 | 615 |
| Metered supply where metered | | 0.41m ³ | 0.41m ³ | |

| | | | | |
|-------------|----|--------|--------|--------|
| Jowers Road | | | | |
| Full | 18 | 735.00 | 725.00 | 13,230 |
| Half | - | 367.50 | 362.50 | - |

| | | | | |
|--|-----|--------------------|--------------------|---------|
| Kirwee | | | | |
| Full | 350 | 400.00 | 360.00 | 140,000 |
| Half | 41 | 200.00 | 180.00 | 8,200 |
| Metered supply where metered (>800m ³ annually) | | 0.39m ³ | 0.35m ³ | |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|--|----------------|--------------------|--------------------|----------------------|
| Kirwee (Courtenay extension) | | | | |
| Full | 4 | 400.00 | 360.00 | 1,600 |
| Kirwee (Courtenay/Bealey Extn) | | | | |
| Full | 19 | 400.00 | 360.00 | 7,600 |
| Lake Coleridge | | | | |
| Full | 55 | 375.00 | 325.00 | 20,625 |
| Half | 19 | 187.50 | 162.50 | 3,563 |
| Water supply quality upgrade | 64 | 286.22 | 286.22 | 18,318 |
| Leeston | | | | |
| Full | 670 | 250.00 | 245.00 | 167,500 |
| Half | 48 | 125.00 | 122.50 | 6,000 |
| Metered supply where metered (>800m ³ annually) | | 0.29m ³ | 0.28m ³ | |
| Lincoln | | | | |
| Full | 1,190 | 170.00 | 155.00 | 202,300 |
| Half | 112 | 85.00 | 77.50 | 9,520 |
| Metered supply where metered (>400m ³ annually) | | 0.46m ³ | 0.42m ³ | |
| Malvern Hills | | | | |
| Full | 1,506 | 315.00 | 305.00 | 474,390 |
| Half | 20 | 157.50 | 152.50 | 3,150 |
| Malvern Hills - Waireka extension | | | | |
| Full | 3 | 315.00 | 305.00 | 945 |
| Half | - | 157.50 | 152.50 | - |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|--|----------------|--------------------|--------------------|----------------------|
| Prebbleton | | | | |
| Full | 880 | 200.00 | 180.00 | 176,000 |
| Half | 47 | 100.00 | 90.00 | 4,700 |
| Loan - Kingcraft Drive | 1 | 344.77 | 344.77 | 345 |
| Metered supply where metered (>400m ³ annually) | | 0.20m ³ | 0.18m ³ | |
| Rakaia Huts | | | | |
| Full | 112 | 325.00 | 305.00 | 36,400 |
| Half | 3 | 162.50 | 152.50 | 488 |
| Raven Drive | | | | |
| Full | 13 | 1200.00 | 900.00 | 15,600 |
| Half | - | 600.00 | 450.00 | - |
| Metered supply where metered | | 1.31m ³ | 0.98m ³ | |
| Rolleston | | | | |
| Full | 2,940 | 165.00 | 165.00 | 485,100 |
| Half | 258 | 82.50 | 82.50 | 21,285 |
| Loan | 369 | 40.48 | 40.48 | 14,936 |
| Metered supply where metered | | 0.33m ³ | 0.33m ³ | |
| Selwyn (Rural) | | | | |
| Full | 2,056 | 140.00 | 125.00 | 287,840 |
| Half | | 70.00 | 62.50 | - |
| Selwyn (No 2 extension) | | | | |
| Full | 120 | 140.00 | 125.00 | 16,800 |
| Half | 3 | 70.00 | 62.50 | 210 |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|---------------------------------------|----------------|---------|---------|----------------------|
| Loan (rate varies for each ratepayer) | | | | |
| Selwyn (Rural) - capital improvement | | | | |
| One charge per water unit | 2,238 | 40.89 | 40.89 | 91,509 |

| | | | | |
|--|-----|--------------------|--------------------|--------|
| Sheffield | | | | |
| Full | 203 | 410.00 | 410.00 | 83,230 |
| Half | 3 | 205.00 | 205.00 | 615 |
| Metered supply where metered (>700m ³ annually) | | 0.25m ³ | 0.25m ³ | |

| | | | | |
|--|-----|--------------------|--------------------|---------|
| Southbridge | | | | |
| Full | 342 | 320.00 | 305.00 | 109,440 |
| Half | 23 | 160.00 | 152.50 | 3,680 |
| Metered supply where metered (>700m ³ annually) | | 0.19m ³ | 0.18m ³ | |

| | | | | |
|--|-----|--------------------|--------------------|--------|
| Springfield | | | | |
| Full | 148 | 510.00 | 510.00 | 75,480 |
| Half | 12 | 255.00 | 255.00 | 3,060 |
| Metered supply where metered (>700m ³ annually) | | 0.97m ³ | 0.97m ³ | |

| | | | | |
|----------------------------------|----|--------|--------|--------|
| Springfield/Kowai Bush extension | | | | |
| Full | 25 | 510.00 | 510.00 | 12,750 |
| Half | - | 255.00 | 255.00 | - |

| | | | | |
|-----------------------------|----|--------|--------|-------|
| Springfield/Annat extension | | | | |
| Full | 18 | 510.00 | 510.00 | 9,180 |
| Half | - | 255.00 | 255.00 | - |

| | | | | |
|------------|-----|--------|--------|--------|
| Springston | | | | |
| Full | 176 | 240.00 | 220.00 | 42,240 |
| Half | 15 | 120.00 | 110.00 | 1,800 |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|--|----------------|--------------------|--------------------|----------------------|
| Tai Tapu | | | | |
| Full | 171 | 350.00 | 330.00 | 59,850 |
| Half | 22 | 175.00 | 165.00 | 3,850 |
| Metered supply where metered (>600m ³ annually) | | 0.60m ³ | 0.57m ³ | |

| | | | | |
|---------------------------|----|--------|--------|--------|
| Tai Tapu - Otahuna Valley | | | | |
| Full | 49 | 350.00 | 330.00 | 17,150 |
| Loan - connection | - | - | 439.59 | - |
| Loan - registration | - | - | 345.70 | - |

| | | | | |
|-----------------------|----|--------|--------|--------|
| Templeton (Claremont) | | | | |
| Full | 50 | 500.00 | 460.00 | 25,000 |
| Half | 8 | 250.00 | 230.00 | 2,000 |

| | | | | |
|---|-----|--------------------|--------------------|--------|
| West Melton | | | | |
| Full | 110 | 375.00 | 350.00 | 41,250 |
| Half | 80 | 187.50 | 175.00 | 15,000 |
| Metered supply where metered (>1200m ³ annually) | | 0.51m ³ | 0.48m ³ | |

| | | | | |
|------------------------------|----|--------------------|--------------------|-------|
| Te Pirita | | | | |
| One charge per rating unit | 10 | 400.00 | 400.00 | 4,000 |
| Metered supply where metered | | 0.73m ³ | 0.73m ³ | |

| | | | | |
|--|--|--|--|------------------|
| Urban and Rural Water Targeted Rate (including GST) | | | | 3,634,192 |
| Urban and Rural Water Targeted Rate (excluding GST) | | | | 3,160,167 |

Water Race Targeted Rates

(Targeted rate applied based on the area of a rating unit which has the availability of the service)

| | | | | |
|-----------------------------|-------------|--------|--------|---------|
| Ellesmere | | | | |
| Per hectare or part thereof | 36,842.8102 | 13.29 | 13.29 | 489,600 |
| Minimum charge | 135 | 103.85 | 103.85 | 14,020 |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|-----------------------------|----------------|---------|---------|----------------------|
| Malvern | | | | |
| Per hectare or part thereof | 41,017.3782 | 14.31 | 14.31 | 587,004 |
| Minimum charge | 322 | 112.44 | 112.44 | 36,207 |
| Urban water race charge | 1699 | 10.22 | 10.22 | 17,368 |

| | | | | |
|---|-------------|--------|--------|---------|
| Paparua | | | | |
| Per hectare or part thereof | 18,532.7989 | 5.93 | 5.93 | 109,879 |
| Unit charge | 1,324 | 149.76 | 149.76 | 198,276 |
| Domestic | 49 | 200.00 | 191.87 | 9,800 |
| Urban water race charge | 4,174 | 10.22 | 10.22 | 42,668 |
| Rural Public Good | 1,603 | 20.44 | 20.44 | 32,772 |
| Irrigation charge (consent holders - / litre/sec) | | 271.09 | 271.09 | |

| | | | | |
|---|--|--|--|------------------|
| Total Stock Water Targeted Rates (including GST) | | | | 1,537,594 |
| Total Stock Water Targeted Rates (excluding GST) | | | | 1,337,038 |

Land Drainage and River Works Targeted Rate

(Targeted rate based on capital value, land value or area and location of rating unit)

| | | | | |
|-----------|---------------|----------|----------|-------|
| Greenpark | Capital Value | | | |
| Class B | 13,737,900 | 0.000468 | 0.000468 | 6,429 |
| Class C | 11,334,000 | 0.000355 | 0.000355 | 4,027 |
| Class D | 916,000 | 0.000354 | 0.000354 | 324 |
| Class E | 14,260,000 | 0.000147 | 0.000147 | 2,097 |
| Class F | 16,367,100 | 0.000093 | 0.000093 | 1,528 |

| | | | | |
|----------|---------------|----------|----------|--------|
| L2 River | Capital Value | | | |
| Class A | 75,621,010 | 0.000283 | 0.000283 | 21,428 |
| Class B | 101,340,040 | 0.000203 | 0.000203 | 20,558 |
| Class C | 82,871,000 | 0.000130 | 0.000130 | 10,763 |
| Class D | 17,014,350 | 0.000086 | 0.000086 | 1,461 |
| Class E | 15,291,300 | 0.000067 | 0.000067 | 1,018 |
| Class F | 370,195,800 | 0.000044 | 0.000044 | 16,291 |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|------------------------------|----------------|----------|----------|----------------------|
| No 3 Subdivision (Ellesmere) | Capital Value | | | |
| Class A | 13,224,000 | 0.000554 | 0.000554 | 7,327 |
| Class B | 13,049,000 | 0.000482 | 0.000482 | 6,296 |
| Class C | 6,376,000 | 0.000198 | 0.000198 | 1,264 |
| Class D | 9,997,000 | 0.000342 | 0.000342 | 3,423 |
| Class E | 899,000 | 0.000111 | 0.000111 | 100 |
| Class F | 815,000 | 0.000143 | 0.000143 | 117 |

| | | | | |
|----------------------------|------------|---------|--------|--------|
| No 4 Subdivision (Osborne) | Hectares | | | |
| Class A | 1,174.7834 | 14.3346 | 8.6877 | 16,840 |
| Class B | 279.8015 | 9.0849 | 5.5060 | 2,542 |
| Class C | 311.0188 | 1.3065 | 0.7918 | 406 |

| | | | | |
|----------------|---------------|----------|----------|-------|
| Hororata River | Capital Value | | | |
| | 9,617,810 | 0.000397 | 0.000397 | 3,815 |

| | | | | |
|---------------------------|------------|----------|----------|--------|
| Leeston Township Drainage | Land Value | | | |
| | 73,895,200 | 0.000183 | 0.000183 | 13,506 |

| | | | | |
|-------------------------|------------|----------|----------|--------|
| Leeston Drainage | Hectares | | | |
| Class A | 1,057.2876 | 9.804751 | 9.804751 | 10,366 |
| Class B | 1,401.6695 | 7.732455 | 7.732455 | 10,838 |
| Class C | 6,454.2192 | 6.461942 | 6.461942 | 41,707 |
| Class D | 1,100.5825 | 3.745054 | 3.745054 | 4,122 |
| Minimum per rating unit | 246 | \$40.74 | \$40.74 | 10,021 |

| | | | | |
|------------------|----------|-----------|-----------|-------|
| Taumutu Drainage | Hectares | | | |
| Class A | 214.0087 | 22.053072 | 22.053072 | 4,720 |
| Class B | 210.0323 | 22.508654 | 22.508654 | 4,728 |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|------------------|----------------|----------|----------|----------------------|
| Taumutu Culverts | Capital Value | | | |
| Class A | 8,974,200 | 0.001050 | 0.001050 | 9,423 |
| Class B | 8,769,100 | 0.000292 | 0.000292 | 2,560 |
| Class C | 956,700 | 0.000151 | 0.000151 | 144 |
| Class D | 420,000 | 0.000094 | 0.000094 | 40 |

| | | | | |
|----------------|----------|----------|----------|-----|
| Wairiri Valley | Hectares | | | |
| Class A | 152.0000 | 1.839182 | 1.839182 | 280 |
| Class B | - | 1.215933 | 1.215933 | - |
| Class C | 33.0000 | 1.085702 | 1.085702 | 36 |
| Class D | 17.0000 | 1.028560 | 1.028560 | 17 |
| Class E | 155.0000 | 0.956800 | 0.956800 | 148 |

| | | | | |
|--|--|--|--|----------------|
| Total Land Drainage and River Works Targeted Rate (including GST) | | | | 240,710 |
| Total Land Drainage and River Works Targeted Rate (excluding GST) | | | | 209,313 |

Swimming Pools Targeted Rate

(Targeted rate applied to separately used or inhabited part of a rating unit based on the location)

| | | | | |
|--------|--------|--------|--------|---------|
| Zone 1 | 3,192 | 124.00 | 124.00 | 395,808 |
| Zone 2 | 10,001 | 87.00 | 87.00 | 870,087 |
| Zone 3 | 1,534 | 31.00 | 31.00 | 47,554 |

| | | | | |
|---|--|--|--|------------------|
| Total District Swimming Pool Targeted Rate (including GST) | | | | 1,313,449 |
| Total District Swimming Pool Targeted Rate (excluding GST) | | | | 1,142,130 |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|--|----------------|---------|---------|----------------------|
|--|----------------|---------|---------|----------------------|

Library Targeted Rate

(Targeted rate applied to all rating units within the district)

| | | | | |
|-----------|-------|--------|--------|---------|
| Ellesmere | 4,544 | 150.00 | 143.00 | 681,600 |
| Malvern | 3,828 | 150.00 | 143.00 | 574,200 |
| Paparua | 3,913 | 150.00 | 143.00 | 586,950 |
| Rolleston | 3,239 | 150.00 | 143.00 | 485,850 |

| | | | | |
|--|--|--|--|------------------|
| Total Library Targeted Rate (including GST) | | | | 2,328,600 |
| Total Library Targeted Rate (excluding GST) | | | | 2,024,870 |

Stormwater Targeted Rates

(These rates are applied based on each separately used or inhabited part of a rating unit served by stormwater systems)

| | | | | |
|--------------|-----|--------|---|--------|
| Arthurs Pass | | | | |
| Full | 154 | 100.00 | - | 15,400 |

| | | | | |
|-------------|-----|-------|---|--------|
| Castle Hill | | | | |
| Full | 204 | 55.00 | - | 11,220 |

| | | | | |
|----------|-------|-------|---|--------|
| Darfield | | | | |
| Full | 1,109 | 24.00 | - | 26,616 |

| | | | | |
|-----------|-----|-------|---|-------|
| Doyleston | | | | |
| Full | 152 | 30.00 | - | 4,560 |

| | | | | |
|-----------|-----|-------|---|-------|
| Dunsandel | | | | |
| Full | 207 | 45.00 | - | 9,315 |

| | | | | |
|----------|---|-------|---|---|
| Edendale | | | | |
| Full | - | 22.50 | - | - |

| | | | | |
|------------|-----|-------|---|-------|
| Glentunnel | | | | |
| Full | 119 | 50.00 | - | 5,950 |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|----------------|-------------------|---------|---------|-------------------------|
| Hororata | | | | |
| Full | 74 | 200.00 | - | 14,800 |
| Kirwee | | | | |
| Full | 360 | 35.00 | - | 12,600 |
| Lake Coleridge | | | | |
| Full | 54 | 220.00 | - | 11,880 |
| Leeston | | | | |
| Full | 641 | 70.00 | - | 44,870 |
| Lincoln | | | | |
| Full | 1,574 | 65.00 | - | 102,310 |
| Prebbleton | | | | |
| Full | 857 | 43.00 | - | 36,851 |
| Rakaia Huts | | | | |
| Full | 112 | 40.00 | - | 4,480 |
| Rolleston | | | | |
| Full | 2,841 | 40.00 | - | 113,640 |
| Southbridge | | | | |
| Full | 420 | 38.00 | - | 15,960 |
| Springfield | | | | |
| Full | 174 | 25.00 | - | 4,350 |
| Springston | | | | |
| Full | 216 | 45.00 | - | 9,720 |

| | Rating Numbers | 2012/13 | 2011/12 | Estimated Revenue \$ |
|--|-------------------|---------|---------|-------------------------|
| Tai Tapu | | | | |
| Full | 251 | 100.00 | - | 25,100 |
| Templeton (Claremont) | | | | |
| Full | 45 | 50.00 | - | 2,250 |
| West Melton | | | | |
| Full | 171 | 53.00 | - | 9,063 |
| Whitecliffs | | | | |
| Full | 143 | 40.00 | - | 5,720 |
| Total Stormwater Targeted Rates (including GST) | | | | 489,895 |
| Total Stormwater Targeted Rates (excluding GST) | | | | 425,996 |

SCHEDULE OF CHARGEABLE COSTS FOR ENVIRONMENTAL SERVICES

The charges listed below are required to be adopted by special order or special consultative procedure. The annual budget is such a procedure. Accordingly the Council will on an annual basis review its charges and include them in the budget for public consultation.

1. All fees are fixed fees, unless stated as deposits and charged at time and cost (T/C).
2. All fees are inclusive of GST (unless otherwise stated)
3. The Resource Management Act 1991 is referred to as the RMA.
4. The District Plan is referred to as the DP.
5. If any charge for an application is not paid by the due date, then Selwyn District Council reserves the right under s36(7) of the Resource Management Act to stop processing the application. This may include the cancellation of a hearing or the issuing of a decision.

Should a hearing be cancelled or postponed due to the non-payment of a charge, the applicant will be charged for any costs that may arise from that cancellation or postponement.

| Planning | |
|---|---|
| Preparing or signing Certificates, Authorities and other documents which do not require a resolution of Council (and not listed elsewhere) including: | |
| Signing/sealing survey plans- s.223 RMA | \$260 minimum fee at s224 stage (for s223 and s224) |
| Completion certificates – s.224 RMA¹ | \$410 |
| Subdivision Compliance Certificate – s.226 RMA | \$410 |
| Preparation of Consent Notices | \$130 |
| Removal of bonds or caveats | \$130 |
| Encumbrance Administration | \$130 |
| Preparing or signing certificates, authorities and other documents requiring a resolution of Council, (and not listed elsewhere) including: | \$260 per item |
| Approval of easements and right of way s.321 notices - Local Government Act | |
| Revocation of easement | |
| Cancellation building line restriction | |

| Planning | |
|--|---|
| Land Information Memorandum | \$205 |
| Overseas Investment Commission Certificate | \$255 |
| General Planning Advice (Charged at Council discretion) | |
| Officer's time / Site inspection | Time and Cost |
| Consultant's advice / Legal advice | At Cost |
| Pre-lodgement meetings | First hour free \$100 per hour thereafter |
| Resource consents | |
| Fixed Fee ² resource consents and processes: | \$560 |
| Non-complying siting of a building | |
| Non-complying recession plane | |
| Fast Track³ | \$360 fixed fee |
| Internal Setback Applications | |
| Site Coverage – in townships with restricted discretionary status | |
| Temporary non-compliance with the residential density requirements in the rural zone (in the circumstance where a dwelling is retained on the same site, for a defined timeframe, while the new dwelling is constructed). | |
| Buildings or structures or signs for design, materials, colour and landscaping at Rocklands, Grasmere or Terrace Downs⁴, provided they comply with the relevant Development Plan. | \$1,000 Deposit (T/C) |
| Relocated buildings | \$765 |
| Other non-notified resource consents ⁴ | Deposit (T/C) |
| Land Use | \$1,000 |
| Subdivision (refer below) | |

| Resource consents | |
|--|--|
| Notified resource consents⁴ Land Use Subdivision (refer below) | Deposit (T/C) \$2,000 |
| Note: If the cost of a hearing is likely to exceed \$10,000 as calculated by the Selwyn District Council in accordance with the information contained in the application, the number of submitters involved, and the likely length of the hearing, then the applicant shall pay 50% of the estimated hearing cost prior to the commencement of the hearing (in addition to the above deposits). A hearing shall not be held unless the 50% charge is paid. | |
| Limited Notified Resource Consents – Affected Parties Identified and Not All Approvals Obtained⁴ Landuse | Deposit (T/C) \$2,000 upfront; or Staged deposits: \$1,000 at lodgement plus \$1,000 if proceed to hearing |
| Subdivision (refer below) | |
| Residential subdivision (includes rural residential zones and living 3) | |
| Please note that these fees apply to non notified and notified applications | |
| 1-10 lots | \$2,000 deposit incorporating: \$500 fixed fee for engineering \$1,500 minimum fee for planning |
| 10-20 lots | \$3,000 deposit incorporating: \$1,000 fixed fee for engineering \$2,000 minimum fee for planning |
| 20 plus lots | \$5,000 deposit incorporating: \$2,000 fixed fee for engineering \$3,000 minimum fee for planning |

| Resource consents | |
|--|--|
| Rural Subdivisions | |
| Please note that these fees apply to non notified and notified applications | |
| 1-5 lots | \$2,000 deposit incorporating: \$500 fixed fee for engineering \$1,500 minimum fee for planning |
| 6 plus lots | \$3,000 deposit incorporating: \$1,000 fixed fee for engineering \$2,000 minimum fee for planning |
| Please note: If the time spent by the planner exceeds the minimum fee, the additional fee will be on-charged to the applicant. The above fees include all work undertaken up to and including issue of subdivision consent. Post issue of subdivision consent engineering plan approval and inspections are then charged out on a time and cost basis at \$120 per hour Section 223 and S224 costs are additional to the above | |
| Certificate of Compliance – s.139 RMA | \$560 |
| Existing use Extension of Time – s.10(2) RMA⁴ | \$1,000 deposit plus time and cost |
| Certificate of Existing Use – s139A RMA⁴ | \$1,000 deposit plus time and cost |
| Change, Review or Cancellation of Consent Conditions – s.127 or 128 RMA | |
| Affected party approval or non-affected parties | \$560 |
| Notified⁴ | \$2,000 deposit (T/C) notified as for resource consent |
| Extension of Time/Cancellation of Consent s.125 or 126 RMA | |
| Affected party approval or non-affected parties | \$305 |
| Notified⁴ | \$2,000 deposit (T/C) as for notified resource consent |

| Resource consents | |
|---|------------------------|
| Designations | |
| Outline Plan Approval ⁵ | \$205 |
| Outline Plan Approval ^{4&6} | \$1,000 deposit (T/C) |
| Outline Plan Waiver ⁷ | \$100 |
| Or alternatively this may be waived at the time of building consent and charged against the building consent at time and cost. | |
| Notice of Requirement s.168 or 168A RMA ⁴ | \$2,000 deposit (T/C) |
| Alteration – s.181 RMA ⁴ | \$2,000 deposit (T/C) |
| Minor change - s.181(3) RMA ⁸ | \$255 minimum fee |
| Removal or partial removal – s.182 RMA ⁹ | \$255 minimum fee |
| Extension of Time s.184 & 184A RMA ⁹ | \$255 minimum fee |
| Heritage Orders | |
| Notice of Requirement – s.189, 190 & 191 RMA ⁴ | \$2,000 deposit (T/C) |
| Withdrawal of Requirement – s.189(5) RMA ⁹ | \$255 |
| Plan Change Request ⁴ | \$10,000 deposit (T/C) |
| Monitoring | |
| Basic (desktop) | \$50 |
| Standard (1 inspection) | \$120 |
| Specialised (>1 inspection) | \$220 |
| Time and Cost basis | \$145 per hour |
| These monitoring fees are included in the price of fixed fee consents and are invoiced separately for “time and cost” consents. Any resource consent that requires additional monitoring due to non-compliance with the conditions of a resource consent will be charged additional monitoring fees on a time and cost basis. | |
| Landscape plan approval – general ⁹ | \$30 |
| Landscape plan approval – specific ¹⁰ | \$75 |

| Resource consents | |
|--|---|
| Engineering plan approval | \$20 per lot |
| Access/vehicle crossing inspections | \$50 per lot |
| Setting up of a Bond including | At cost |
| For payment of financial contributions | |
| Conditions on resource consents | |
| Hearing | 2 Councillors |
| Hearing Commissioner's charges | \$180 per hour per panel |
| Plus officers charged at rates set under 'Officer's Time' where hearings advisors required. | |
| 3 Councillors | \$260 per hour per panel |
| 2 Councillors and External Commissioner acting as Chairperson | \$160 per hour per panel plus up to \$180 per hour for the Commissioner |
| (This fee applies when Council has made the decision to appoint an External Commissioner | |
| External Commissioner | Maximum \$180 per hour |
| (This fee applies when Council has made the decision to appoint an External Commissioner | |
| External Commissioner at the applicant's request. | At cost |
| For any significant hearing lasting more than three days, the Council will recover the full cost of Hearing Commissioners charges regardless of whether the Council made the decision to appoint an External Commissioner. | |
| Officer time (per hour) | |
| Planning Manager/Team Leader | \$155 |
| Other Planners | \$145 |
| Administration Staff | \$75 |
| Engineering - Road, Water and Wastewater, Reserves and Property acquisitions | \$120 |
| Consultants | At cost |
| Legal Advice | At cost |
| Certificates of Compliance (Sale of Liquor) | \$115 |
| CD of Plans and Maps (incl postage) | \$15 |
| Hard copy of District Plan | At actual cost |

- 1 If the processing of your s.223 & s.224 exceeds \$260 you will be charged at time and cost. Please discuss at time of application
- 2 These fixed fees only apply when there are no affected parties or written approval has been obtained from all affected parties.
- 3 Fast Track will apply to applications for non-compliances for internal setbacks rules, **temporary non-compliance with the residential density requirements in the rural zone** and Site Coverage in townships with restricted discretionary status only and will require an application completed to the satisfaction of the Team Leader for resource consents including all neighbours' consents that the Council deems be required.
- 4 If the actual cost of processing the resource consent is more than \$50 greater or less than the deposit amount, the Council will refund the additional fees paid, or invoice the outstanding amount.
- 5 Grade 1 outline plan = approval plans for accessory buildings or structures or relocation buildings within the site, provided that the bulk and location of the building complies with the District Plan rules for a permitted activity.
- 6 Grade 2 outline plan = all other outline plans
- 7 Outline Plan waiver fee - waivers are for small inconsequential building works such as internal alterations to buildings etc.
- 8 If the processing of your Designation exceeds \$255, you will be charged at time and cost. Please discuss at time of application
- 9 Landscape Plan – general = landscape plans where landscaping is required as a condition of consent, but no specific species or design requirements are specified in the District Plan.
- 10 Landscape Plan – specific = landscape plans where specific species or designs may or may not be used in accordance with the provisions of the District Plan.

| Building | |
|---|---|
| PIM only | \$200 |
| Solid Fuel Heater Application - Freestanding | \$350 |
| Solid Fuel Heater Application - Inbuilt | \$500 |
| If the fee is exceeded by more than 30% the excess time and cost will be charged | |
| Minor Works Application | \$550 |
| Work with an estimated value of less than or up to \$5,000 | |
| To cover the likes of sewer connections, solar panel installations, demolition, carports, sheds, some farm buildings, some additions and alterations of a minor nature. Fee is based on historical data. Allows for one inspection, no further information requests during processing and no PIM. | |
| If the fee is exceeded by more than 30%, the excess time and cost will be charged. | |
| Small Works Application with an estimated value between \$5,000 and \$15,000 | \$680 |
| Covers the likes of farm buildings, additions and alterations, garages, decks, swimming pools etc. Fee is based on historical data and two inspections, no further information requests during processing and no PIM. | |
| If the fee is exceeded by more than 30%, the excess time and cost will be charged. | |
| BC for deposit for work with an estimated value over \$15,000 | \$1,000 |
| Building Administration Staff | \$60 (per hour) |
| Planner | \$145 (per hour) |
| Building Officials | \$140 (per hour) |
| Travelling Time | \$140 (per hour) |
| Mileage | \$0.74 (per km) |
| Re-inspection | At cost |
| Producer Statement Assessment | \$15 |
| Code Compliance Certificate Fee | Charges on an actual time and cost basis |
| Marquee and General Exemptions | \$150 minimum charge and any balance at time and cost |
| Engineering Fee | \$20 |

| Building | |
|--|--|
| Other (for example) Consultants Peer Review Fire Reports Acoustic Reports Certificate of Title Order | On-charged at cost |
| Compliance Schedules/Statement of Fitness Issue (including amendments and administration and on-site auditing) | On-charged at time and cost |
| S73 Building Act – Entry on Certificate of Title for land subject to flooding etc. | Charged at actual cost relating to building consents |
| S77 Building Act – Building on two or more allotments – relates to requirement to hold titles together | |
| Research to provide information relating to building records e.g. Photocopying, postage etc. | Time and cost |
| All chargeable work under the Building Act for carrying out Council's responsibility is charged at actual cost i.e. notices to fix, dangerous and unsanitary buildings, | Time and cost |
| Certificate of Public Use | \$500 deposit and billed at hourly rate of staff |
| Certificate of Acceptance | \$1,000 flat fee for receiving a Certificate of Acceptance application (and on top of the \$1,000 processing of the Certificate of Acceptance is invoiced in the same way as for a building consent application, i.e. levies, inspections, administration, etc). |

| Building | |
|---|--|
| Swimming Pools Inspections (fencing of swimming pools monitored bi-annually. | \$140 fixed fee (based on 1 hours minimum to conduct inspection and update records). |
| Infringement Notices | Maximum fee set by regulation depending on degree of offence. |

| Liquor Licensing | |
|---|---|
| The following fees are established by Regulation 29 of the Sale of Liquor Regulations 1990 and are reported for information only. | |
| On Licence | \$793.24 |
| Renewal On Licence | \$793.24 |
| Off Licence | \$793.24 |
| Renewal Off Licence | \$793.24 |
| Club Licence | \$793.24 |
| Renewal Club Licence | \$776.00 |
| Temporary Authority | \$134.93 (for each licence i.e. On/Off Licence) |
| BYO | \$134.93 |
| Special Licence | \$ 64.40 |
| Manager's Certificate | \$134.93 |
| Renewal Manager's Certificate | \$134.93 |

Regulatory Health (fees and charges up to 30 June 2013)

Registered Premises (excluding offensive trades (this covers the cost of one inspection, with additional inspections being at cost)).

| | |
|--|-------------------------------------|
| Function Centre | \$300 |
| High Risk | \$300 |
| Medium to High Risk | \$260 |
| Low/Minor Risk | \$175 |
| Change of Ownership Inspection | \$260 |
| Revisits Due to Poor Performance | \$90 per hour |
| Late Payment Fee on food Premises | 10% if paid after 1 July (Annually) |
| Registration | |
| Food Control Plan (FCP) Audit/Verification | \$260 |
| Hourly rate for FCP validation (per hour) | \$85 |
| FCP visits signoff/approval (per hour) | \$85 |
| Mobile Food Traders | \$120 |
| Shows and Events (12 Month Certificate) (New) | \$85 |
| Public Health – High Risk | \$150 |

Regulatory Health (fees and charges up to 30 June 2013)

| | |
|--|-----------------|
| Other Registered Premises/Licenses: | |
| Funeral Directors | \$150 |
| Hairdressers | \$155 |
| Camping Grounds | \$155 |
| Offensive Trades | \$150 |
| Hourly Rate | \$85 |
| Amusement Devices (set by Statute) | |
| First Device | \$11.20 |
| Subsequent Devices (each thereafter) | \$2.30 |
| Additional inspections | |
| Inspection Fee | \$85 |
| Mileage | \$0.74 (per km) |
| Application Fee based upon | |
| Administration | \$25 |
| Assessment/inspection | \$85 (per hour) |
| Travelling Time | \$85 (per hour) |
| Mileage | \$0.74 (per km) |
| Hazardous Substances | |
| Monitoring and enforcement required pursuant to section 97 of the Hazardous Substances and New Organisms Act 1996. | |
| Inspections | \$90 (per hour) |
| Mileage | \$0.74 (per km) |

| Dog Registration Fees | | | |
|--|---|------------------|--------------------------|
| Dog Registration Fees for 2012/13 | | | |
| The following dog registration fees apply for the 2012/13 year (all fees GST inclusive) | 1st dog | \$35 | |
| | 2nd and subsequent dogs | \$25 | |
| Fee for payment after 31st July 2012 | \$50 for the first dog and \$35 for every subsequent dog. | | |
| Dogs are to be registered at 3 months of age | | | |
| Fees for part of the registration year are as follows: | | | |
| (All dogs aged 3 months and over must be registered with the exception of certified disability dogs) | | | |
| | Month that dog turns 3 months of age | Only 1 dog owned | For each other dog owned |
| | July | \$35.00 | \$25.00 |
| | August | \$31.90 | \$23.10 |
| | September | \$29.00 | \$21.00 |
| | October | \$26.10 | \$18.90 |
| | November | \$23.20 | \$16.80 |
| | December | \$20.30 | \$14.70 |
| | January | \$17.40 | \$12.60 |
| | February | \$14.50 | \$10.50 |
| | March | \$11.60 | \$8.40 |
| | April | \$8.70 | \$6.30 |
| | May | \$5.80 | \$4.20 |
| | June | \$2.90 | \$2.10 |

| Dog Registration Fees | |
|---|--|
| Fees will be waived for Certified Disability Dogs | |
| Tag, Collar, Seizure and Microchipping Fees (inclusive of GST) | |
| | Replacement Dog Tag \$5 |
| | Dog Collar (Small) \$6 |
| | Dog Collar (Medium) \$7 |
| | Dog Collar (Large) \$8 |
| | Seizure Fee \$46 |
| Microchipping of dogs where dog is not classified as dangerous or menacing and is not being registered for the first time after 1 July 2007. | \$20 per dog |
| Dogs to be presented at Council Service Centres at prescribed time. | |
| Microchipping of Dogs where dog is being registered for the first time having attained the age of 3 months. (Dogs to be presented at Council Service Centres at prescribed time – applicable to dogs microchipped by Council staff only). Note that farm working dogs are legally not required to be microchipped. | Free of Charge |
| Impounding Fees | \$46 for the first impoundment \$69 for the second impoundment \$138 for the third impoundment |
| Additional Charges: | |
| Administration Fee | \$11.50 per impounding |
| Sustenance fee | \$33.50 per day or part thereof |
| Officer's time and mileage | \$50.00 flat fee |
| Destruction fee (where applicable) | Actual cost |

Licence Under Dog Control By-law

| | |
|-------------------------------|-------|
| Licence Application Fee | \$100 |
| Annual Licence Monitoring Fee | \$25 |

Stock Impounding**The fees associated with the impounding of stock are:**

| | | |
|--|---------------|------------|
| | Per Animal | |
| | Sheep | \$5 |
| | Cattle | \$56 |
| | Horse | \$56 |
| | Goat | \$56 |
| | Mule/Donkey | \$56 |
| | Pig | \$56 |
| | Other animals | Up to \$56 |

Feeding (day or part day):

| | | |
|--|---------------|--------------|
| | Per Animal | |
| | Sheep or Goat | \$1 per head |
| | Other stock | \$2 per head |

| | |
|---------------------------|--------------|
| Driving and cartage costs | Actual costs |
|---------------------------|--------------|

| | |
|-------------------|------|
| Advertising costs | \$90 |
|-------------------|------|

| | |
|------|---------------|
| Time | \$37 per hour |
|------|---------------|

| | |
|---------|-------------------------|
| Mileage | \$0.74 per km travelled |
|---------|-------------------------|

(A 50% discount is applied to numbers in excess of 100 sheep which are impounded at any one time from any individual or 10 head of any other stock).

PINES RESOURCE RECOVERY PARK CHARGES

| | Current 2011/12 | New price 2012/13 |
|-------------------------------|--|---|
| Residual waste (rubbish) | \$198.00 per tonne | \$201.00 per tonne |
| Garden and food organic waste | \$119.09 per tonne | \$120.00 per tonne |
| Garden prunings | \$106.31 per tonne | \$107.00 per tonne |
| Cleanfill | \$51.11 per tonne (restricted quantities) | \$52.00 per tonne (restricted quantities) |
| Tyres | Surcharge | Surcharge |
| Car tyres | \$3.00 | \$3.00 |
| 4WD | \$5.00 | \$5.00 |
| Light truck | \$8.00 | \$8.00 |
| Heavy truck | \$15.00 | \$15.00 |
| Tractor | \$51.00 | \$51.00 |

Recyclables – no charge for approved recyclable materials provided that they are sorted and placed in the correct containers.

WHEELIE BIN RE-ISSUE CHARGES

There is no wheelie bin delivery charge for new houses, new owners, or for households changing from a 240 litre rubbish wheelie bin to an 80 litre wheelie bin.

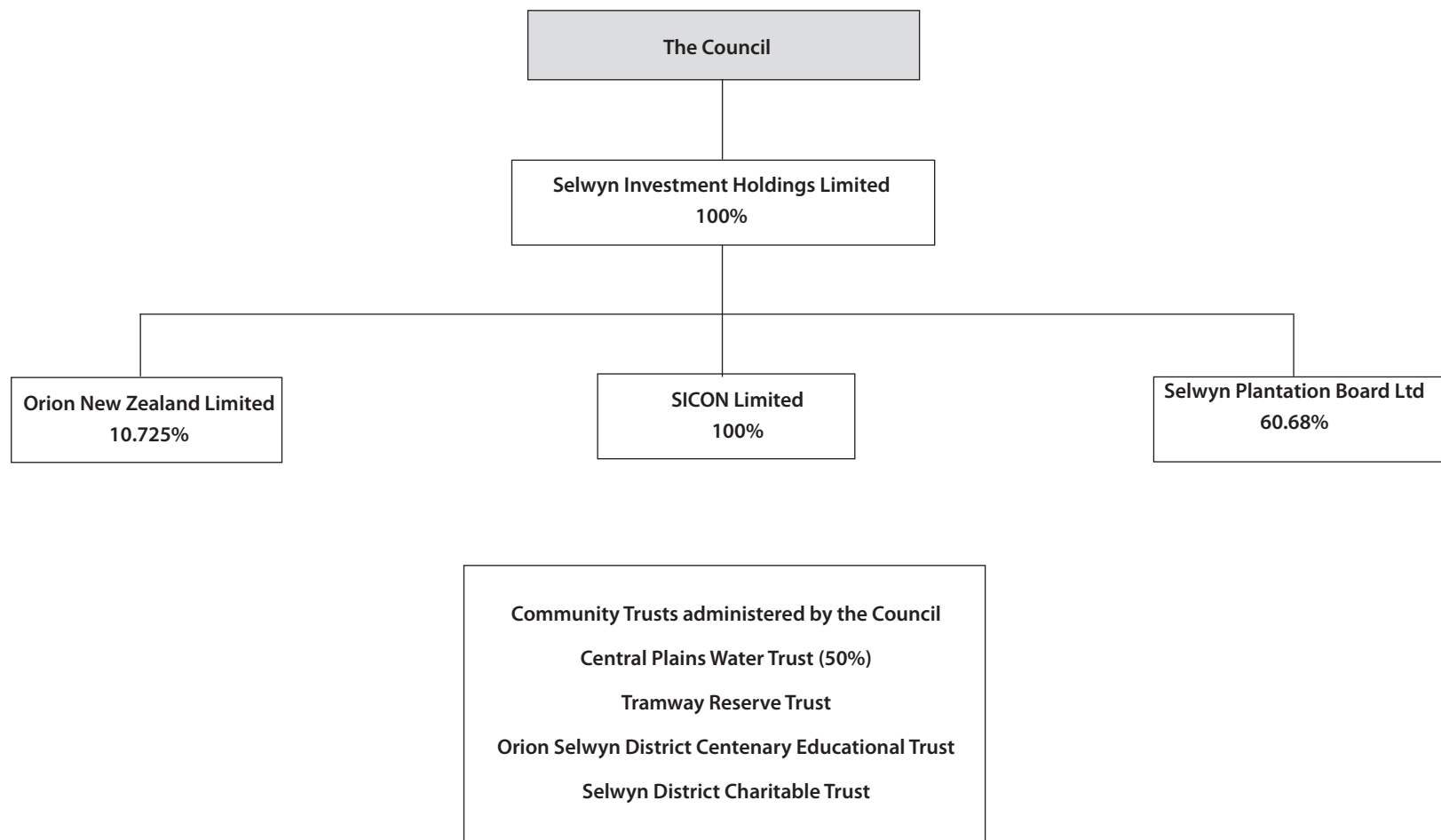
Households changing from an 80 litre to a 240 litre rubbish wheelie bin within two years of receiving their 80 litre wheelie bin will be charged \$65 (including GST) for bin delivery.

To discourage repeated seasonal issue and return of organic wheelie bins, no rates refund is given for organic bins returned during the financial year. In addition, households requesting and receiving a 240 litre organic wheelie bin within two years of having returned an organic bin will be charged \$65 (including GST) for bin delivery.

COUNCIL CONTROLLED ORGANISATIONS



COUNCIL CONTROLLED ORGANISATIONS



SELWYN INVESTMENT HOLDINGS LIMITED

Relationship to the Council

The Council retains control over the activities of Selwyn Investment Holdings Limited (the Company) through the Company's annual Statement of Intent, the Company's Constitution and the ability to appoint directors.

Nature and scope of the company

This enterprise is a company established to combine the Council's trading investments under one umbrella and thereby facilitate effective management of the Council's investments and cash flows. This arrangement is aimed to separate the trading investments from the ordinary operations of the Council and ensure that the Council's relationship with its investment companies is handled in a commercial manner. The security provided by this ownership enables the Council to have a facility to efficiently borrow in commercial markets.

The Company's revenue is in the form of dividends from Orion New Zealand Limited, SICON Limited and Selwyn Plantation Board Ltd. Net income is distributed to the Council via a fixed dividend distribution policy.

Objective

To enable the efficient management of the Council's trading investments.

Key performance targets

The performance targets of the company for 2012/13 are set out below.

- debt/total assets 0%
- return on total assets 20.2%
- return on shareholder's funds 20.8%

SICON LIMITED

Relationship to the Council

The Council exercises influence on the Board through approval of its annual Statement of Intent.

The shareholders exercise influence on the company through the negotiation of the annual Statement of Intent.

Nature and scope of the company

SICON Limited is a supplier of asset management, maintenance and construction services. Consistent with its objective, the company will pursue activities designed to ensure the efficient and prudent utilisation of its capital assets and human resources.

SICON Limited merged with Ferguson Brothers Limited on 31 March 2012.

Objective

To operate as a successful, growth focused contracting business and follow these key principles which are central to its business strategy:

- commitment to quality
- commitment to its shareholders
- commitment to Selwyn district
- commitment to its people
- commitment to health and safety
- commitment to the environment
- commitment to future growth.

Key performance targets

The performance targets of the company for 2012/13 are set out below.

1. Financial:
 - return after tax to opening shareholder's funds 18.4%
 - return before interest and tax on total assets 10.8%
2. Quality services – to maintain ISO 9001:2000 Quality Standard Certification.
3. Health and safety:
 - to maintain ACC WSMP certification to tertiary level
 - to maintain NZS 4801 Safety Management Systems Certification.
4. Environmental – to maintain NZS 14001 Environmental Standard Certification.

SELWYN PLANTATION BOARD LTD

Relationship to the Council

The Council exercises influence on the Board through approval of its annual Statement of Intent.

The shareholders exercise influence on the company through the negotiation of the annual Statement of Intent.

Nature and scope of the company

The core business of the Selwyn Plantation Board Ltd was to manage the Company's forests, farms and land on a commercial basis using the most environmentally and commercially sustainable methods. The Company is in the process of a staged realisation of its assets and has sold its main forest and land holdings.

Objective

The Company's mission is to liquidate the Company through a well-managed and staged realisation consistent with the objective of maximising value to shareholders. It aims to protect and enhance the Company's competitive position throughout the realisation process and be responsive to its customer's needs.

Key performance targets

The performance targets of the company for 2011/12 are set out below.

- | | |
|--|------|
| • ratio of equity to total assets | 95% |
| • return before interest and tax on total assets | 1.0% |
| • return after tax to equity | 1.0% |

ORION NEW ZEALAND LIMITED

Relationship to the Council

Selwyn Investment Holdings Limited has a 10.725% shareholding in Orion New Zealand Limited.

The shareholders exercise influence on the company through the negotiation of the annual Statement of Intent.

Nature and scope of the company

Orion's activities are to:

- Construct and maintain a reliable and secure electricity distribution network in the Christchurch and Central Canterbury region.
- Provide efficient processes that support competition amongst electricity retailers and generators.
- Seek investment/acquisition opportunities in the infrastructure and energy sectors.
- Manage, grow and if appropriate, realise other subsidiary and associate company interests.

Objective

To operate as a successful business and provide shareholders with appropriate returns on their investments and pursue strategies that aim to ensure Orion's long-term success as a business.

Key performance targets

The financial performance targets of the company for 2012/13 are set out below:

- | | |
|---|---------|
| • profit after tax | \$35.7m |
| • profit after tax/average shareholders' equity | 5.6% |

CENTRAL PLAINS WATER TRUST

Relationship to the Council

Central Plains Water Trust is a Council Controlled Organisation (CCO), jointly controlled by Selwyn District Council (50%) and Christchurch City Council (50%). The Council exercises significant influence over the activities of the Trust through its ability to appoint the Trustees.

Nature and scope of activities

Central Plains Water Trust is a trust for the benefit of present and future generations of Christchurch City and Selwyn District residents.

The Trust will hold all necessary resource consents, when obtained by Central Plains Water Limited.

Objectives

The Council recognises a major regional economic benefit in managing the water resource in the Central Canterbury Plains, including significant employment creation. The Council also wishes to be involved to ensure its own infrastructure will not be adversely affected by any proposed scheme.

Key performance targets

- To provide assistance to Central Plains Water Limited and monitor progress of accumulating scientific studies necessary to support obtaining the necessary resource consents for the Central Plains irrigation scheme on behalf of the Trust.
- To consult, and develop scheme recreational opportunities and environmental community enhancers.

TRAMWAY RESERVE TRUST

Relationship to the Council

Tramway Reserve Trust is a Council Controlled Organisation (CCO) of the Council.

Nature and scope of activities

Tramway Reserve, at the east end of Tramway Reserve Road, will be subject to restoration and enhancement to be led by the Tramway Reserve Trust. The restoration project was agreed as mitigation for the past and on-going use of Tramway Reserve Drain for waste water management. The Trust was established as part of that agreement between Ngai Tahu and the Council as a condition of the upgraded Leeston (Ellesmere) Sewerage Treatment site.

Key performance targets

The Trust will continue to work towards returning the Tramway Reserve waterway to its natural state and facilitating public access.

ORION SELWYN DISTRICT CENTENARY EDUCATIONAL TRUST

Relationship to the Council

Orion Selwyn District Centenary Educational Trust is a Council Controlled Organisation (CCO) of the Council. The Council exercises significant influence over the activities of the Trust through its ability to appoint the Trustees.

Nature and scope of activities

The Trust was established in November 2003 by Orion New Zealand Limited. The purpose of the Trust is to promote and support the education of students who are attending Ellesmere College, Lincoln High School and Darfield High School and any other high school established in the Selwyn District in the future, and who are intending to undertake a course of tertiary education in New Zealand.

Key performance targets

The Trust expects to receive enough investment income each year to be able to pay out scholarships to recipients from the three current high schools in the area.

SELWYN DISTRICT CHARITABLE TRUST

Relationship to the Council

Selwyn District Charitable Trust is a Council Controlled Organisation (CCO) of the Council.

Nature and scope of activities

The Trust receives funds in the form of charitable donations and makes them available for the charitable activities of the Council.

Key performance targets

The Trust will aim to:

- Distribute all the funds it receives in the year of receipt.
- Achieve investment returns in line with those achieved by the Council.

POLICIES

Policy on Significance

Development of Māori Capacity to Contribute to the Council's Decision Making Processes

Revenue and Financing Policy

Development Contribution Policy

Lump Sum Policy

Investment Policy

Rates Remission Policy Including Māori Freehold Land



POLICY ON SIGNIFICANCE

Introduction

The Council aims to make decisions in a transparent manner that take account of the impact of the decision on those persons affected by it. The purpose of this policy is to help the Council make sure that its decision making processes reflect the significance of any decision that it is making. The policy is designed to meet the requirements of Section 90 of the Local Government Act 2002.

The policy is about ensuring that important decisions are taken after appropriate consideration of the options and of the views of the community. Neither this policy nor the Local Government Act 2002 requires the Council to:

- Undertake a consultation procedure on every decision it makes
or
- Be bound by the expressed views of persons likely to be affected by or interested in the decision being made.

Both this policy and the Act reinforce the Council's right to make decisions and its responsibility for the consequences of those decisions. Although this policy applies to decisions which are required to be considered as part of a Resource Management Act consent process, this policy cannot override decisions approved under that Act.

Significance

The significance of a decision or proposal is determined by the level of impact it has on:

- the well-being of the district.
- those particularly affected by the decision.
- the capacity and finances of the Council.

By considering the significance of any decision or proposal the Council is able to determine what, if any, consultation is appropriate and the extent of the information, advice and analysis required to support the decision.

Process for determining significance

The approach taken in this policy is that the responsibility for deciding on the degree of significance of the matter being considered rests with whoever is making the substantive decision – usually the Council, Standing Committee, Community Committee or a Community Board.

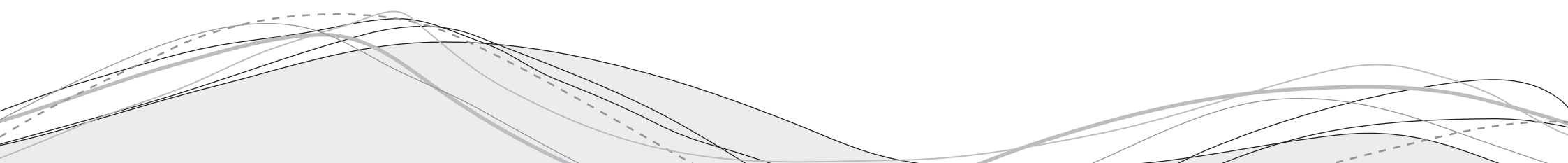
The Council practice is that the decision maker should consider all of the following:

- The legal powers under which the Council is acting.
- The reason for the decision or proposal.
- The consistency of the decision or proposal with existing policy or previous decisions.
- Who is affected by the decision or proposal.
- The possible impact of the decision or proposal, and the alternative options, on those affected by the decision and whether there is a need for those affected to be given the opportunity to make representation on the matter.
- Where such an opportunity is appropriate, the views of those affected by the decision or proposal.
- The financial implications of the decision or proposal on the Council and those affected.
- How readily the Council is able to reverse the decision once it has been taken.
- Whether the decision or proposal is likely to be controversial.

The level of significance will reflect all of these factors as a whole. Where the significance is unclear the Council will treat the issue as more rather than less significant.

The level of significance associated with a decision or proposal will help the decision maker determine the process it should take in relation to the decision. In determining the process the decision maker will take account of practical considerations, including the need to take an urgent decision or the potential loss of an opportunity.

The Council's general approach is that decisions and proposals with a high degree of significance will, wherever practical, be included in the Long Term Plan. Where this is not practical they will be included in the Annual Budget produced in the years between Long Term Plans or where required by the Local Government Act 2002, in an amendment to the Long Term Plan.



Decisions with a high degree of significance will only be made outside these processes where there are compelling reasons for it not being practical for them to be included in the Long Term Plan, or Annual Budget. Where a decision or proposal with a high degree of significance cannot be included in the Long Term Plan or Annual Budget, the Council will consider the principles and requirements set out in Sections 77-82 of the Local Government Act 2002 in relation to decision making and consultation.

Administrative decisions made by officers under delegated authority that flow from the Council policy (e.g. the issuing of dog licences, decision on the notification of a resource consent) are of low significance in terms of this policy. The significance rests with the policy that guides these decisions and not with each decision made in administering the policy.

Significant activities

The Council considers each group of activities in the Long Term Plan or Annual Budget as a significant activity. Within each group, it regards as a decision to alter significantly the intended level of service provision to include a decision to cease or add a major component to that significant activity as a decision with a high degree of significance.¹

A decision altering the mode of delivery of a major component of a significant activity is considered by the Council as a decision with a high degree of significance. Unless there are compelling reasons of timing for the proposal to be considered before the next Community Plan is available, the Council will endeavour to make all such decisions in the Long Term Plan.

Strategic assets

Section 97 of the Local Government Act 2002 requires that certain decisions about strategic assets can only be taken if the decision is explicitly provided for by a statement of proposal in the Long Term Plan. This applies particularly to decisions to transfer the ownership or control of a strategic asset to or from the Council, or a decision to construct, replace or abandon a strategic asset.

Section 90 (2) of the Local Government Act 2002 requires the Council to identify and list the assets it considers to be strategic assets.

The assets that the Council considers to be strategic assets include:

- The Selwyn District transport network as a whole.
- The libraries in Darfield, Leeston, Lincoln, Rolleston and the mobile library service.
- The Rolleston headquarters building and the land on which the building is directly located.
- All water supplies including reservoirs, pump stations and reticulation.

- All sewage collection, treatment and disposal systems including the pipes, pump stations, treatment and disposal works.
- All land drainage and water race systems including the storm-water pipe network, the open river system, waterways, wetlands and retention basins.
- The Pines Resource Recovery Park.
- Reserve land including land held under the Reserves Act and land used for parks, gardens, sports fields, recreational areas and cemeteries.
- All Council swimming pools and built recreational facilities (e.g. halls, pavilions).
- Its equity in Selwyn Investment Holdings Limited.
- Its equity in Orion Group Limited.

The strategic assets as defined above are the assets in total and not every single element of the assets. That is, the requirements of Section 97 are only triggered if the proposal relates to the assets as a whole, or a major sub-part of the asset.

¹ e.g. A proposal to construct a new sewerage scheme would be a proposal that significantly altered the intended level of service for the ratepayer in the area of a significant activity. However, decisions on the type of replacement sewage pump would not be considered to significantly alter the intended level of service.

DEVELOPMENT OF MĀORI CAPACITY TO CONTRIBUTE TO THE COUNCIL'S DECISION- MAKING PROCESSES

Introduction

Section 81 of the Local Government Act 2002 requires all local authorities to establish and maintain processes to provide opportunities for Māori to contribute to the Council's decision-making processes.

Coverage

In Te Wai Pounamu (the South Island) one tribe, Ngai Tahu occupies all but the most northern part of the island. The entire Selwyn district lies within the rohe (area) of Ngai Tahu. Ngai Tahu Whanui is Tangata Whenua within the rohe of Ngai Tahu. Ngai Tahu Whanui represented by Papatipu Runanga and Te Runanga o Ngai Tahu, comprises people of Ngai Tahu, Ngati Mamoe and Whaitaha descent and holds customary tribal authority over an area that includes the entire Selwyn District.

Operational arrangements

The Council has entered into a service and funding agreement with Mahaanui Karataiao Ltd to assist the Council in meeting its obligations under Section 81 of the Local Government Act 2002.

Mahaanui Karataiao Ltd is a runanga-owned entity and a consultancy which has been established specifically for the purpose of engaging with local government.

A broad range of services is offered under the agreement including advice/liaison and the facilitation of consultation on resource management issues, advice on policy and democratic processes and training for the Council and Runanga staff.

The Council will also continue to schedule bi-monthly meetings to engage with and share information with the Taumutu Runanga.

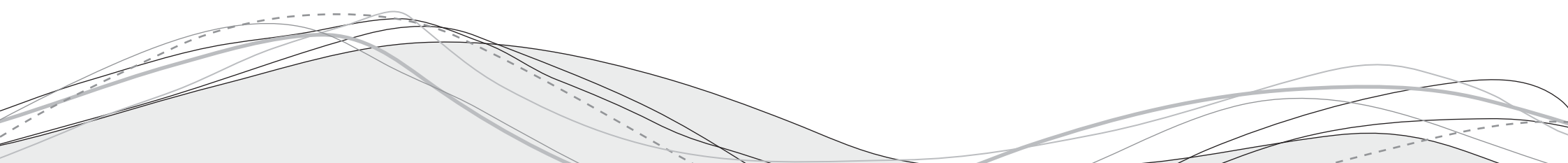
REVENUE AND FINANCING POLICY

The following tables list for each activity and function of the Council, how operating and capital expenses are funded. To assist readers of the policy, operating expenses are those expenses that are required to operate an asset (e.g. water supply, transportation) or a council service (building inspections, libraries) every day of the year. Accordingly such costs need to be fully funded on an annual basis. Capital expenses do not occur on a regular basis but result in the construction of a new asset or the replacement of an existing asset. The cost though can be large in comparison to the existing asset and therefore the cost needs to be funded over a longer period (e.g. greater than five years).

The percentages expressed for funding sources in this policy are the targets that the Council aims to achieve. It is possible that economic circumstances may mean that it is not practicable to achieve the targets in any one year. Please note that the term 'general funds' includes income from dividends and interest that maybe allocated to an activity. Asset sales are credited to the Council's general reserve funds but over time are allocated to projects based on their work priority, used to repay debt or used to generate interest income.

Policy changes as part of the Long Term Plan update

Three changes have been made to this policy as a result of the Long Term Plan update. The changes relate to the funding of two environmental services activities (resource management and policy and strategy) and swimming pools.



| Activity | Function | Primary community outcome | Operating expenses (excluding depreciation) | Reason for operating funding source | Capital expenses | Reason for capital funding source |
|-------------------------------|--|---|---|--|--|---|
| Environmental Services | <p>Resource management – processing of consents and subsequent appeals to the Environment Court</p> <p>Public advice on the resource consent process and development opportunities within the District.</p> | Air, land, water and general environment are kept in a healthy condition. | 55% funded from user charges, 45% funded from general rates (by a combination of capital value rating and uniform annual general charges) | <p>A number of benefits are specific to the user of this function. Accordingly user charges are applied for cost recovery. General public receive a benefit by having rules and policies in place that consents are processed against thus managing the environment they live in.</p> <p>The general public benefit has increased as the number of design-related resource consents that are compulsory for development to occur raise the overall amenity of the townships residential and commercial areas.</p> <p>Public advice on the resource consent process and development opportunities also provides an overall general benefit to the District.</p> | 55% funded from user charges, 45% funded from general rates (by a combination of capital value rating and uniform annual general charges). | <p>A number of benefits are specific to the user of this function. Accordingly user charges are applied for cost recovery. General public receive a benefit by having rules and policies in place that consents are processed against thus managing the environment they live in.</p> <p>The general public benefit has increased as the number of design related resource consents that are compulsory for development to occur raise the overall amenity and design outcomes of the townships residential and commercial areas.</p> <p>Public advice on the resource consent process and development opportunities also provides an overall general benefit to the District</p> |

| Activity | Function | Primary community outcome | Operating expenses (excluding depreciation) | Reason for operating funding source | Capital expenses | Reason for capital funding source |
|----------|--|---|--|---|--|--|
| | | | | <p>The cost of appeals on resource consents are not able to be recovered and are seen as an overall benefit to the general public.</p> <p>General rates fund these general benefits.</p> <p>Benefits of this function are ongoing.</p> | | <p>The cost of appeals on resource consents are not able to be recovered and are seen as an overall benefit to the general public.</p> <p>General rates fund this general benefit.</p> <p>Benefits of this function are ongoing.</p> |
| | <p>Policy and Strategy</p> <p>Implementation of the Greater Christchurch Urban Development Strategy (UDS).</p> <p>Processing of private plan changes as appropriate.</p> | Air, land, water and general environment are kept in a healthy condition. | 5% funded from user charges, 95% funded from general rates (by a combination of capital value rating and uniform annual general charges. | Majority of this activity involves facilitating the strategic management of development, and growth which provides an overall general benefit to the District and is funded from the general rate. | 5% funded from user charges, 95% funded from general rates (by a combination of capital value rating and uniform annual general charges. | Majority of this activity involves facilitating the strategic management of development, and growth which provides an overall general benefit to the District and is funded from the general rate. |
| | <p>Preparation and processing of the Council's Plan Changes.</p> <p>Processing of designation requests.</p> <p>Undertaking integrated monitoring of the Plan and the environment.</p> <p>Preparing Structure Plans to guide the growth of townships.</p> <p>Developing long term growth strategies for the District.</p> | | | <p>Benefits of this function are ongoing.</p> <p>The benefits of private plan changes and requests for Notices of Requirement are specific to the user of this function. Accordingly user charges are applied for cost recovery for these processes</p> | | <p>Benefits of this function are ongoing.</p> <p>The benefits of private plan changes and requests for Notices of Requirement are specific to the user of this function. Accordingly user charges are applied for cost recovery for these processes.</p> |

| Activity | Function | Primary community outcome | Operating expenses (excluding depreciation) | Reason for operating funding source | Capital expenses | Reason for capital funding source |
|----------|---|---|--|---|--|---|
| | RMA monitoring | Air, land, water and general environment are kept in a healthy condition. | 25% funded from user charges, 75% funded from general rates (by a combination of capital value rating and uniform annual general charges). | Majority of benefits are to the general public to ensure the consent conditions imposed are being adhered to. General rates fund this general benefit. Consent holders need to fund part of the cost to demonstrate their compliance with the consent issued. Benefits of this function are ongoing. | 25% funded from user charges, 75% funded from general rates (by a combination of capital value rating and uniform annual general charges). | Majority of benefits are to the general public to ensure the consent conditions imposed are being adhered to. General rates fund this general benefit. Consent holders need to fund part of the cost to demonstrate their compliance with the consent issued. Benefits of this function are ongoing. |
| | Building, plumbing and drainage inspection | Air, land, water and general environment are kept in a healthy condition. | 70% funded from user charges, 30% funded from general rates (by a combination of capital value rating and uniform annual general charges). | Majority of benefits are specific to the user of this function. Accordingly user charges are applied for cost recovery. General public receive a benefit by having rules and policies in place that protect future home owners from poorly designed and constructed buildings. General rates fund this general benefit. Benefits of this function are ongoing. | 70% funded from user charges, 30% funded from general rates (by a combination of capital value rating and uniform annual general charges). | Majority of benefits are specific to the user of this function. Accordingly user charges are applied for cost recovery. General public receive a benefit by having rules and policies in place that protect future home owners from poorly designed and constructed buildings. General rates fund this general benefit. Benefits of this function are ongoing. |

| Activity | Function | Primary community outcome | Operating expenses (excluding depreciation) | Reason for operating funding source | Capital expenses | Reason for capital funding source |
|----------|-----------------------------|---|--|---|--|--|
| | Environmental health | Air, land, water and general environment are kept in a healthy condition. | 65% funded from user charges, 35% funded from general rates (by a combination of capital value rating and uniform annual general charges). | Majority of benefits are specific to the users of this function, who with the appropriate health licence are allowed to provide services to the public. Accordingly user charges are applied for cost recovery. General public receive a benefit by having rules and policies in place that protect the public from poor health practices. General rates fund this general benefit. Benefits of this function are ongoing. | 65% funded from user charges, 35% funded from general rates (by a combination of capital value rating and uniform annual general charges). | Majority of benefits are specific to the users of this function, who with the appropriate health licence are allowed to provide services to the public. Accordingly user charges are applied for cost recovery. General public receive a benefit by having rules and policies in place that protect the public from poor health practices. General rates fund this general benefit. Benefits of this function are ongoing. |
| | Dog control. | A safe place to live, work and play | 98% funded from user charges, 2% funded from general rates (by a combination of capital value rating and uniform annual general charges). | Dog owners have a number of obligations under the Dog Control Act, the Council's Dog By-law and Dog Control Policy. As such the majority of costs incurred by the Council are in ensuring these obligations are adhered to. The general public receive a benefit by having rules and policies in place that protect them from dangerous dogs. General rates fund this general benefit. Benefits of this function are ongoing | 98% funded from user charges, 2% funded from general rates (by a combination of capital value rating and uniform annual general charges). | Dog owners have a number of obligations under the Dog Control Act, the Council's Dog By-law and Dog Control Policy. As such the majority of costs incurred by the Council are in ensuring these obligations are adhered to. The general public receive a benefit by having rules and policies in place that protect them from dangerous dogs. General rates fund this general benefit. Benefits of this function are ongoing. |

| Activity | Function | Primary community outcome | Operating expenses (excluding depreciation) | Reason for operating funding source | Capital expenses | Reason for capital funding source |
|---------------------------|--------------------------------|---|---|---|---|---|
| | Animal control | A safe place to live, work and play. | 3% funded from user charges, 97% funded from general rates (by a combination of capital value rating and uniform annual general charges). | This function is responsible for removing wandering stock from roads which could cause a driving hazard. It is often difficult to identify the owner of the stock so that they can be charged for this service. Accordingly the majority of the benefit is a public good and is funded from general rates. Benefits of this function are ongoing. | 3% funded from user charges, 97% funded from general rates (by a combination of capital value rating and uniform annual general charges). | This function is responsible for removing wandering stock from roads which could cause a driving hazard. It is often difficult to identify the owner of the stock so that they can be charged for this service. Accordingly the majority of the benefit is a public good and is funded from general rates. Benefits of this function are ongoing. |
| Community Services | Public library services | An ability to experience cultural activities. | 90% funded from targeted rates, 10% funded from user charges (e.g. fines, book rentals etc). | Section 142 of the Local Government Act 2002 prohibits the charging of a membership fee. Accordingly the Council levies a uniform targeted library rate and charges fees where appropriate to recover the costs of this service. It should be recognised that there is a general benefit to all in the District from residents having access to a library system irrespective of their ability to pay. Benefits of this function are ongoing. | 90% funded from targeted rates, 10% funded from user charges. When a building project is undertaken, the Council's general reserves fund the construction. The library service must fund the ongoing depreciation expense via targeted rates and user charges which over time will provide the capital funds to replace and enhance buildings without requiring a call on general reserves. | Section 142 of the Local Government Act 2002 prohibits the charging of a membership fee. Accordingly the Council levies a uniform targeted library rate and charges fees where appropriate to recover the costs of this service. It should be recognised that there is a general benefit to all in the District from residents having access to a library system irrespective of their ability to pay. Benefits of this function are ongoing. |

| Activity | Function | Primary community outcome | Operating expenses (excluding depreciation) | Reason for operating funding source | Capital expenses | Reason for capital funding source |
|----------|--|--|--|---|--|---|
| | Specific area reserves | Access to health, social and community services. | 100% funded from targeted rates or user charges as appropriate. | Most towns within the District have a recreation reserve. The annual costs of operating this reserve are funded from the local community by levying a targeted rate at a level that funds the maintenance deemed appropriate by that community. User charges are charged as deemed appropriate by the community committee that manages the reserve. Benefits of this function are ongoing. | 100% funded from targeted rates by way of cash reserves accumulated over time, contributions from subdividers | Most towns within the District have a recreation reserve. The capital costs of upgrading and enhancing this reserve are funded from the local community by levying a targeted rate at a level that funds the capital deemed appropriate by that community. There are some charges applied to land developers for reserve upgrades. New houses in subdivisions create increased demand for these services in the District and therefore land developers are assessed and charged a share of the upgrade costs. Benefits of this function are ongoing. |
| | District reserves and support services for specific area reserves | Access to health, social and community services | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges) or general funds. | The benefits of this function apply to all district residents. Because of the general public good, the costs are funded by the general rate. Benefits of this function are ongoing. | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges) or general funds. | The benefits of this function apply to all district residents. Because of the general public good, the costs are funded by the general rate. Benefits of this function are ongoing. |

| Activity | Function | Primary community outcome | Operating expenses (excluding depreciation) | Reason for operating funding source | Capital expenses | Reason for capital funding source |
|----------|---|--|--|--|--|--|
| | Specific area halls and community centres | Access to health, social and community services | 100% funded from targeted rates or user charges as appropriate. | Most towns/areas within the District have a community centre or hall. The annual costs of operating the community centre or hall are funded from the local community by levying a targeted rate at a level that funds the maintenance deemed appropriate by that community. User charges are charged as deemed appropriate by the community committee that manages the community centre or hall. Benefits of this function are ongoing. | 100% funded from targeted rates or by way of cash reserves accumulated over time, contributions from subdividers. | Most towns/areas within the District have a community centre or hall. The capital costs of upgrading and enhancing the community centre or hall are funded from the local community by levying a targeted rate at a level that funds the capital deemed appropriate by that community. There are some charges applied to land developers for reserve upgrades that can be applied to community centre or hall upgrades. These community centres or halls must be located on a designated reserve for the reserve funds to be used. Benefits of this function are ongoing. |
| | Support services for specific area halls and community centres | Access to health, social and community services. | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges) or general funds. | The benefits of this function apply to all district residents. Because of the general public good, the costs are funded by the general rate. Benefits of this function are ongoing. | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges) or general funds. | The benefits of this function apply to all district residents. Because of the general public good, the costs are funded by the general rate. Benefits of this function are ongoing. |

| Activity | Function | Primary community outcome | Operating expenses (excluding depreciation) | Reason for operating funding source | Capital expenses | Reason for capital funding source |
|----------|--|--|--|---|--|---|
| | <p>Community swimming pools (local community pools)</p> <p>Local pools are generally only open during the summer season and are in most situations not covered by a building.</p> | Access to health, social and community services. | <p>50% funded from a district-wide swimming pool targeted rate and admission charges. The targeted rate varies between three geographical areas based on the availability of swimming pool facilities. They also receive 50% of their funding from general rates.</p> <p>The area-based rating system is designed in a manner that ratepayers pay a greater share of the costs the closer their property is located to swimming facilities.</p> <p>The swimming pools targeted rate also funds annual operating grants that the Council may make to school pools</p> | <p>The benefits of this function are to the whole community, with the local community closest to swimming facilities benefitting the most. 50% of the annual operating costs are funded from the general rate reflecting the broad community benefit gained from the provision of a number of swimming facilities across the District. In addition admission fees are charged to users of the pool. The Council will review this contribution from general rates as part of the preparation of the 2015/22 Long Term Plan with the aim of moving to 100% funding from the swimming pools targeted rate.</p> <p>Benefits of this function are ongoing.</p> | <p>100% funded from a district-wide swimming pools targeted rate. The targeted rate varies between three geographical areas based on the availability of swimming pool facilities.</p> | <p>The benefits of this function are to the whole community with the local community closest to swimming facilities benefitting the most.</p> <p>Benefits of this function are ongoing.</p> |

| Activity | Function | Primary community outcome | Operating expenses (excluding depreciation) | Reason for operating funding source | Capital expenses | Reason for capital funding source |
|----------|--|--|--|---|---|--|
| | District swimming pools District pools are covered facilities that operate all year round. | Access to health, social and community services. | 100% funded from a district-wide swimming pool targeted rate and admission charges. The targeted rate varies between three geographical areas based on the availability of swimming pool facilities. The area-based rating system is designed in a manner that ratepayers pay a greater share of the costs the closer their property is located to swimming facilities. | The benefits of this function are to the whole community, with the local community closest to swimming facilities benefitting the most. District pools operate all year round and are covered facilities. They included a pool which allows for the serious swimmer to exercise for either fitness or health reasons and also include a pool for family activities. The pools also provide opportunities for children and adults to learn to swim in a safe environment. Benefits of this function are ongoing. | 100% funded from a mix of community funds, grants, donations and loan funding. The annual loan repayments are 100% funded from a district-wide swimming pools targeted rate and admission charges. The targeted rate varies between three geographical areas based on the availability of swimming pool facilities. The area-based rating system is designed in a manner that ratepayers pay a greater share of the costs the closer their property is located to swimming facilities. | The benefits of this function are to the District community. District pools operate all year round and are covered facilities. They included a pool which allows for the serious swimmer to exercise for either fitness or health reasons and also include a pool for family activities. The pools also provide opportunities for children and adults to learn to swim in a safe environment. Benefits of this function are ongoing. |
| | Public toilets | Access to health, social and community services. | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges), general funds, or donation boxes where practical. | The benefits of this function apply to all district residents but also to the travelling public. Because of the general public good, the costs are funded by the general rate. It is not practical to charge users for this function at many public toilet locations. Benefits of this function are ongoing. | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges), general funds or donation boxes where practical | The benefits of this function apply to all district residents but also to the travelling public. Because of the general public good, the costs are funded by the general rate. It is not practical to charge users for this function at many public toilet locations. Benefits of this function are ongoing. |

| Activity | Function | Primary community outcome | Operating expenses (excluding depreciation) | Reason for operating funding source | Capital expenses | Reason for capital funding source |
|----------|-------------------|--|---|---|--|--|
| | Cemeteries | Access to health, social and community services. | 50% funded from user charges, 50% from general rates. | Users benefit from this function by having access to a plot indefinitely. Accordingly 50% of the costs are funded from plot fees and internment charges. The balance of the costs is funded from the general rates reflecting the amenity benefit that a cemetery provides from the provision of open space. Benefits of this function are ongoing | 50% funded from user charges, 50% from general rates. | Users benefit from this function by having access to a plot indefinitely. Accordingly 50% of the costs are funded from plot fees and internment charges. The balance of the costs is funded from the general rates reflecting the amenity benefit that a cemetery provides from the provision of open space. Benefits of this function are ongoing. |
| | Rural fire | A safe place to live, work and play | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges), general funds charges for cost recovery and/or claims levied on the National Rural Fire Fighting Funds. | The benefits of this function apply to all district residents. Because of the general public good, the costs are funded by the general rate. Where a land owner/fire starter has been negligent in lighting a fire that the Council has had to extinguish, the Council will charge the costs it has incurred. Benefits of this function are ongoing. | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges), general funds charges for cost recovery and/or claims levied on the National Rural Fire Fighting Fund. | The benefits of this function apply to all district residents. Because of the general public good, the costs are funded by the general rate. Benefits of this function are ongoing. |

| Activity | Function | Primary community outcome | Operating expenses (excluding depreciation) | Reason for operating funding source | Capital expenses | Reason for capital funding source |
|----------|-------------------------------|--|--|--|--|--|
| | Civil Defence | A safe place to live, work and play | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges) or general funds. | The benefits of this function apply to all district residents. Because of the general public good, the costs are funded by the general rate. Benefits of this function are ongoing | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges) or general funds. | The benefits of this function apply to all district residents. Because of the general public good, the costs are funded by the general rate. Benefits of this function are ongoing. |
| | Community Development. | Access to health, social and community services. | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges) or general funds. The Council will seek external funding for community development where it is available. | The Council's community development unit exists to provide the community with information and assistance that will allow them to improve their lifestyle by gaining access to government and social services. All residents in the District benefit from a community that is well informed about its social opportunities. Accordingly this is a public benefit and is funded from the general rate. Benefits of this function are ongoing. | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges) or general funds. The Council will seek external funding for community development where it is available. | The Council's community development unit exists to provide the community with information and assistance that will allow them to improve their lifestyle by gaining access to government and social services. All residents in the District benefit from a community that is well informed about its social opportunities. Accordingly this is a public benefit and is funded from the general rate. Benefits of this function are ongoing. |

| Activity | Function | Primary community outcome | Operating expenses (excluding depreciation) | Reason for operating funding source | Capital expenses | Reason for capital funding source |
|-------------------------|--------------------------------------|---|---|---|--|--|
| | Economic Development | A prosperous community | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges) or general funds. The Council will seek external funding for economic development where it is available. | The Council's economic development unit aims to assist businesses and the Council by providing information that will allow both parties to make decisions so that businesses in the District can be successful. All residents in the District benefit from successful businesses. Accordingly this is a public benefit and is funded from the general rate. Benefits of this function are ongoing. | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges) or general funds. The Council will seek external funding for community development where it is available. | The Council's economic development unit aims to assist businesses and the Council by providing information that will allow both parties to make decisions so that businesses in the District can be successful. All residents in the District benefit from successful businesses. Accordingly this is a public benefit and is funded from the general rate. Benefits of this function are ongoing |
| Waste Management | Refuse Collection | Air, land, water and general environment are kept in a healthy condition. | 100% funded from targeted rates and user charges. | The benefits of this function are directly to the users. Accordingly the costs are recovered by targeted rates levied on those who use the service. Benefits of this function are ongoing. | 100% funded from targeted rates and user charges. | The benefits of this function are directly to the users. Accordingly the costs are recovered by targeted rates levied on those who use the service. Benefits of this function are ongoing. |
| | Refuse Recycling / Collection | Air, land, water and general environment are kept in a healthy condition. | 100% funded from user charges. | The benefits of this function are directly to the users. Accordingly the costs are recovered by targeted rates or user charges levied on those who use the service. Benefits of this function are ongoing. | 100% funded from user charges. | The benefits of this function are directly to the users. Accordingly the costs are recovered by targeted rates or user charges levied on those who use the service. Benefits of this function are ongoing. |

| Activity | Function | Primary community outcome | Operating expenses (excluding depreciation) | Reason for operating funding source | Capital expenses | Reason for capital funding source |
|--------------|---|---|--|--|---|--|
| | Refuse Disposal | Air, land, water and general environment are kept in a healthy condition. | 100% funded from user charges. | The benefits of this function are directly to the users. Accordingly the costs are recovered by targeted rates or user charges levied on those who use the service. Benefits of this function are ongoing. | 100% funded from user charges. When a disposal project is undertaken, the Council's general reserves may fund the construction. The waste management activity must fund the ongoing depreciation expense via targeted rates or user charges which over time will provide the capital funds to replace and enhance buildings without requiring a call on general reserves. | The benefits of this function are directly to the users. Accordingly the costs are recovered by targeted rates or user charges levied on those who use the service. Benefits of this function are ongoing. |
| Water | All urban and rural water supplies | Air, land, water and general environment are kept in a healthy condition. | 100% funded from targeted rates, water meter charges or user charges as appropriate. | The benefits of this function are directly to the users. Accordingly the costs are recovered by water meter charges (if deemed appropriate by a community) and targeted rates levied on those who use the service. Benefits of this function are ongoing. | 100% funded from targeted rates by way of cash reserves accumulated over time, contributions from subdividers. The Council will consider investing general reserves (internal loans) where an appropriate return on funds can be generated. These internal loans are repaid from targeted rates, user charges and development contributions. External loans may also be raised and repaid in the same manner as internal loans. | The benefits of this function are directly to the users. Accordingly the costs are recovered by targeted rates levied on those who use the service. There are some charges applied to land developers for water supply upgrades. New houses in subdivisions create increased demand for these services in the District and therefore land developers are assessed and charged a share of the upgrade costs. Benefits of this function are ongoing |

| Activity | Function | Primary community outcome | Operating expenses (excluding depreciation) | Reason for operational funding source | Capital expenses | Reason for capital funding source |
|--------------------|--|---|---|---|---|--|
| | All water race systems | Air, land, water and general environment are kept in a healthy condition. | 100% funded from targeted rates, irrigation charges or user charges as appropriate. | The benefits of this function are directly to the users. Accordingly the costs are recovered by targeted rates levied on those who use the service. Benefits of this function are ongoing. | 100% funded from targeted rates, irrigation charges or user charges as appropriate. External loans may also be raised and repaid in the same manner as internal loans | The benefits of this function are directly to the users. Accordingly the costs are recovered by targeted rates levied on those who use the service. Benefits of this function are ongoing. |
| Waste Water | All sewerage, stormwater or drainage systems. | Air, land, water and general environment are kept in a healthy condition. | 100% funded from targeted rates or user charges as appropriate. | The benefits of this function are directly to the users. Accordingly the costs are recovered by targeted rates levied on those who use the service. Benefits of this function are ongoing. | 100% funded from targeted rates by way of cash reserves accumulated over time, contributions from subdividers. The Council will consider investing general reserves (internal loans) where an appropriate return on funds can be generated. These internal loans are repaid from targeted rates and development contributions. External loans may also be raised and repaid in the same manner as internal loans. | The benefits of this function are directly to the users. Accordingly the costs are recovered by targeted rates levied on those who use the service. There are some charges applied to land developers for sewerage and stormwater system upgrades. New houses in subdivisions create increased demand for these services in the District and therefore land developers are assessed and charged a share of the upgrade costs. Benefits of this function are ongoing |

| Activity | Function | Primary community outcome | Operating expenses (excluding depreciation) | Reason for operational funding source | Capital expenses | Reason for capital funding source |
|----------------|---|--|---|--|---|--|
| Transportation | Road and land transport network, excluding State Highways (provided by NZ Transport Agency) and public transport services (provided by Environment Canterbury). | Effective and accessible transport system. | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges) general funds and NZ Transport Agency subsidies. | Road and land transport users are the beneficiaries of this function. The Council does not have an ability to charge users directly. It considers that the roading and transportation network is of benefit to all of the community and accordingly its costs are recovered as a public good through general rates. Benefits of this function are ongoing | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges), the Council's capital reserves or contributions from subdividers. The Council will consider investing general reserves where an appropriate return on funds can be generated. NZTA subsidies, if eligible, are also funding sources | Road and transport users are the beneficiaries of this function. The Council does not have an ability to charge users directly. It considers that the roading network is of benefit to all of the community and accordingly its costs are recovered as a public good through general rates. There are some charges applied to land developers for roading and transport upgrades. New houses in subdivisions create increased traffic in the District and therefore land developers are assessed and charged a share of the upgrade costs. Benefits of this function are ongoing |

| Activity | Function | Primary community outcome | Operating expenses (excluding depreciation) | Reason for operational funding source | Capital expenses | Reason for capital funding source |
|----------|--|--|---|---|--|--|
| | Township services and maintenance | Access to health, social and community services. Effective and accessible transport systems. | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges) or general funds and NZ Transport Agency subsidies where eligible. | <p>Road users are the beneficiaries of this function. The Council does not charge users directly. It considers that township services and maintenance is of benefit to all of the community and accordingly its costs are recovered as a public good through general rates.</p> <p>Benefits of this function are ongoing.</p> | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges) or general funds. | <p>Road users are the beneficiaries of this function. The Council does not charge users directly. It considers that township services and maintenance is of benefit to all of the community and accordingly its costs are recovered as a public good through general rates.</p> <p>There are some charges applied to land developers for street upgrades. New houses in subdivisions create increased traffic in the District and therefore land developers are assessed and charged a share of the upgrade costs.</p> <p>Benefits of this function are ongoing.</p> |

| Activity | Function | Primary community outcome | Operating expenses (excluding depreciation) | Reason for operational funding source | Capital expenses | Reason for capital funding source |
|-------------------------|--|--|--|--|--|---|
| | Road Safety | A safe place in which to live, work and play. | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges), general funds or NZTA subsidies. | Road and land transport users are the beneficiaries of this function. The Council does not have an ability to charge users directly. Improved road safety is of benefit to all of the community and accordingly its charges are recovered as a public good through general rates. A subsidy is paid by NZ Transport Agency to fund some specific projects. Benefits of this function are ongoing. | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges), general funds or NZTA subsidies if eligible. | Road and land transport users are the beneficiaries of this function. The Council does not have an ability to charge users directly. Improved road safety is of benefit to all of the community and accordingly its charges are recovered as a public good through general rates. Benefits of this function are ongoing. |
| Democracy | Mayor, District Council, Grants | No specific outcome but an advocacy role for many. | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges) or general funds. | All residents in the District benefit from having a democracy. Accordingly this is a public benefit and funded from the general rate. Benefits of this function are ongoing. | 100% funded from general rates (by a combination of capital value rating and uniform annual general charges) or general funds. | All residents in the District benefit from having a democracy. Accordingly this is a public benefit and funded from the general rate. Benefits of this function are ongoing. |
| Community Boards | Community Representation | No specific outcome but an advocacy role for many. | 100% funded from targeted rates. | The benefits of this function are to the residents living in the wards served by a community board. Accordingly, the costs are recovered by targeted rates levied on those living in the wards served by a community board. Benefits of this function are ongoing | 100% funded from targeted rates. | The benefits of this function are to the residents living in the wards served by a community board. Accordingly, the costs are recovered by targeted rates levied on those living in the wards served by a community board. Benefits of this function are ongoing. |

| Activity | Function | Primary community outcome | Operating expenses (excluding depreciation) | Reason for operational funding source | Capital expenses | Reason for capital funding source |
|-------------------------------|--------------------|--|---|---|---|---|
| Canterbury Museum Trust Board | Canterbury Museum. | A community which values its culture and heritage. | 100% funded from a targeted rate on all ratepayers in the District. | <p>All residents in the District benefit from having access to the Canterbury Museum. Accordingly, the cost of the annual levy is recovered by a targeted rate on all ratepayers in the District.</p> <p>Benefits of this function are ongoing.</p> | 100% funded from a targeted rate on all ratepayers in the District. | <p>All residents in the District benefit from having access to the Canterbury Museum. Accordingly, the cost of the annual levy is recovered by a targeted rate on all ratepayers in the District.</p> <p>Benefits of this function are ongoing.</p> |

DEVELOPMENT CONTRIBUTIONS POLICY

Policy changes as part of the LTP update

The Council has made the following major changes to the Development Contribution Policy as part of its 2012/2022 Long Term Plan preparation:

- A number of minor wording changes to make the policy in the view of the Council more readable.
- Paragraph 3.9 of the policy has been rewritten in an effort to clarify the Council's rules on deferment of payment of development contributions, to use correct terminology in setting out those rules and to make those rules easier to administer.
- All dollar values of development contributions have been reviewed for water and sewerage and adjusted where the Council's book value of a system has changed.
- All capacity projections have been updated and then used to amend the dollar value calculations of development contributions as appropriate.
- All dollar value development contributions have been reviewed for future upgrade requirements to service population growth projections and amended as appropriate.
- In December 2011, the Council changed the dollar value of the Eastern Selwyn Sewerage Scheme development contribution. This dollar value change and the applicable wording is now included in the policy.

Although the above paragraph has been prepared to assist readers of the Development Contribution Policy to identify the major changes as perceived by the Council, readers who are involved in development activities are encouraged to be familiar with the re-written policy. The staff member to contact with questions regarding the development contribution policy is Douglas Marshall, Manager Corporate Services.

The Council received a submission to its draft LTP from the Eastern Selwyn Sewerage Scheme Planning Group (ESSSPG). This submission made a number of points about the Council's development contribution being proposed in the LTP to fund the Eastern Selwyn Sewerage Scheme (ESSS). These submissions have made the Council consider it should revisit its December 2011 decision in relation to the proposed ESSS development contribution. It has asked Council staff to undertake this review and report back to the Council on the ESSSPG's concerns. If the Council decides that the submissions have merit and there needs to be changes made, the Council will make the necessary amendments.

ESSS development contributions will continue to be charged at the level set in December 2011 pending this further review. If the review results in the level of ESSS development contributions being reduced, the Council will refund the difference between the two amounts in respect of development contributions paid since December 2011.

1. Introduction

Please note :

The Council adjusts all development contributions annually by the CPI as at 31 December based on the Statistics New Zealand information released in the following January. The Council applies the All Groups index. CPI information can be found by visiting the Statistics New Zealand website, www.stats.govt.nz

The Selwyn District (the District) has experienced strong population growth since the early 1990s. Recently (June 2011), the Council adopted population projections based on a study by the economic think tank, BERL which projects the growth in our District until 2041. These population projections are used as the basis for establishing the likely future population of the District and can be found on our website www.selwyn.govt.nz under the Selwyn Community Plan.

In order to ensure that the projected population growth does not adversely affect existing and new residents of the District, the Council will need to undertake a number of infrastructural developments.

Territorial authorities may require contributions to the cost of infrastructural developments under the Local Government Act 2002 (the Act) and the Resource Management Act 1991 (the Resource Management Act). A territorial authority cannot require development contributions under the Act (development contributions) for the same purpose for which it has required financial contributions under the Resource Management Act.

The Council has decided that the cost of construction of additional infrastructure necessitated by population growth in the District will be funded from three main sources:

- development contributions as outlined in this LTP
- rates and
- borrowing.

1.1. Legislative requirements and powers

The Council is required to have a Developments Contributions Policy as a part of its Funding and Financial Policies. This policy is required to be included within its Long Term Plan under section 102(2)(d) of the Act. Part 8, Subpart 5 of the Act gives territorial authorities the power to require development contributions. Development contributions provide the Council with a method to obtain funding to provide infrastructure, which is needed to support growth that occurs within its District.

1.2. Rationale for funding the costs of growth through development contributions (consideration of Section 101(3) of the Act)

In determining whether development contributions are an appropriate funding source for different activities, the Council considers, for each of its activities:

- The community outcomes to which the activity primarily contributes.
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.
- The period in or over which those benefits are expected to occur.
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

The Council then needs to consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well being of the community.

In practice, this consideration can be summarised into four main steps:

Step 1 - Considering community outcomes (Section 101(3)(a)(i))

On a district-wide basis, the Council considers how groups of activities contribute to community outcomes. For example, the Council has determined that wastewater infrastructure projects contribute to the community outcomes of a clean environment, a healthy community and a safe place in which to live, work and play. The Council considers that the capital expenditure being incurred to meet the increased demand for community facilities contributes to the achievement of the following community outcomes (please refer to page 11 of the LTP for the full details of the community outcomes and the Council's role in providing them):

| Community outcome | Reserves | Network infrastructure | Community infrastructure |
|---|----------|------------------------|--------------------------|
| A clean environment | | √ | √ |
| A rural district | √ | | |
| A healthy community | √ | √ | √ |
| A safe place in which to live, work and play | √ | √ | √ |
| An educated community | | | √ |
| A prosperous community | | | √ |
| An accessible district | √ | √ | √ |
| A community which values its culture and heritage | | | √ |

Charging new development a development contribution towards the additional or increased capacity of community facilities ensures an appropriate contribution to these community outcomes

Step 2 – Benefits and Causation

The questions the Council needs to consider under section 101(3)(a) of the Act include:

- Who benefits from the community facilities (section 101(3)(a)(ii))?
- The period over which those benefits will occur (section 101(3)(a)(iii))?
- Who creates the need for the community facilities (section 101(3)(a)(iv))?

Within the framework of the Council's activities, and how the activities contribute to community outcomes, the Council develops a programme of infrastructural capital works and reserves purchases. For each of the individual capital projects on that programme, the Council makes judgements about who created the need for that project, who will benefit from the asset that it creates and how long that benefit will last. The value of the benefit attributed to the growth community in each part of the District over the next ten years is the amount that could potentially be recovered from that community via development contributions.

The Council has estimated the extent of growth within the District and has translated that to the expected number of developments which constitute that growth. The Council has also identified its capital expenditure necessary to meet the needs of the growth community and this

is explained in this policy. Where the existing capacity of community facilities is insufficient to provide the levels of service to new residential and non-residential users specified by the Council in the LTP, those new users/the growth community are therefore the ones who create the need for new community facilities which requires the Council to incur capital expenditure. The Council also recognises that there may be capital expenditure necessary to increase the level of service for all, due to:

- Ratepayers who want increased levels of service.
- Obligations on the Council to raise the levels of service to meet resource consent or statutory obligations and conditions,
- Visitors to the District using the facilities.

The allocation of the benefits and the costs take these other factors into account.

For each of the individual projects that require capital expenditure, the Council makes a judgement about whether the asset being created will benefit the existing community or the growth community, or both of those groups. In making this judgement, the Council will consider a number of factors, including:

- The existing levels of comparable service derived from existing community facilities.
- The ongoing costs (such as operating costs, depreciation and any other relevant costs) of receiving the service from existing community facilities and the community facilities to be constructed as part of a relevant project – ongoing costs are not capital expenditure and might be considered in the nature of a “negative benefit”;
- The extent to which the relevant project will provide:
 - i. an increased or elevated level of service; or
 - ii. a new service.

For each individual project that requires capital expenditure, the Council determines the length of time over which the asset created by that expenditure will provide a benefit to the community.

Step 3 – Costs and benefits of funding the activity distinctly from other activities

On an activity by activity basis, the Council considers the costs and benefits of funding each activity distinctly from other activities. The benefits of additional community infrastructure capacity generally accrue to the improved or new properties generating demand for that capacity. Development contributions paid by developers are likely to be passed on through section and lease prices to the occupants of those improved or new properties. Therefore the Council concludes that the use of development contributions to fund the cost of growth in community

facilities, in proportion to the benefit received by the growth community, provides the benefits of greater transparency, greater accountability and intergenerational equity. These benefits exceed the cost of using development contributions as a separate and distinct funding source.

Step 4 – Overall impact on well-being of community

Finally, the Council considers how funding each activity will impact on the wellbeing of the community. In general, the Council believes that the majority of the cost of assets being created or enhanced for the growth community should be paid for by the growth community through development contributions. Failing to fund growth in this manner would impose an unfair burden on the economic wellbeing of the existing ratepayer community.

1.3. When is a development contribution required.

Except as provided in paragraph 1.4, a development contribution is required in relation to a development when:

- The effect of that development requires the Council to construct new or additional assets for any network infrastructure, reserves or community infrastructure. and
- The Council has to incur capital expenditure to increase the capacity of existing assets (e.g. network infrastructure, reserves and community infrastructure) to support the growth from development.

The effect of development in terms of the impact on assets includes the cumulative effect that a development may have in combination with another development. A Development Contributions Policy also enables the Council to require a development contribution that is used to pay, in full or in part, for capital expenditure already incurred by the Council in anticipation of development.

1.4. Limitations to the application of development contributions

The Council will not require a development contribution for network infrastructure, reserves or community infrastructure in the following cases:

- Where it has, under section 108(2)(a) of the Resource Management Act, imposed a condition on a resource consent requiring that a financial contribution be made in relation to the same development for the same purpose. or
- Where the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure. or
- Where the territorial authority has received or will receive funding from a third party.

2. Overview of Development Contributions Policy

Section 201 of the Act outlines the required contents of a Development Contributions Policy. The following section is consistent with this requirement of the Act.

2.1. Trigger for taking a development contribution

Under the Act, the Council may require payment of a development contribution upon the granting of:

- a resource consent
- a building consent or
- an authorisation for a service connection.

The stage at which the Council requires the payment of a development contribution in respect of any development will depend on the nature of the community facility involved. In making this determination, the matters which the Council may consider include:

- practicality of implementation
- economies of scale in implementation costs
- fairness and
- best available knowledge for projections and allocating budgets.

2.2. Dominant underlying zone

The Council's development contributions are based on the predominant zoning being that for residential use. Accordingly, the Council reserves the right to assess an industrial/commercial development at the time of application as follows:

- type of development and impact on infrastructure and
- applicable dollar value that reflects development and impact on infrastructure.

2.3. When a contribution may be taken

While development contributions will generally apply where new units of demand are created at the subdivision consent stage, the Council may however apply contributions at the building consent stage or at the service connection stage on residential and rural development only where

additional units of demand are created in the absence of subdivision. The Council's experience is that occasionally units of demand are created by an additional household unit on land already subdivided. In such cases, as a matter of equity, the Council will assess and seek the appropriate development contribution at the building consent stage. If additional units of demand are created in the absence of subdivision or outside of the building consent stage the Council will require a development contribution at service connection stage.

2.4. Policy commencement date

Any resource consent, building consent or service connection application received on or after the date the 2012/2022 Selwyn Community Plan is adopted by the Council, will be subject to a development contributions charge under this policy. Consent applications received prior to the 2012/2022 Selwyn Community Plan being adopted will be subject to contributions payable under the policy that was in place at the time the application was received

2.5. Activities requiring a development contribution to meet the costs of growth

The Council may require a development contribution from any development of the following:

1. capital expenditure expected to be incurred as a result of growth and
2. capital expenditure already incurred in anticipation of development.

Funding the Council's capital expenditure for growth with development contributions is considered alongside the Council's other funding tools. Development contributions will be required from development under this policy to meet the growth component of the future capital expenditure budgets, not met from other sources. For community facilities: network infrastructure, community infrastructure and reserves. Table 1 identifies activities the Council will require a development contribution on.

Table 1: Activities requiring a development contribution.

| Activities | Community Facilities |
|---|--------------------------|
| Water | Network infrastructure |
| Sewerage | Network infrastructure |
| Stormwater | Network infrastructure |
| Roading and Transportation | Network infrastructure |
| Community centres/libraries | Community infrastructure |
| Reserves- land and developments on land | Reserves |

2.6. Capital expenditure the Council has incurred in anticipation of development

Development contributions will also be required from development to meet the cost of capital expenditure already incurred in anticipation of development, where the Council has assessed it appropriate and reasonable to do so.

The Council, since 1995, has accounted for capital expenditure described above as follows:

- Plan Change 21 - this plan change allowed the Council to estimate the future growth that would be serviced by the infrastructure that it was installing. In particular, the sewerage schemes installed by the Council in Prebbleton, Springston, Tai Tapu, Rolleston and Southbridge during the period from 1996 to 2005 may not have been affordable to the existing population if the Council had not considered the future growth opportunities that would occur from the installation of sewerage. Allowing for future growth when designing these systems meant that the funding of the systems could be spread over the future population, not just the current population. The cost of the infrastructure to service the future population as opposed to just the current population is titled 'holding capacity'.
- Holding Capacity (Policy T103) - as the name suggests, this is the dollar value or number of connections between the capacity that is required to service the current population and what is being 'held' to service the future population. The Council, in making this decision to have holding capacity in a scheme, has to fund this cost until property owners, who create growth, repay it. Such a decision involves the Council now owning an asset in infrastructure as opposed to having money in the bank. Although this decision is effectively swapping one asset ('cash') for another asset ('infrastructure'), cash earns interest income while infrastructure does not. Interest income is used by the Council to reduce/subsidise its general rates. When it does not have interest income, general rates increase. For this Council, this causes an inequity. Approximately half of all Selwyn residents provide their own sewerage disposal system (e.g. septic tanks). It is not fair for half of the District's residents to have a general rate increase because they are not getting the benefit of a Council provided sewerage system. To achieve equity, the Council makes an interest charge on those communities that have 'holding capacity' in their water and sewerage infrastructure. This interest charge is collected with the targeted rate that is levied to run/operate the infrastructure system. As more properties connect, and pay their development contribution, the holding capacity interest charge reduces.

Where further community facilities are required to meet an anticipated increased demand for services, the Council may elect to invest in the necessary infrastructure before the development, which will generate the increased demand, occurs. Again, this may result in an interest charge being included in the eventual development contribution to recover the opportunity cost of the early investment in the necessary community facilities.

2.7. How is interest calculated?

Where the Council invests in infrastructure, the following occurs:

- forecasts are made as to the population to be served from growth and how many lots will be created;
- the expenditure required to service the growth will be determined; and
- when the lots from growth will actually be connected to the infrastructure and ultimately when the lot is liable to pay its development contribution is forecast.

Based on this information, an appropriate financial model can be developed on which development contributions can be calculated to recover all costs of development and the cost of interest incurred as a financing cost until development contributions are received to repay the Council investment in infrastructure.

2.8. Best available knowledge

Development contributions are based on capital budgets from Council Activity Management Plans. The capital expenditure budgets and projected estimates of future asset works are based on the best available knowledge at the time of preparation. This Development Contributions Policy will be updated, as practical, to reflect better information as it becomes available.

2.9. Calculation of headwork's share

Included within the development contribution will be an allowance for any headwork's share. This headwork's share is based on the lesser of:

- the cost, or
- most recent book value

of the infrastructure concerned being divided by the growth in the township concerned. This headwork's share is the buy-in by new lots to the existing infrastructure investment. Funds collected from headworks can be used to finance the replacement of existing infrastructure or construction of new infrastructure.

2.10. The Council's use of development contributions

The Council will use development contributions only on the activity for which they are collected. This will be undertaken on an aggregated project basis for each of the activities.

Where the Council anticipates funding from a third party for any part of the growth component of the capital expenditure budget, then this proportion is excluded from the total estimated growth component to be funded by development contributions. Similarly third party funding received for capital expenditure the Council has incurred in anticipation of development has also been excluded from figures.

2.11. Implementations and review

It is anticipated that this policy will be updated on a three yearly basis or at shorter intervals if the Council deems it necessary. Any review of policy will take account of:

- any changes to significant assumptions underlying the Development Contributions Policy;
- any changes in the capital development works programme for growth;
- any changes in the pattern and distribution of development in the District;
- any changes that reflect new or significant modelling of the networks;
- the regular reviews of the Funding of Financial Policies, and the Selwyn Community Plan;
- any changes that the Council needs to implement from the adoption of its proposed District Plan; and
- any other matters the Council considers relevant.

3. Administration of development contributions

3.1. Remissions

At the request of the applicant, the development contribution required on a development may be considered for remission at the Council's discretion on a case-by-case basis.

Remission (in whole or in part) of development contributions may be allowed where:

- The developer has already paid the required contribution in respect of the relevant community facilities.
- The circumstances are such that the development or other work carried out by the developer in connection with that development results in a reduction in costs to

the development contributions account and, therefore, a corresponding reduction in the development contribution required from that developer is appropriate. Such circumstances include situations where the timing of the payment of the development contribution is such that it will have a significant positive impact on the Council's financial modelling for the relevant activity (this will generally be the case if the development contribution in question is paid in bulk significantly before the time anticipated by the relevant model).

- The development contributions applicable to a particular development are manifestly excessive in that the cost of the new or additional assets or assets of increased capacity required by the development is demonstrably less than the development contribution which would otherwise be required by this policy. In such cases, the cost to the development contributions account attributable to the development is reduced and the Council may remit the development contribution payable in respect of that development by the amount of that reduction as reasonably assessed by the Council. (This catch-all is inserted because the Council recognises that there may be situations not envisaged at the time this policy was established that justify remission. However where units of demand are created it would only be in exceptional circumstances that the Council would accept that a remission is justified).

Remissions must be applied for before a development contribution payment is made to the Council as it will not allow remissions retrospectively.

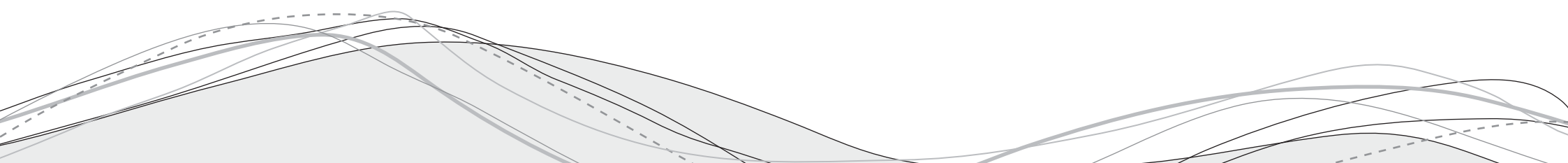
3.2. Process for consideration for remission of development contribution

Any request for remission of development contributions shall be made by notice in writing, from the applicant to the Council, before development contributions required on the development are paid. Any request for remission shall set out reasons for the request.

In undertaking the review of the request; the Council:

- shall consider the request as soon as reasonably practicable;
- may, at its discretion, uphold, reduce, or cancel the original amount of development contribution required on the development and shall communicate its decision in writing to the applicant within 15 working days of receiving the request; and
- delegates decisions on remissions to staff.

Where the Council decides to consider such a request the following matters will be taken into account:



- the Development Contributions Policy;
- any relevant financial/engineering modelling;
- the Council's Revenue and Financing Policy;
- the extent to which the value and nature of works proposed by the applicant reduces the need for works proposed by the Council in its capital works programme;
- existing uses on the site of the proposed development;
- development contributions paid and/or works undertaken and/or set aside as a result of:
 - i. previous developments and contributions paid/payable;
 - ii. agreements with the Council;
 - iii. financial contributions under the Resource Management Act; and
- Any other matters the Council considers relevant.

In any case, the Council retains the right to uphold the original amount of development contributions levied on any particular development.

3.3. Refunds

The refund of money and return of land if development does not proceed and refund of money or return of land if it is not applied to specified reserves purposes will be applied in accordance with sections 209 and 210 of the Act.

Any refunds will be issued to the current landowner of the development to which they apply and will not be subject to any interest or inflationary adjustment.

3.4. Payment of development contributions

Development contributions payable on the grant of resource consents, building consents or authorisation for service connections will be re-assessed at the time the applicant requests to pay.

If payment of development contribution is not received, the Council will enforce the powers outlined in section 208 of the Act. That provision states that until a development contribution required in relation to a development, has been paid or made under section 198 of the Act, a territorial authority may:

- In case of a development contribution required under section 198(1)(a):
 - i. Withhold a certificate under section 224(c) of the Resource Management Act
 - ii. Prevent the commencement of a resource consent under the Resource Management Act
- In the case of a development contribution required under section 198(1)(b), withhold a code of compliance certificate under section 43 of the Building Act 1991.
- In the case of development contribution required under section 198(1)(c), withhold a

service connection to the development and

- In each case, register the development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the land in respect of which the development contribution was required.

To secure the payment of a development contribution, the Council may register an encumbrance against the certificate of title of the land in relation to which the development contribution is payable, pursuant to paragraph 3.9 of this policy.

3.5. Extraordinary circumstances

The Council reserves the discretion to enter into specific arrangements with a developer for the provision of particular infrastructure to meet the special needs of a development, for example where a development requires a special level of service or is of a type or scale which has not been assessed in terms of units of demand

3.6. Tax – GST

Development contributions required will incur a Goods and Services Tax upon assessment of contributions payable.

3.7. Calculating contributions over multiple development areas

In any situation where a proposed development lies partially in each of two or more development contribution areas, the development contribution for the entire development will be calculated based on the contribution applicable to the development contribution area that contains the majority of the development land area.

3.8. Deferment of the payment of contributions

The Council will not normally permit deferred payment of development contributions required in connection with the issue of a land use consent, building consent or an authorisation for a service connection. These contributions will be paid at the time these consents or authorisations are uplifted from the Council.

The deferment of payment of development contributions for subdivisions is at the discretion of the Council.

Where the Council agrees to allow the deferment of the payment of a development contribution, the Council may require that an encumbrance be registered, securing the obligation to pay the development contribution, against the certificates of title for each allotment in the subdivision. Alternatively, a solicitor's undertaking to pay the development contribution on sale of the relevant property may be accepted. The encumbrance may record the requirement for the contribution to

be paid by a specified date regardless of whether the allotment in question has been sold by that date. An encumbrance/undertaking will only be agreed to by the Council, where:

- i. the subdivider pays the Council's legal costs for the preparation of an encumbrance and a release fee; and
- ii. the cash contribution is divided by the total number of allotments, with payment of the relevant development contribution commencing at the first sale; and
- iii. for a minor (e.g. one additional lot being created) development, the Council may accept a solicitors undertaking to pay development contributions from the proceeds of sale of the allotment where an unconditional sale and purchase agreement for that allotment exists.

Where an encumbrance/undertaking is entered into, the Council will charge interest on any outstanding amount of the cash contribution not paid within two years of the subdivision consent. Interest will be charged on a per annum basis at a rate which is equal to the Bank of New Zealand's Commercial Lending Base rate plus 5%. Alternatively, the Council may reassess the development contribution in terms of any amendment to its development contribution policy before the request for full or partial discharge of the encumbrance and require the payment of the reassessed sum prior to providing any discharge.

3.9. Unit of demand

The unit of demand is a form of measurement to calculate the level of demand for community facilities from developments. The Council will define and calculate units of demand for different types of community facilities and types of developments on a consistent and equitable basis. Depending on the type of community facility or type of development, a differentiation may be made between residential, rural and non-residential development because of the different types and levels of demand these developments make on community facilities. Unless stipulated otherwise, the unit of demand will be a household unit equivalent being a normal residential house averaging 2.8 persons ('HUE'). For the majority of development in the District, one allotment in a subdivision or one connection to the relevant network infrastructure will equate to a normal residential household or HUE. There will, however, be cases where an individual allotment does not approximate to a HUE and, in such cases, the Council will assess how many HUEs of demand are generated by such an allotment and charge development contributions on this basis.

3.10. The capital expenditure already incurred to meet increased growth demand – indexed by CPI

Development contributions are calculated at the time the infrastructure expenditure is incurred. Each contribution is annually indexed by CPI as at 31 December to reflect the real value of money at the time at which the relevant development contributions are paid with the intention that, in real terms, development contributions are equalised across the period in which they are recovered. This approach is incorporated in the Council's modelling so that early payers of development contributions pay less in nominal terms.

4. Water and sewerage - specific Issues regarding development contributions assessment

4.1. Approaches to methodology

In developing a methodology for the Development Contributions Policy, the Council has taken the approach to ensure that the cumulative effect of development is considered with a system-wide view. This policy considers the specific infrastructure demands created by individual developments in the context of the Council's wider community responsibilities as an infrastructure service provider.

4.2. Development contributions areas

For the purpose of development contributions the District is broken into 28 water contribution and 12 sewerage contribution areas based on activity service catchments.

4.3. Planning horizons

A 20 year timeframe is being used as a basis for forecasting growth and applying a development contribution. This is consistent with the Council's activity management planning horizons. The Council will amend the planning horizons where it has information that is appropriate to do so.

4.4. Best available knowledge

Development contributions are based on capital budgets from the Council Activity Management Plans. The capital expenditure budgets and projected estimates of future asset works are based on the best available knowledge at the time of preparation. The policy will be updated, as practical, to reflect better information as it becomes available.

4.5. Water and sewage catchments

Selwyn has water and sewerage reticulation networks which service defined catchments.

Interdependence within each network creates a need for integrated management of the operation of these necessary components. As such, the management of each network is undertaken with network-wide supply and demand issues in mind.

Development contributions for each defined water and sewerage catchment area will be based on the value of future identified growth works for each service catchment.

4.6. Who gets charged

Under the above outlined method, all new developments in the service catchments within identified development contribution areas, will be subject to a development contribution.

4.7. Justification for approach

All growth works on the 'Integrated water and sewer Networks' are considered to service any lot within the specified boundary, up to a uniform service level, at any time. All components of the integrated networks also have excess capacity uptake. Any identified capital development growth-related works undertaken on the identified integrated network add to the capacity of the existing integrated network directly.integrated network directly.

4.8. Eastern Selwyn Sewerage Scheme

The ESSS which serves Rolleston, Lincoln, Prebbleton, Springston and Tai Tapu is near or at capacity. As noted in the Council's 2009/2019 Long Term Council Community Plan, a number of these townships discharge sewage to the Christchurch system. The Pines site at Rolleston will treat waste water from all of these townships and the Selwyn District no longer relies on Christchurch for treatment. Over the next thirty years, the upgrade of the ESSS will have a construction cost of \$80,698,089 and, on the Council's revenue and growth projections, will cost \$75,892,828 in debt servicing. The cost of the upgrade to the ESSS will be funded predominantly from development contributions together with the proceeds of sale of the (now redundant) Helpet plant land which has a rating valuation of \$400,000. The construction costs funded by development contributions in the 10 years from July 2012 to June 2022 will be \$28,559,344.

The Council has been collecting development contributions in relation to the anticipated upgrade of the ESSS for some time. On 23 December, after undergoing a special consultative procedure to amend this policy, the Council decided to increase the level of development contribution from \$10,738 to \$14,368 for new allotments within the ESSS catchment. This \$14,368 when adjusted annually for CPI, and taking into account revenue and growth projections, will recover the construction and debt servicing costs over the next 30 years.

Before making the decision to fund the upgrade to the ESSS in this way, the Council gave the following consideration to the factors set out in section 101(3)(a) of the Act:

| Factors under section 101(3)(a) | Consideration |
|---|--|
| <i>The community outcomes to which the activity primarily contributes (section 101(3)(a)(i))</i> | <p>The provision by the Council of wastewater services provides benefits to the community in terms of obvious contributions to the following community outcomes:</p> <ul style="list-style-type: none"> • a clean environment; • a safe place to live; • a healthy community; and • a prosperous community. <p>The upgrade to the ESSS will allow the Council to provide wastewater services to support future growth in relevant areas of the district to a standard currently enjoyed in that catchment, thereby maintaining and reinforcing the community outcomes listed above as the urbanised areas of the district expand.</p> |
| <i>The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals, in relation to the activity (section 101(3)(a)(iii))</i> | <p>The principal purpose of the upgrade to the ESSS is to allow for continued population and business growth in the ESSS service catchment by providing satisfactory wastewater treatment services in that catchment.</p> <p>A significant proportion of the residents in the Selwyn district are neither served by the existing infrastructure, nor will be served by the ESSS. There will be no benefit to these residents from the ESSS.</p> <p>As noted above, a number of existing connections to Christchurch City wastewater infrastructure will be transferred to the ESSS once it is completed. However, the Council considers that the upgrade to the ESSS will be of little, if any, benefit to these existing users of Council provided wastewater systems in the Selwyn district for the following reasons:</p> <ul style="list-style-type: none"> • from these persons' perspective, there will be no appreciable difference in the delivery of wastewater services; • the treatment quality under the ESSS will be of a relatively similar level to what existing users of wastewater systems now enjoy; • the anticipated operating costs (per connection) of the ESSS will remain at a similar level to those under the existing scheme; and • the future costs of renewal (per connection) are at a similar level (the existing Pines plant which will be replaced in the upgrade is only a few years old and most components will be reused in the new plant). <p>The upgrade of the ESSS would most appropriately be characterised as a means by which the Council can expand the wastewater treatment system in the ESSS catchment to ensure that it has the capacity to cope with increased demand occasioned by development. The tangible or perceptible benefits of the upgrade to the ESSS will therefore accrue almost entirely to persons seeking to connect to reticulated wastewater systems in the Selwyn district in the future, as the ESSS will now have sufficient wastewater capacity to accommodate such connections.</p> <p>In reaching this conclusion, the Council has also considered the following:</p> |

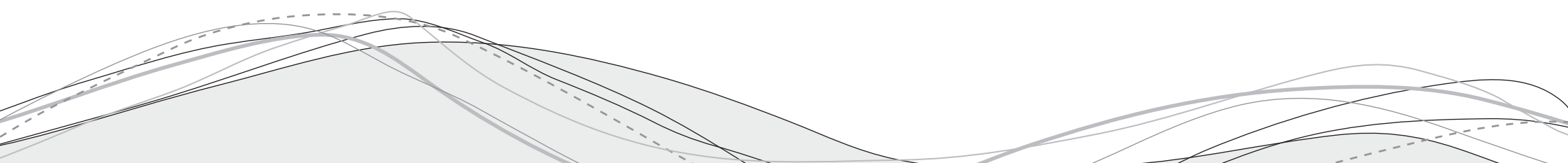
| Factors under section 101(3)(a) | Consideration |
|--|---|
| | <ul style="list-style-type: none"> there may be some benefits to the existing residents (both those served by the existing systems, and potentially others in the Selwyn district) due to population growth which might be argued to be facilitated by the provision of more wastewater treatment facilities, for example more community facilities, more jobs and more business opportunities; decreased reliance on Christchurch City wastewater infrastructure might be argued to be a benefit for holders of an existing wastewater connection to this infrastructure or even the Selwyn district as whole; and the capital contribution made to Christchurch City Council in respect of Selwyn district connections to Christchurch City infrastructure will be lost. As such, this is a negative benefit or loss. <p>The Council considered these possible benefits to the existing residents of the Selwyn district to be both minimal (where they accrue at all), and imperceptible, irrespective of whether such residents are served by existing wastewater infrastructure or not.</p> |
| <i>The period in or over which those benefits are expected to occur (section 101(3)(a)(iii))</i> | <p>Benefits from the upgrade of the ESSS will begin to occur once construction is completed in 2012, because, at that stage, the Council's wastewater system will have the capacity to take on substantial further connections. The tangible benefits will accrue as new connections are made to the Council's wastewater system which, as a result of the upgrade to the ESSS, will have the capacity to take such connections. Those benefits will be on-going.</p> <p>On current growth projections, the ESSS will have sufficient capacity to meet demand up to 2041. The upgrade of the ESSS is therefore projected to allow new connections to the Council's wastewater systems until that date.</p> |
| <i>The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity (section 101(3)(a)(iv))</i> | <p>The ESSS is being upgraded principally to cater for new connections to the Council's wastewater systems (as discussed above in relation to benefits) and the additional capacity it will provide will not be required until developers begin to complete their developments and these developments require service connections. It is therefore the actions of developers and/or those who purchase developed land which contribute to the need to upgrade the ESSS.</p> <p>There is no identifiable action or inaction on the part of any other individuals or groups which have contributed to the need to upgrade the ESSS.</p> |
| <i>The costs and benefits, including consequences for transparency, of funding the activity distinctly from other activities (section 101(3)(a)(v))</i> | <p>The Council has been determined that, given the proportionately high cost of the ESSS upgrade and in the interests of transparency, the upgrade of the ESSS should be considered as an activity in its own right in relation to a funding decision. The alternative would be to consider the overall provision of wastewater services, which would qualify as an activity for the purposes of section 101(3) of the Act. As a relatively discrete project, it is straightforward to isolate capital spending on the ESSS upgrade, and make a separate decision in relation to funding. While there are additional costs involved in making a separate decision about the ESSS upgrade, it is considered that these are relatively minor in context, and these costs are acceptable in order to maximise transparency.</p> |

In addition to the factors above, section 101(3)(b) of the Act requires the Council to give consideration to ... *the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.* The Council's consideration of these factors was as follows:

| | Overall Impact |
|----------------------|--|
| Social | The social impact of the allocation of liability for the revenue requirement for the upgrade of the ESSS is seen as generally positive because it will not burden existing residents with the capital cost of infrastructure which essentially duplicates, replaces or augments existing infrastructure for which they have already paid. On the other hand, incoming residents have not paid for the capital cost of the necessary infrastructure and, in addition, are able to choose whether they purchase a subdivided lot in the District (the purchase price of which will reflect the development contribution payable). |
| Economic | <p>The current and future economic impact of the allocation of liability for the revenue requirement of the ESSS upgrade will be significant because of the substantial cost of the ESSS upgrade.</p> <p>The cost of the ESSS upgrade could be spread most widely if it was met through general rates but this would mean that all ratepayers, most of who would receive no benefit from, and would not have created the demand for, the upgrade of the ESSS, would have to pay the costs. A targeted rate or lump sum contribution could mitigate this concern by targeting only users of wastewater services in the ESSS catchment. However, existing users of wastewater could legitimately point out that their requirements are being satisfactorily met by existing arrangements and, in addition, they have already made a contribution towards the capital cost of the ESSS. Funding the capital cost of the ESSS upgrade through increased development contributions would mean that the capital cost is borne by those who receive the main benefit from, and have caused the requirement for, the additional wastewater infrastructure.</p> |
| Environmental | Wastewater infrastructure is obviously vital for the environmental wellbeing of the Council's community but the allocation of liability for the funding of the ESSS will not have any current or future impact on this factor provided funding is in fact found. |
| Cultural | The cultural impact of the allocation of liability for the revenue requirement for the construction of the ESSS is considered negligible because, to a large extent, wastewater treatment, is hidden (but essential) infrastructure. |

The development contribution in respect of the ESSS upgrade in the schedule has been calculated on the basis that:

- the construction and debt servicing cost of the ESSS upgrade over the next ten years; less
 - the proceeds of sale of the Helpet Plant land,
- will be met by development contributions.



There are a number of significant assumptions underlying the calculation of the development contribution payable in respect of the upgrade of the ESSS. These include:

- Population growth in the Selwyn District – as noted above, the Council relies on BERL projections of population growth in the District. Population growth is significant in two main respects:
 - o Development contribution revenue; and
 - o Demand for capacity (and the corresponding requirement for additional treatment capacity).
- Inflation – the Council has modelled on the basis of 3.3% inflation for 2010/2011, 2.8% for 2011/2012 and 2.4% thereafter. This assumption goes to level of capital expenditure in subsequent years and the level of the development contributions themselves.
- Interest rates – the Council has used its long term average cost of borrowing (7%) in accordance with its normal practice. This assumption goes to the interest cost component of the project.
- Industrial trade waste demand – there is a possibility that there will be large scale industrial demand for waste water treatment at Rolleston. This will be beneficial for the model in that capacity utilisation and development contribution revenue will be accelerated. However, the Council does not consider that it is safe to rely on any such demand at this stage because it is by no means certain that large scale users will elect to connect to the ESSS.

While the Schedule deals with development contributions for the ESSS upgrade on a lot by lot basis, where the Council considers that any connection to the ESSS will use more capacity than a normal residential household it may charge a proportionately higher development contribution in respect of such connection. Any such development contribution will be calculated on the basis of:

- the volume of any wastewater generated
- the nature of the wastewater generated, and
- any impact on the Council's financial modelling in terms of timing of payment of development contribution.

Lots in the Izone industrial area will be treated as equating to 7 residential lots (and therefore 7 units of demand) for these purposes.

5. Rooding - specific issues regarding development contributions assessment

5.1. General

The Council's roading and land transport network is contained within the Selwyn Territorial Local Authority boundary. It does not include state highways which are the responsibility of the NZ Transport Agency. Council's local network is characterised by a combination of interdependent asset components such as pavements, bridges, pathways, street lighting and drainage infrastructure. Interdependence within the network creates a need for integrated management of operation of these assets. As such, the management of the network is undertaken on a network wide basis catering for both specific and network wide levels of service and demands.

Accordingly the Council anticipates recovering the majority of its funds for developments from rates income or NZ Transport Agency subsidies for maintenance and renewal activities and those capital improvements projects that meet Agency funding criteria, such as those with high safety benefits or which contribute to wider national objectives. In other cases the Council has to fully fund improvement projects and in particular those relating to growth where roads and routes need to be upgraded to meet the demands placed on them from the additional traffic being generated from new activities.

The Council applies development contributions in specific situations where the roading improvements are necessary to support the development being considered or the development itself, if it necessitates requires an upgrade of the adjacent roading network, such as the upgrade of existing road frontages. Typical situations are listed in paragraph 5.2 below. However, traffic growth effects from individual developments that can accumulate over the wider network need to be addressed to maintain appropriate levels of service. This may include seal widening, intersection improvements, bend realignments and improved signage and delineation on main routes. The Council's 10 year Capital Improvements Programme for roading and transportation includes a mix of projects which are related to either renewal of parts of the asset, improved levels of service, improved safety, catering for increased growth and demand on the system, and alternatives to private motor vehicle travel to assist the management of demand.

The major emphasis in terms of roading and transport improvements have been identified through the Christchurch Rolleston and Environments Transport Study (CRETS) which considers the effects of longer term growth on the wider transport network and main routes over the Greater Christchurch area of the District. Other strategies such as Councils Walking and Cycling Strategy provide direction on how other transport modes are sought to be developed to provide a comprehensive and integrated transport network. The Council recognises the high speed rural environment in which its major routes operate and is conscious of the need to ensure the network provides a consistent level of service that ensures that people and freight can safely and efficiently move around in the District.

The growth and changes within the agricultural sector in the District have also led to traffic growth, which is dependent on the particular locality. As growth occurs in townships through new subdivision and commercial developments, this usually leads to the need to upgrade existing streets and roads and intersections to accommodate the new demands placed on them and to maintain the required levels of service. Older streets with limited kerbs and channels, footpaths and street lights are likely to need upgrading where a new development requires frontage to it. Pavements are also likely to need widening and strengthening to cater for the increase in traffic loadings. Connections between existing and new roads, footpaths and cycleways also need to be planned and funded. No provision has yet been made for any works relating to the central plains irrigation scheme, should that scheme proceed, although it is recognised that improvements to the existing network may need to be made in the future in the event of this irrigation scheme proceeding.

5.2. When roading development contributions will be taken – works adjacent to development

Development contributions may be requested for, or toward, the cost of roading works adjacent to development, where the roading works are made necessary to provide or improve services to the development or to avoid, remedy or mitigate its effects. The specific nature of works can seldom be identified in detail in advance of consent applications but early discussions with Council staff can assist in identifying potential contributions that may be considered applicable. These development contributions may be applied as a condition of subdivision, land use or building consent. In determining the contribution amount, the Council will estimate the cost of the infrastructure required and establish the percentage of this cost that reflects the extent to which the infrastructure serves the development. The net cost determined above will be further reduced by deducting subsidies and any other credits applying to the works. The anticipated percentage contributions from developers are set out for a number of situations in the following schedule.

| Existing situation | Upgrading required | Developer's contribution |
|---|---|--------------------------|
| All | Establishment and traffic management | 100% |
| Fronting an existing maintained road carriageway (contributions apply to development side only) | No change to existing kerb alignment required | 50% |
| | Upgrade any existing footpath, berm, drainage and street lighting | |
| | A change to kerb alignment necessary due to the development | 100% |
| | Upgrade and/or replace existing kerbing and channelling | |
| | Widen road carriageway and upgrade existing footpath, berm, drainage and street lighting | 50% |
| | No footpath, berm, drainage and street lighting exists | 100% |
| | Widen road carriageway and construction of new kerbing and channelling, new footpath, new berm, new drainage and new street lighting | |
| New urban development areas separated from adjacent existing urban transport infrastructure and connections | Widen road carriageway and construction of new kerbing and channelling, new footpath, new berm, new drainage, street lighting and speed management devices as considered necessary to provide a more consistent level of service and connectivity between developments. | 50% |

| Existing situation | Upgrading required | Developer's contribution |
|---|--|--------------------------|
| Access along or fronting an unformed or unmaintained road | <p>Extension from the nearest formed and maintained sealed road carriageway complete with all related infrastructure such as:</p> <ul style="list-style-type: none"> • carriageway, pavements and seal; • new safety and traffic features; • new kerbing and channelling; • new footpath; • new drainage; • new berm; and • new street lighting | 100% |

5.3. When roading development contributions will be taken – SH 1/Rolleston Drive/Hoskyns Road intersections

The Council and Transit New Zealand agreed to the installation of traffic lights at this intersection. The contribution from developments allowed under Plan Change 60 totalled \$322,422 while industrial developers in the Jones Road/Hoskyns Road/Izone Drive area of Rolleston contributed \$268,685.

Each lot created by development in the Rolleston Metropolitan Urban Limit (MUL) will be levied a contribution of \$112 per lot (annually adjusted by CPI) from 1 July 2009. Developments that are industrial, commercial or retail in nature will be levied this contribution based on an assessment of traffic volumes generated as a % of all traffic volumes once the development is operational. In 2006/07 the Council agreed to forward fund the installation of traffic lights at the intersections to meet emerging safety and levels of services issues arising with the original Rolleston Drive and Hoskyns Road intersections with State Highway 1.

5.4. When roading development contributions will be taken – Lincoln Metropolitan Urban Limit (MUL)

The Urban Development Strategy and Lincoln MUL define the growth strategies for Lincoln. To support this growth, improvements to the existing roading network are required to integrate the new roads created by developments from subdivision activity.

Two upgrade/construction projects will be undertaken to create this linkage. These are:

- the construction of a culvert and associated roading infrastructure on Southfield drive over the Liffey;
- the purchase of 7 Barker Street, removal of the dwelling and subsequent construction of associated roading infrastructure on the vacated lot.

Each lot created by development in the Lincoln MUL will be levied a contribution of \$613 per lot (annually adjusted by CPI) from 1 July 2009. Developments that are industrial, commercial or retail in nature will be levied this contribution based on an assessment of traffic volumes generated as a percentage of all traffic volumes once the development is operational

5.5. When roading development contributions will be taken – improvements as outlined in the Christchurch and Environs Transport Study (CRETS)

Each lot created by development in the Urban Development Area (UDS) of the Selwyn District will be levied a contribution of \$686 per lot (annually adjusted by CPI) from 1 July 2012 to fund the improvements outlined in the CRETS study. This contribution has been calculated after deducting from the gross costs:

- NZ Transport Agency and Crown grants income as appropriate; and
- The public or existing lots share as at 1 July 2012 which will be funded by the Council from a variety of sources including general rates, general funds and loan funding. Developments that are industrial, commercial or retail in nature will be levied this contribution based on an assessment of traffic volumes generated as a % of all traffic volumes once the development is operational.

Lots created by development outside the Urban Development Area (UDS) of the Selwyn District will be levied a contribution of \$108 per lot (annually adjusted by CPI) from 1 July 2012 to fund the improvements outlined in the CRETS study. This contribution has been calculated after deducting from the gross costs:

- NZ Transport Agency and Crown grants income as appropriate; and
- The public or existing lots share as at 1 July 2009 which will be funded by the Council from a variety of sources including general rates, general funds and loan funding. Developments that are industrial, commercial or retail in nature will be levied this contribution based on an assessment of traffic volumes generated as a % of all traffic volumes once the development is operational.

This contribution reflects the wider benefits to all developments in Selwyn of the CRETS improvement programme and improved access to Christchurch.

5.6. When roading development contributions will be taken – purchase of land and improvements as necessary to create a southern bypass for Lincoln.

The Lincoln Structure Plan outlines the growth of Lincoln until 2041. Consideration is being given to developing a southern bypass road to redirect heavy and through traffic away from the centre of Lincoln and also to assist in providing controlled access to southern Lincoln development areas. At this time no development contribution is being levied for this bypass road until the Council confirms it wishes to proceed with this in the future through its long term transport planning.

5.7. When roading development contributions will be taken – purchase of land and improvements to allow for roading linkages through the new Rolleston Primary School site between Lowes Road and Goulds Road.

The Ministry of Education has constructed a new primary school in Rolleston called “Clearview”. The Ministry is only required to provide a road into the site. To ensure an integrated linkage of the school and the balance of the land to be subdivided into residential sections with Rolleston, the Council has constructed a road to a collector road standard between Lowes and Goulds Road which will be progressively extended further east over time to service other activities. The road will be funded as follows:

- from the Council’s general funds to recover the cost attributable to the school (see note below);
- by levying a development contribution on the residential subdivision to be developed on this land with access off the new road; and
- by levying a development contribution of \$281 per lot (annually adjusted by CPI) from 1 July 2009 on all land subdivided in Rolleston reflecting the benefit of providing this road linkage to all road users.

Note: the Council’s Development Contribution Policy is adopted under the Act. Section 8 of the Act excludes the Crown from being charged under the provisions of the Act. Accordingly, development contributions cannot be levied on the new school being constructed. This note is provided to explain why the school is not identified as a funding provider.

6. Reserves – specific issues regarding development contributions assessment

6.1. Development Contributions for Reserves

Contributions from residential subdivision and/or development are the means that have been chosen by the Council to generate the necessary funds for reserves/open space and facilities for recreation. The Council requires development contributions for reserves to provide for the

additional actual and potential demand anticipated for open space/reserves, and associated activities, resulting from subdivision and development. The percentage taken historically has comprised contributions for reserves and facilities located in the township experiencing the growth, as well as a district contribution for reserves enjoyed by a wider section of the District. The Council’s Community Facilities Activity Management Plan is key to identifying reserve requirements. It sets out levels of service and how these can be achieved. Outline development plans are also key planning documents, under the Resource Management Act, for identifying open space, walkways and reserve provision. The Council is, through these plans, anticipating growth locations and ensuring the appropriate provision of reserves through acquisition and purchase.

Again, where the Council does purchase land in anticipation of development occurring, then an internal loan may be set up and the land will be held for general purposes. Where the development proceeds and a developer’s cash contribution is used to repay the loan, the land will then be vested as a reserve.

The Council considers that it needs to require the maximum reserve contributions provided for under the Act where the lot in question is 650m² or less or where more than one dwelling is erected on any sized allotment. For all other developments, the maximum rate of reserve development contributions will be in accordance with the table below at 6.5.

6.2. Rationale for funding the costs of growth through reserve contributions (consideration of section 101(3) of the Act)

The Council has determined that development contributions are an appropriate funding source for reserves and open space, after consideration of the factors listed in section 101(3) of the Act (as discussed at paragraph 1.2 above).

6.2.1. Community outcomes (step 1)- effects of community growth on provisions for reserves and facilities for open space and recreation

Open space contributes to the community outcomes which are identified in paragraph 1.2 above, namely a rural district, a safe place in which to live, work and play, a healthy community and an accessible district.

Some of the beneficial environmental outcomes of having open space retained within the District are greater health of the environment, retention of ecosystems, greater biodiversity, retention of views, cleaner air, noise reduction and visual pleasantness. Social benefits include opportunities for family participation, play and exercise, teamwork, social interaction, and a greater sense of belonging to a community.

Development in the District inevitably changes the ratio of open space to built elements in the environment. Loss of vegetation and the covering up of land with buildings and the hard surfacing associated with structures, roads and car parks cumulatively erodes the benefits of open space previously available to residents and visitors. In addition, the increased population that development brings creates a greater demand for recreational opportunities traditionally provided by the District's parks, reserves, sports fields and walkways.

Failure to provide adequate open space can lead to a sense of alienation from nature and the community, decreased health, an increase in pollution and the loss of freedom to move and explore. Cumulatively, this has the potential to add to the stress of day-to-day living and to contribute to a perceived loss of quality of life.

Inadequate provision of open space and recreational facilities in a growing district usually leads to pressure on the existing facilities, which may accelerate their deterioration and the degradation of the outdoor environment. This may result in friction among competing users leading to competition for scarce resources and loss of goodwill and cooperation.

Development contributions provide a direct means to enable the Council to counter-balance the adverse effects of change and development in the District. Direct adverse effects may include disturbance of soil, loss of hedges, trees and grassed areas, reduction in wild-life habitats and ecosystems and changes in varying land-forms characteristic of the region. Indirect adverse effects can include increased water run-off, loss of views and shelter and the introduction of more people, domestic animals and vehicles. The provision of reserves has traditionally served to give relief from the disadvantages of having more people living in an urban area. Not only must additional land be acquired for public recreational use, but also there is a need for cash to develop reserves to a standard where they can be fully operational. Public expectations have increased and there is an expectation that high standards of recreational experiences will be provided, in easily accessible locations.

6.2.2. Benefits and causation (steps 2, 3 and 4)

6.2.2.1. Taking a community-wide approach to levels of service

Within townships, open space will be provided within reasonable walking distance of a resident's home so there is consistency throughout a township in the provision of a place for children to run and play, together with space for trees and plantings. These reserves give relief from the built environment and add certainty that a basic provision of service and amenity will be met. Sports fields are not as easily allocated, as there is some variation in the popularity of sports and consequently in the demand for particular facilities. These will therefore be provided according to demand and accessibility. The Council has the discretion to vary these provisions if there are other facilities within easy reach e.g. play opportunities on an esplanade reserve or in a larger sports park with a wider catchment of users.

Also recognised in the planning for reserves and open space is the value of linking up areas of interest with walkways and protecting riparian environments with esplanade strips or esplanade reserves. Connections to community centres, schools, shops and sports-fields contribute substantially to the enjoyment of moving about the District via green corridors. Landscape features can be appreciated by the provision of open space associated with them, e.g. the Liffey Stream and associated reserve land in Lincoln township.

As Selwyn District is largely rural in character, with townships dotted throughout, the issues of reserves and open space provision are different from those of a large city. Future growth is predicted to be mainly in the major townships, especially Rolleston and Lincoln, so this is where reserve contributions can have the most immediate benefit for a significant number of residents within the township and its population catchment.

New reserves are provided to cater for the increased population growth. New residents and existing residents will utilise the existing and new reserves but, generally speaking, new reserves will be located in areas in which growth is occurring and, therefore, will be chiefly used by new residents

6.2.2.2. Period over which the community benefits are anticipated to occur

The community benefits that the Council expects to occur from the provision of reserves/open space, as funded, at least, in part by reserve contributions are anticipated to accrue when the relevant reserve is created or improvements to reserves made and continue in the following years.

6.2.2.3. Linking costs directly to those who create additional demand while giving certainty of revenue:

Facilities and assets in a district have been paid for by current and past residents. Although these residents may, in the future, use new assets, the provision of which has arisen from growth in the District, it is fairer for the establishment costs to be substantially borne by the person whose actions have led to the demand for the new assets. These costs arise when a development change is initiated, as this is when the link between the initiator and payer can be most clearly established. This occurs at the time of a subdivision consent, land use consent or building consent.

Development contributions taken from the initiator of such development changes allocate the costs in a direct and timely manner. The entire cost of increased demand is not intended to be met by development contributions, as some new needs are not directly attributable to a specific development. It is sometimes possible to anticipate where a significant area of land may be needed for recreation in the future through the Council's activity plans and, where there are growth projections available. Leaving land purchase to a later stage in the District's development may mean that the opportunity to acquire a particularly suitable tract of land has already passed. Land may be purchased by the Council ahead of time, in anticipation of development. The Council

may set up an internal loan for the purchase of such land using revenue from general rates. That land will be held for the Council's general purposes pending the development occurring.

The cash reserve contribution from subsequent developers may be used to repay the internal loan. Where the developer's cash reserve contribution is used to repay an internal loan, then the pre-purchased land will vest as reserve.

6.2.2.4. Costs and benefits of funding reserves distinctly from other activities

The Council is of the view that the use of development contributions to fund the cost of providing reserves/open space provides the benefits of greater transparency, greater accountability and intergenerational equity.

6.2.3. Community wellbeing

In summary, the Council considers that the overall impact of allocating liability for revenue for reserves/open space, primarily, on subdividers/developers promotes the social, economic and environmental well-being of the existing and future communities of the District. If the Council did not require subdividers/developers to provide reserve contributions, the Council would have to find the finance to fund them, through general or targeted rates and/or loans, which would detrimentally impact all existing residents. The paragraphs above identify the significant environmental and social benefits reserves/open spaces provide. Reserve contributions ensure these benefits will be enjoyed by residents of the District both now and in the future.

6.3. Objectives of taking development contributions for reserves

1. Countering the adverse effects of change and development;
2. Linking costs directly to those who create additional demand while giving certainty of revenue and
3. Taking a community-wide approach to levels of service.

6.4. Reserve contribution requirements

The Council will require a contribution to be paid in accordance with the table set out below at the time of granting:

- i. a resource consent under the Resource Management Act 1991; or
- ii. a building consent under the Building Act 1991.

Payment of the contribution will be made:

- iii. as a requirement made when granting a subdivision consent, at the time prior to the issue of the Section 224 RMA Certificate; or
- iv. as a requirement made when granting a land-use consent or a building consent, at the time when uplifting the land use or building consent.

In the event of the contribution not being paid at the above specified times, the Council shall take the actions specified in Section 3.5 of this Development Contributions Policy.

6.5. Calculating the development contributions payable for reserves

The development contribution payable is also subject to the statutory maxima provided by section 203(1) of the Act, namely that development contributions for reserves must not exceed the greater of:

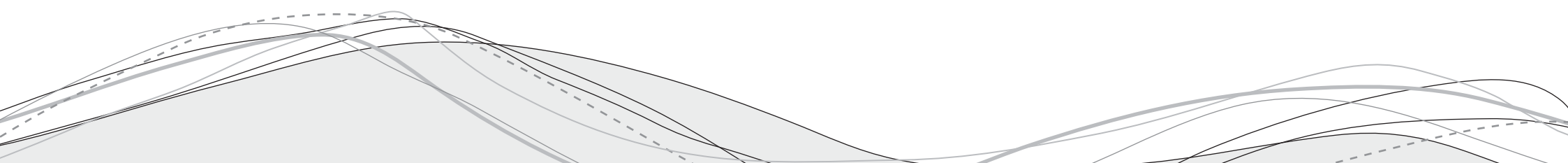
- a) 7.5% of the value of the additional allotments created by a subdivision; and
- b) the value equivalent of 20m² of land for each additional household unit created by the development.

Additional information on assessing the development contribution payable for reserves

The contribution in relation to subdivision consents may be as cash, land or a combination of both as agreed with the Council. In relation to land use and building consents, the contributions will normally be cash.

Contributions paid at the time of subdivision consent may be reduced by the amount of any contribution made at the time of a previous building consent on the same land, provided that any previous building was erected within the preceding 10 years. Contributions made at the time of land use or building consent may be reduced by the amount of any contribution made at the time of a previous subdivision consent over the same land, provided that any previous subdivision occurred within the preceding 10 years. There is also provision for approved credits that contribute towards making up the total value of the reserve contribution as set out below.

The maximum rate of reserve contribution payable is summarised at paragraph 6.5 below.



6.6. Maximum rate of contribution

| Lot size ¹ | Reserve Contribution (% of the mean value of additional allotments) ² | |
|--|--|--|
| >4ha | 2% | Assessed on the mean value of 4ha for each allotment 4ha |
| >1- 4ha | 3% | |
| 2500m ² – 1ha | 5% | |
| 1200-2499m ² | 6% | |
| 650-1199m ² | 7% | |
| <650m ² or >1 dwelling erected on any sized allotment | 7.5% | |

Basis of valuations for cash and land equivalent contributions

A registered valuer, engaged and paid for by the subdivider/developer, will assist the Council to calculate each reserve contribution. The calculation of all reserve contributions will be made by a registered valuer - as (a) land alone (b) cash alone, based on the equivalent land value or (c) a combination of the two which may include the value of improvements (refer paragraph 6.8).

¹ Lot size means the average size of all the allotments created as part of the subdivision excluding:

- any allotment created for another purpose which is stated in the resource consent application or is a condition by which the subdivision consent is granted, or
- any allotment which will not have residential unit erected upon it as a condition by which the subdivision consent is granted.

Where land is not being subdivided, the density of the development shall be the size of the allotment on which any residential unit shall be erected.

The size of any allotment on which a residential unit shall be erected shall include the size of any balance area of land, which the district plan rules require to be kept free of residential units. If more than one residential unit is to be erected on an allotment, the density shall be calculated by dividing the size of the allotment by the number of residential units erected on the allotment.

² Where land is not being subdivided, the area of the additional allotments for the purpose of calculating the mean value shall be the area of the allotments on which any additional residential units shall be erected. If more than one residential unit is to be erected on an allotment, the area of the allotment for the purpose of calculating the mean value shall be determined by dividing the area of the allotment by the number of residential units to be erected on the allotment.

6.6.1. Valuation of land to vest as reserve

The value of the land to be taken as reserve contribution will be calculated at the time the application is made to vest the land as reserve. The value of the land will be adjusted to take into account easements and service corridors necessary for the development and located on reserve land. It is expected that the presence of service corridors will reduce the value of the land they pass through. The valuation will reflect the fair market value of the land once the development is completed, or reflect any other method of valuation as agreed between the Council and the subdivider. If the reserve land is an amalgamation of more than one lot, the valuation will be on the total size of the land as if it were on one title. This land value shall then be reconciled with the cash value of the reserve contribution as calculated in accordance with the table set out above. If the land value is less than the cash value of the required contribution, the difference shall be paid to the Council in cash or through approved development works on the reserve. If the land value is greater than the cash value of the contribution, the Council will purchase the balance of the land at the same valuation, or the Council may transfer the value of the balance of the land to be used as reserve contribution for a subsequent subdivision undertaken by the same subdivider, provided that:

- the subdivision consent for the subsequent subdivision is granted within two years of the first certificates of title being issued for the initial subdivision; and
- the land of the subsequent subdivision is located within 500m of the land in the initial subdivision.

Such a transfer of reserve contribution from one subdivision to another can only occur once.

6.6.2. Cash contributions

If the Council does not require a land contribution, or does not require the full contribution to be made in land, then full payment of the reserve contribution, less any credits for land acquired by the Council, will be paid in cash.

In the case of subdivision consents, the cash contribution for each additional lot will be the average agreed market value of the lots in the subdivision, multiplied by the reserve contribution % as set out in the above table in paragraph 6.5. In the event of a single purchaser acquiring more than 25% of the number of allotments in a subdivision, prior to the date that the certificates of title are issued, the valuation of the lots shall reflect their fair market value. Any land may be subject to a reserve contribution at a later date, if it is subsequently subdivided.

In the case of subdivision consents for allotment(s) greater than 4ha in area, the cash contribution for each additional allotment greater than 4ha in area shall be based on the market value of a 4ha allotment in the same area and/or of the same zoning e.g. Inner Plains. In the case of a consent, other than subdivision, the cash contribution will be the market value for land in the area, multiplied by the reserve contribution % as set out in the above table. The method of determining

the area of land to be valued is set out in footnote 2 to the above table. The Council may attribute a market value to land by valuation, or by any other method as agreed between the Council and the developer.

6.6.3. Disputes

If the Council challenges the valuation tabled by the developer, the Council can have a second valuation carried out at the applicant's expense. If the applicant disputes the findings of the Council appointed valuer, a second opinion will be sought from another registered valuer approved by both the Council and the applicant, and paid for by the applicant. If agreement still cannot be reached, both parties will seek arbitration on the matter.

6.7. Criteria for taking land instead of cash

A subdivider/developer may offer the Council land, in lieu of, or in addition to cash, as a reserve contribution. The decision to accept or refuse land a subdivider/developer offers as a reserve contribution is at the Council's discretion, but it will be made in discussion with the subdivider/developer at the time he/she/it lodges their application or earlier if the Council is notified of the owner's intention to offer land as a reserve contribution. Not all land will be considered by the Council as being suitable for taking as reserve contribution. If land is to be taken as the total, or part of a, reserve contribution, it must function appropriately to offset the effects of development and the Council may refuse land it does not require..

In discussion with the subdivider/developer, it will firstly be determined

- i. whether the development will increase the demand for open space and recreational land; and
- ii. whether there is a shortage of land for open space and recreational use in the area where the development is proposed, and if so, which land in the development can appropriately satisfy this need.

Secondly, discussions over the suitability of the particular land to be acquired by the Council as reserve contribution will need to be held as early as possible, because one piece of land may be superior to another within the same development. To determine the suitability of the land, the Council will use the following criteria together with, any other information that the Council, in its discretion, considers is relevant, in considering the particular development:

- the Council's need for the land
- the Council's capacity to pay for maintenance and improvements to any land acquired

- by it as a reserve contribution
- size, location and accessibility
- frontage to a roading network
- soils, gradient and topography
- landscape features and quality
- potential for linkages and walkways
- margins of waterways
- proximity to other desirable features
- potential for views into or from the site
- ecosystems and bio-diversity
- significant mature vegetation
- existing shelter belts
- historic and cultural significance
- safety for users
- potential for enhancement
- absence of hazards and
- vulnerability to natural hazards, including, but not limited to, earthquake damage, inundation and sedimentation.

With respect to the size of reserve land:

- i. A local neighbourhood park, should be 2000 to 3000m² in size, unless it serves primarily an open space function and is adjacent to other open space, where a smaller area may be acceptable.
- ii. A district sports field should be a minimum of 4 hectares.
- iii. If the District sports field is to also accommodate club buildings, the size should be increased to 8 hectares.

The Council considers that the benefits of open space/reserves generally need to be distributed to and enjoyed by the whole community. It therefore will not accept land which clearly benefits only a limited number of users and which is unlikely to fulfil the recreation needs of the community to a substantial extent.

If agreed by both parties, more land than is required as reserve contribution may be vested as reserve at no extra cost to the Council and without additional credits being granted to the developer, but increased development and maintenance costs may be a deterrent to the Council accepting more land than it needs. It will be at the Council's discretion whether it would rather take additional land or cash for future capital improvements.

6.8. Use of cash contributions

Cash taken as part or all of a reserve contribution may be used for:

- the purchase of land for reserves;
- capital improvements to newly acquired land, or existing Council owned land, to provide open space and facilities for sports and recreation needed as a result of development;
- the repayment of loans (be they loans to the Council from external and/or internal funding sources) taken out for the purchase of land for possible future reserves or for capital improvements); and
- any other purposes provided for in section 205 of the Act.

At the time the reserve calculation is raised, (usually prior to resource consent being granted) the Council will confirm if it is willing to pay for improvements. No payments will be made for improvements that the Council has not been expressly identified as being funded from the reserve contribution and signed off by it as such. This is discussed below at paragraph 6.9.2

Cash acquired through the reserve contribution process cannot be used to pay for maintenance. The Council can use a cash contribution received for reserves purposes for the purchase or development of reserves within its district to another local authority or public body which controls land in the District, that will make provision for recreational facilities important to the residents of the District. Such a payment shall be on the terms and conditions the Council thinks fit. The Council will hold cash in the reserve development fund earning interest until it is required. Cash taken as part or all of a reserve contribution will be used in such a way as to provide a benefit to the wider locality from which the contribution was required.

6.9. Credits

Credits, up to a maximum of 20% total, towards the value of reserves contributions may be gained by a subdivider/developer for the retention of valuable existing features on the land, or for improvements to the land, or a combination of both. Credits will be given on a case-by-case basis at the request of the subdivider/developer, in the following circumstances.

6.9.1. Existing features

Trees/vegetation

Before a developer takes out existing trees and/or shelter belts, it would be appropriate to approach the Council to see if the retention of existing vegetation would have value as a credit for the calculation of reserves contributions. The trees, together with the land they exist on, may have a greater value than the cleared land if they provide shade and shelter and clear benefits for the community. Another reason to retain trees and to give a credit for their retention may be the value they have as part of the District's identity and history and their role as a habitat for birds and wildlife. The amenity that existing vegetation adds to the community can be considerable and its

value is often noticed after its removal, particularly in the case of shelter. It may only be possible to retain large trees and small scale shelter belts if sufficient land is set aside around them to enable trimming and maintenance to take place. Vegetation needs to be in a well maintained condition and have a minimum of 20 years' life remaining to be acceptable. Its location is also critical. Vegetation which is likely to pose health and safety risks to the community, or requires substantial maintenance to keep it safe, will not be accepted as a credit and may be required to be removed from the land as a condition of resource consent.

Any land that is to come into the Council's ownership will be cleared by the developer of noxious weeds and unsuitable vegetation.

Landform

Land which has topographical interest may be desirable for reserves. Features may include natural river terracing, riparian edges, wetlands, natural water features, rock formations, elevation for views, or the land may be part of those areas that come under 'Outstanding Natural Features and Landscapes' B1.4 of the District Plan, Volume Two.

If the land which is to become a reserve has been excavated, filled, polluted or in any way devalued after the Council has accepted the land as a reserve contribution, the developer is required to restore, fill, topsoil and grass down the land, in consultation with the Council and to its satisfaction.

Structures of historic or cultural interest

It may be possible to base a subdivision theme on existing man-made features which add variety and interest to the District. Structures may include fencing, stone or brick walls, gates, paving, garden layout, farming structures, small buildings or remnants thereof, bridges, canals, memorials and historic markers. Reserve land may be taken in places where such items are located, in order to preserve them for future interest but the safety and maintenance of such features have to be acceptable to the Council.

6.9.2. Improvements to the land

Work that comes within the category of reasonable improvements of a standard the Council might itself have made to the land, over time, may have their value assessed as part of the reserve contribution. Such works are not to compromise the land's value as open space (see 6.1) Improvements might include the planting of trees and shrub borders, paving, installation of seats and litter bins, construction of play facilities and shelter. providing the Council approves the design and layout expressly for the purpose of reimbursement and the improvements are considered by the Council to be relevant to the recreation needs of the community. It would not normally extend to elaborate structures, works of art, walls and gateways, special paving, boardwalks, fountains and water features, or anything that is intended to enhance the development to increase

its market appeal rather than to offset the impact of development and the loss of open space which results. Such improvements would be assessed to ensure they do not lead to greater than normal maintenance costs for the Council, once it becomes owner of the improvements. The Council reserves the right to take cash in lieu of improvements so it may develop either the land in question or land elsewhere in the community, where increased demands for facilities are already being felt or are anticipated. The Council may want to involve the new residents in the design of their reserve land at a later date, in which case cash will be taken to pay for this work in the future and the land will be prepared, top-soiled and grassed by the developer to the Council's engineering code of practice before being vested in Council.

All works carried out on land which is to come into Council ownership must meet the Council's Engineering Codes and relevant safety standards.

Examples of improvements, up to a maximum of 20% of their cost, which may constitute a credit :-

- asphalt paths not considered part of the transportation network
- classic seats with backs, as often installed by the Council;
- litter bins;
- amenity trees of approved species which have the potential to grow to a minimum of 10m in that location, planted at 3.0m and staked. Street trees are not included owing to the loss of trees that frequently occurs when construction begins; and
- play equipment which is needed in the area and which meets all health and safety standards in its design and installation.

Pathways (including cycleways) which are requested by the Council to form part of an integrated transportation network will be paid for by the developer and will not generally form part of the reserve contribution. This will be so even when the land on which they are routed maybe agreed to become reserve land (other than road reserve) vested in Council. This can viewed in the same way as the road pavements and related infrastructure are inherently provided at the developers cost as part of its obligations to provide a properly provisioned and connected roading network to service the development. The same will apply to the creation and formation of supporting walking and cycling networks utilising pathways that contribute to a overall transportation network that equally service the development. This is in line with the goals and objectives of Council's Walking and Cycling Strategy, and recent District Plan amendments that seek to provide for better urban form, and a more sustainable land transport system that utilises transport modes other than those exclusively associated with just roads and motor vehicles.

The type of circumstances that would likely result in a pathway required to be provided by the

developer that would not qualify as being considered being part of any reserve contribution assessment would include:

- Those situations where pathways are required to contribute to the development of an integrated transport network;
- Those pathways required to link between existing and through new developments by a succession of logically connected reserves;
- Where pathways are utilised in preference to on road facilities as maybe otherwise required by Councils roading standards;
- Where identified as part of, or contributing to, linkages identified in Council's District Plan (including Outline Development Plans), Structure and Township Plans, and the Council's Walking and Cycling Strategy; and
- Those situations that support the outcomes of the Design Guide for Residential Subdivision in Urban Living Zones.

Otherwise the Council, in its discretion, may view the pathway as more of an enhancement of a reserve that serves no real transport purpose for assessment as part of a reserve contribution. This is where it may contribute to the localised function and amenity of a reserve, in conjunction with any other related improvements on a small and localised scale.

6.9.3. Stormwater management areas

There has been a move away from regarding stormwater as something that must be disposed of as quickly as possible to seeing a stormwater system as an asset that has multiple values. This has changed the focus from underground pipes to above ground facilities which can include swales, retention basins, wetlands and streams, together with riparian planting. The objectives of the above-ground approach are to slow down stormwater run-off thereby reducing its destructive force, settling out solids, pollutants and silt, releasing the cleaner water slowly into streams which nurture riparian environments and gently release stormwater to the sea or to the ground. Landscape, recreation, ecology, and culture are thereby enhanced, in addition to land drainage.

A reserve contribution may therefore consist partly of land also required to be set aside and vested in the Council as a development contribution for the collection, retention and disposal of stormwater. While its primary purpose may be for stormwater management, the land can serve a secondary function as open space. Up to a maximum of a 20% credit may be gained on the basis of an area of land set aside for this purpose.

The gain for the community may be that the area of land is larger than a normal reserve, owing to the fact that parts of it may be sloping, wet or at some times be under water. The design of the stormwater management area should take this into account when siting features such as paths, seating, play areas and planting. Such areas can also be useful as green linkages to other publicly accessible open space. Clearly the location and design of the stormwater features must

work from an engineering point of view. However, if the land is to serve as open space it should also meet relevant criteria set out above under paragraph 6.7, Criteria for Taking Land instead of Cash. Discussions should be entered into as early as possible if the developer is contemplating the inclusion of a combined stormwater/open space feature as it will be dependent on a number of factors which should be identified at the outset and may affect other infrastructure, for example, the transportation layout.

7. Stormwater – specific issues regarding development contributions assessment

The District has a number of stormwater networks. Developments in towns with a stormwater network will be assessed on their merit as to:

- i. how stormwater created by the development should be managed; and
- ii. what impact that stormwater discharge will have on existing systems to manage the new flow. Based on the specific assessments, a development contribution will be calculated

8. Community centres - specific issues regarding development contributions assessment

Community centre contributions will be taken for the construction of the Castle Hill community centre. The development contribution is \$550 per lot.

9. Development areas

These are defined areas where the Council has established an Outline Development Plan (ODP) in the District Plan as a way to co-ordinate the development of land in fragmented ownership.

This involves the building of infrastructure by the Council to allow development to occur in an integrated fashion in keeping with community expectations for an urban area.

The cost of this infrastructure will be recouped from developers (who are the beneficiaries), by means of development contributions.

Note that this policy applies only to the areas identified below and not to all ODPs in the District Plan.

9.1 Rolleston Lowes Road ODP Area

In its District Plan the Council has determined the position of roads and walkway/cycleways in the area to allow for orderly subdivision and for higher density (Living 1 zoning) north of Lowes Road.

9.1.1 Planning Horizon

A 20 year timeframe is being used as a basis for forecasting growth and applying a development contribution. This is consistent with the Council's activity management planning horizons. It has been assumed that 80% of the maximum development potential will be realised in this time.

9.1.2 What is being provided?

The Council will assume responsibility for the provision of the following infrastructure within the ODP area. Developers will be required to cover the proportion of costs indicated:

- all roads shown on the Lowes Road Outline Development Plan area as shown in the District Plan, including associated stormwater disposal and street lighting (90%);
- water and sewer pipes along the road corridors shown in the structure plan (90%);
- electricity and telephone infrastructure along the road corridors shown in the structure plan (90%);
- the purchase of land for and formation of walkways and cycleways shown in the ODP (50%); and
- upgrading of Lowes Road, Jozecom Place and Fairhurst Place (100%).

The balance of costs not funded from development contributions levied over this structure plan area will be funded by either the Council's general rates or development contributions for stormwater systems levied over the wider Rolleston area. The level of this funding reflects the Council's assessment of the distribution of benefits arising from the new infrastructure.

9.1.3 Who gets charged?

Developers in the area will pay the costs of infrastructure outlined above.

The Lowes Road Structure Plan area is comprised of three sub-areas. These are based on the road network which naturally divides into these areas which have different development intensities and therefore quite different roading costs. The cost of road upgrading has also been assessed separately for each area. In the same way, the costs of walkways/cycleways in the north have been treated separately from those in the south.

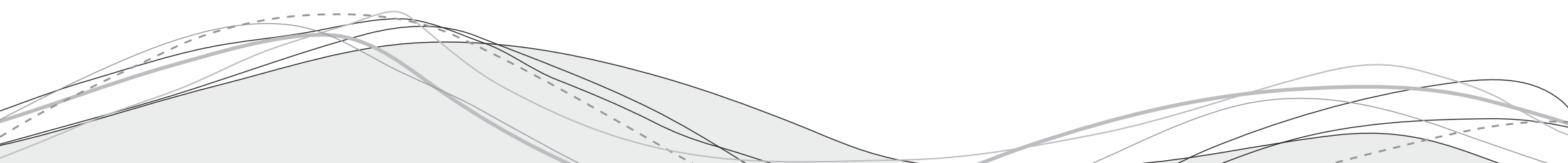
It is recognised that some allotments will receive a very high degree of benefit from the structure plan and that others will receive a lower degree of benefit.

Some developments derive direct benefits as they have direct access to the new roads. It is appropriate that these lots should pay a higher proportion of the costs of development than those who do not benefit so directly. There are other lots which pay a lower proportion as they have no direct access onto the new roads although they benefit from greater connectivity. These allotments will pay a 'low' charge. In the area north of Lowes Road there are a small number of deep allotments which benefit from new roading on one side but which will still need to provide substantial internal roading. These lots have been assessed to pay an intermediate amount.

In the north, 'low' benefitting properties pay 20% of what 'high' properties pay. 'Medium' benefitting properties pay 70%.

In the south, low benefitting properties pay 10%. This is because the need for roading in the south is less to do with general connectivity and more to do with providing access.

The level of benefit has been assessed for each allotment in the area (as at 1 January 2010). Contributions will be levied according to this assessment on the subdivision of the allotment and any on subsequent subdivision of child allotments



Map 1 below shows the contributions applying to each allotment.



Lowes Road Outline Development Plan Development Contributions

10. How to work out the development contribution payable

STEP 1

Determine in which location within the district your development is to occur

STEP 2

Go to the Development Contributions Schedule and identify the fees payable per unit of demand for your development contribution area

STEP 3

Establish how many units of demand your development will create for each of the community facilities

STEP 4

Multiply the units of demand (step 3) by the fee per unit of demand (step 2) to determine the total development contributions payable

In accordance with the Council's Development Contribution Policy, development contributions are indexed by CPI as at 31 December annually. Additionally, each development contribution, when imposed by the Council as a resource consent, notes that it will be indexed by CPI until paid.

11. Development contribution and connection fees

NOTES:

All connections are subject to water capacity.

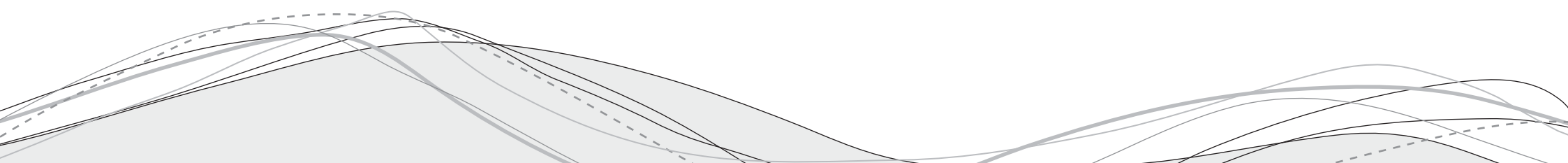
A standard 20mm water connection is where the Council main is within 20m of the consumer's point of supply. All other connections to be quoted.

Where the word 'Actual' appears this requires the connector to pay the actual costs of the physical connection from the Council system to the property boundary.

The Kirwee water supply despite having a development contribution, can only expand subject to changes to the existing resource consent for take from Environment Canterbury. Accordingly resource consents for subdivision will still be subject to the Council being able to achieve this change.

Some schemes have a development contribution narration of 'NCA'. For these schemes, the assessment as at 1 March 2009 is that there is no capacity available. Individual applications will be assessed on their impact to the supply.

Some schemes have a development contribution narration of 'LCA'. For these schemes, the assessment as at 1 March 2009 is that there is limited capacity available. Individual applications will be assessed on their impact to the supply.



Forecast development contribution funding by significant activity

| Forecast development contribution funding by significant activity | | | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Activity | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| | Annual Plan | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP | LTP |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Community Facilities | 2,051 | 1,667 | 1,553 | 1,553 | 1,553 | 1,927 | 1,927 | 1,929 | 2,357 | 2,359 | 2,531 |
| Transport | 1,006 | 782 | 787 | 804 | 575 | 595 | 719 | 697 | 695 | 598 | 649 |
| Water Races and Drainage | 15 | - | - | - | - | - | - | - | - | - | - |
| Stormwater | 759 | 216 | 222 | 227 | 232 | 203 | 208 | 214 | 270 | 277 | 324 |
| Sewerage | 2,906 | 2,868 | 2,937 | 3,008 | 3,080 | 3,914 | 4,012 | 4,116 | 5,256 | 5,398 | 5,961 |
| Water Supply | 712 | 165 | 175 | 186 | 197 | 410 | 435 | 462 | 642 | 686 | 820 |
| | 7,449 | 5,698 | 5,674 | 5,778 | 5,638 | 7,050 | 7,301 | 7,418 | 9,219 | 9,318 | 10,285 |

DEVELOPMENT CONTRIBUTIONS

For the year ending 30 June 2013

NCA = No Capacity Available

LCA = Limited Capacity Available – development contribution will be calculated on enquiry

| Development contribution and connection fee per lot (including GST) | | | | | | | |
|---|---------------------------------------|---|--------------------------|-----------------|--|--------------------------|------------|
| Scheme | | Water | | | Sewer | | |
| | | Standard water connection fee - see notes above | Development contribution | Total fee | Sewer connection fee - see notes above | Development contribution | Total fee |
| 1 | Armack Drive | | NCA | | | | |
| 2 | Arthur's Pass | | NCA | | | | |
| | Arthur's Pass (Sunshine Terrace) | | | | | NCA | |
| 3 | Branthwaite Drive | \$1,048 | Refer Rolleston | Refer Rolleston | | | |
| 4 | Burnham | \$1,048 | \$11,438 | \$12,486 | | | |
| 5 | Castle Hill | | NCA | | | NCA | |
| 6 | Coleridge | \$1,048 | \$6,914 | \$7,962 | | NCA | |
| 7 | Claremont | | NCA | | | NCA | |
| 8 | Darfield | | | | | | |
| | Residential | \$1,048 | \$8,460 | \$9,508 | | | |
| | Rural | | | | | | |
| | Residential | \$1,048 | \$8,460 | \$9,508 | | | |
| 9 | Darfield | | | | | | |
| | Rural A Zone (3.5m ³ /day) | \$1,048 | \$8,460 | \$9,508 | | | |
| | Rural B Zone (2.0m ³ /day) | \$1,048 | \$8,460 | \$9,508 | | | |
| 10 | Doyleston | \$1,048 | \$3,778 | \$4,826 | Actual | On enquiry | On enquiry |
| 11 | Dunsandel | \$1,048 | \$6,782 | \$7,830 | | | |
| 12 | Edendale | \$1,048 | \$11,381 | \$12,429 | | | |
| 13 | Fisherman's Point (Taumutu) | | NCA | | | | |
| 14 | Johnsons Road | \$1,048 | \$5,084 | \$6,132 | | | |

| Development contribution and connection fee per lot (including GST) | | | | | | | |
|---|---|---|---|---|--|--------------------------|---------------------------|
| | | Water | | | Sewer | | |
| Scheme | | Standard water connection fee - see notes above | Development contribution | Total fee | Sewer connection fee - see notes above | Development contribution | Total fee |
| 15 | Jowers Road | | NCA | | | | |
| 16 | Kirwee Urban | | NCA | | | | |
| 17 | Kirwee Rural R | | NCA | | | | |
| 18 | Kirwee Rural A | | NCA | | | | |
| 19 | Kirwee Rural Extensions | | NCA | | | | |
| 20 | Leeston | \$1,048 | \$3,778 | \$4,826 | Actual | \$7,357 | Actual + \$7,357 |
| 21 | Lincoln | \$1,048 | \$ Nil | \$1,048 | Actual | \$14,368 | Actual + \$14,368 |
| 22 | Malvern Hills Existing This water supply services the townships of Glentunnel, Coalgate and Whitecliffs, including the 1999 Waireka Extension A domestic connection is two units | \$1,048 | \$5,645 per unit | \$1,048 + \$5,645 per unit | | | |
| 23 | Prebbleton | | | | | | |
| | • Township | \$1,048 | \$ Nil | \$1,048 | Actual | \$14,368 | Actual + \$14,368 |
| | • Kingcraft Drive | \$1,048 | \$ Nil | \$1,048 | | | |
| 24 | Rakaia Huts | \$1,048 | \$1,615 | \$2,663 | | | |
| 25 | Raven Drive | | NCA | | | | |
| 26 | Rolleston | | | | | | |
| | Residential | \$1,048 | \$ Nil | \$1,048 | Actual | \$14,368 | Actual + \$14,368 |
| | Business Zones (Jones Road) | \$1,048 | On enquiry | On enquiry | Actual | \$100,576 per ha | Actual + \$100,576 per ha |
| 27 | Selwyn Rural Water Scheme per ha per unit (domestic connection). (This water supply services the township of Hororata) | \$1,048 | Headworks \$3,449 per unit Upgrade to \$788 per unit | Headworks \$4,497 per unit Upgrade to \$788 per unit | | | |

Development contribution and connection fee per lot (including GST)

| | | Water | | | Sewer | | |
|--------|---|---|--------------------------|-----------|--|--------------------------|-------------------|
| Scheme | | Standard water connection fee - see notes above | Development contribution | Total fee | Sewer connection fee - see notes above | Development contribution | Total fee |
| 28 | Sheffield | | NCA | | | | |
| | Sheffield Rural | | NCA | | | | |
| 29 | Southbridge | | NCA | | Actual | \$7,237 | Actual + \$7,237 |
| 30 | Springston | \$1,048 | \$2,328 | \$3,376 | Actual | \$14,368 | Actual + \$14,368 |
| 31 | Springston South Upper Huts | | NCA | | | NCA | |
| 32 | Springfield | \$1,048 | \$13,828 | \$14,876 | | | |
| 33 | Tai Tapu | | | | | | |
| | Township | \$1,048 | \$7,346 | \$8,394 | Actual | \$11,955 | Actual + \$11,955 |
| | Rising Main SH75 (ncl CCC fee) | | | | Actual | \$8,146 | Actual + \$8,146 |
| | Lincoln – Tai Tapu Road | | | | Actual | \$8,647 | Actual + \$8,647 |
| 34 | Te Pirita | | On enquiry | | | | |
| 35 | West Melton | \$1,048 | \$4,414 | \$5,462 | | | |
| | Properties connected on West Melton to Rolleston pipeline route | | | | Actual | \$14,368 | Actual + \$14,368 |
| | Preston Downs subdivision | | | | Actual | \$14,368 | Actual + \$14,368 |
| | Existing West Melton township and all other connections from subdivision activity | | | | Actual | \$13,582 | Actual + \$13,582 |
| | Gainsborough subdivision | | | | Actual | \$7,907 | Actual + \$7,907 |
| 36 | Whitecliffs | | NCA | | | | |

| Roading development contributions | | |
|--|---|---------------------|
| Area | Work for which contribution required | Fee (including GST) |
| Rolleston | Rolleston Drive/ Hoskyns Road/ State Highway 1 | \$121 per Lot |
| Lincoln | Lincoln roading projects within the Lincoln MUL | \$664 per Lot |
| UDS | CRETS roading improvement projects | \$686 per Lot |
| Outside UDS any subdivision rural or residential | CRETS roading improvement projects | \$108 per Lot |
| Rolleston | New school road | \$304 per lot |
| Rolleston, land between Lowes Road and Goulds Road | New school road | \$1,618,718 |

| Stormwater development contributions | | |
|--------------------------------------|--------------------------------------|---------------------|
| Area | Work for which contribution required | Fee (including GST) |
| Lincoln | Lincoln stormwater management | \$6,069 per Lot |

| Development area development contributions | | |
|--|--|---------------------|
| Area | Work for which contribution required | Fee (including GST) |
| Rolleston Lowes Road ODP Area | | |
| • North High | New and upgraded roads, walkways and cycleways | \$24,420 per Lot |
| • North Medium | New and upgraded roads, walkways and cycleways | \$17,136 per Lot |
| • North Low | New and upgraded roads, walkways and cycleways | \$5,552 per Lot |
| • Fairhurst High | New and upgraded roads, walkways and cycleways | \$23,643 per Lot |
| • Fairhurst Low | New and upgraded roads, walkways and cycleways | \$8,956 per Lot |
| • Jozecom High | New and upgraded roads, walkways and cycleways | \$21,971 per Lot |
| • Jozecom Low | New and upgraded roads, walkways and cycleways | \$10,867 per Lot |

Water capital expenditure – funded by development contributions

| Defined geographical area | Capital to occur from 1 July 2012 for growth | Total capital costs to recover from development contributions | Total capital costs to recover from other sources | Development contribution per lot (including GST) |
|-----------------------------|--|---|---|--|
| Armack Drive | \$- | \$- | \$- | NCA |
| Arthur's Pass | \$- | \$- | \$- | NCA |
| Branthwaite Drive | \$- | \$- | \$- | Refer Rolleston |
| Burnham | \$- | \$- | \$- | \$11,438 |
| Castle Hill | \$- | \$- | \$- | NCA |
| Coleridge | \$- | \$- | \$- | \$6,914 |
| Claremont | \$- | \$- | \$- | NCA |
| Darfield | \$800,000 | \$800,000 | \$- | \$8,460 |
| Doyleston | \$- | \$- | \$- | \$3,778 |
| Dunsandel | \$- | \$- | \$- | \$6,782 |
| Edendale | \$- | \$- | \$- | \$11,381 |
| Fisherman's Point (Taumutu) | \$- | \$- | \$- | NCA |
| Johnsons Road | \$- | \$- | \$- | \$5,084 |
| Jowers Road | \$- | \$- | \$- | NCA |
| Kirwee | \$- | \$- | \$- | NCA |
| Leeston | \$- | \$- | \$- | \$3,778 |
| Lincoln | \$211,260 | \$- | \$211,260 | \$- |
| Malvern Hills Rural | \$- | \$- | \$- | \$5,645 |
| Prebbleton | \$648,176 | \$- | \$648,176 | \$- |
| Rakaia Huts | \$- | \$- | \$- | \$1,615 |
| Raven Drive | \$- | \$- | \$- | NCA |
| Rolleston | \$3,397,059 | \$- | \$3,397,059 | \$- |
| Selwyn Rural | \$- | \$- | \$- | \$3,449 |
| Sheffield | \$- | \$- | \$- | NCA |
| Southbridge | \$- | \$- | \$- | NCA |
| Springfield | \$- | \$- | \$- | \$13,828 |
| Springston | \$- | \$- | \$- | \$2,328 |

Water capital expenditure – funded by development contributions (contd)

| Defined geographical area | Capital to occur from 1 July 2012 for growth | Total capital costs to recover from development contributions | Total capital costs to recover from other sources | Development contribution per lot (including GST) |
|---------------------------|--|---|---|--|
| Tai Tapu | \$- | \$- | \$- | \$7,346 |
| Te Pirita | \$- | \$- | \$- | On enquiry |
| West Melton | \$- | \$- | \$- | \$4,414 |
| Whitecliffs | \$- | \$- | \$- | NCA |
| | \$5,056,495 | \$800,000 | \$4,256,495 | |

Sewerage capital expenditure – funded by development contributions

| Defined geographical area | Capital to occur from 1 July 2012 for growth | Total capital costs to recover from development contributions | Total capital costs to recover from other sources | Development contribution per lot (including GST) |
|----------------------------------|--|---|---|--|
| Arthur's Pass (Sunshine Terrace) | \$- | \$- | \$- | NCA |
| Castle Hill | \$- | \$- | \$- | NCA |
| Coleridge | \$- | \$- | \$- | NCA |
| Claremont | \$- | \$- | \$- | NCA |
| Doyleston | \$- | \$- | \$- | On enquiry |
| Eastern Selwyn* | \$28,559,344 | \$28,559,344 | \$- | \$14,368 |
| Leeston | \$- | \$- | \$- | \$7,357 |
| Southbridge | \$- | \$- | \$- | \$7,237 |
| Tai Tapu | \$- | \$- | \$- | \$11,955 |
| | \$28,559,344 | \$28,559,344 | \$- | |

* The Eastern Selwyn Sewerage Scheme area includes the townships of Lincoln, Prebbleton, Rolleston, Springston and West Melton.

Stormwater capital expenditure – funded by development contributions

| Defined geographical area | Capital to occur from 1 July 2012 for growth | Total capital costs to recover from development contributions | Total capital costs to recover from other sources | Development contribution per lot (including GST) |
|---------------------------|--|---|---|--|
| Lincoln | \$822,211 | \$822,211 | \$- | \$6,069 |
| | \$822,211 | \$822,211 | \$- | |

Roading capital expenditure – funded by development contributions

| Defined geographical area | Capital to occur from 1 July 2012 for growth | Total capital costs to recover from development contributions | Total capital costs to recover from other sources | Development contribution per lot (including GST) |
|---------------------------------|--|---|---|--|
| District | Varies per consent | Varies per consent | Varies per consent | Varies per consent |
| UDS area - CRETS | \$13,718,749 | \$6,713,095 | \$7,005,654 | \$686 |
| L1 River Pathway Lincoln | \$206,000 | \$- | \$206,000 | \$- |
| Broadlands Dr Extension Stage 2 | \$1,008,398 | \$- | \$1,008,398 | \$- |
| | \$14,933,147 | \$6,713,095 | \$8,220,052 | |

Reserves capital expenditure – funded by development contributions

| Defined geographical area | Capital to occur from 1 July 2012 for growth | Total capital costs to recover from development contributions | Total capital costs to recover from other sources | Development contribution per lot (including GST) |
|-----------------------------|--|---|---|--|
| District - various reserves | \$5,237,130 | \$5,237,130 | \$- | Varies per consent |
| Darfield | \$433,300 | \$433,300 | \$- | Varies per consent |
| Lincoln | \$3,262,004 | \$3,262,004 | \$- | Varies per consent |
| Prebbleton | \$7,118,201 | \$3,441,320 | \$3,676,881 | Varies per consent |
| Rolleston | \$11,444,318 | \$8,952,318 | \$2,492,000 | Varies per consent |
| West Melton | \$1,962,774 | \$1,626,894 | \$335,880 | Varies per consent |
| | \$29,457,727 | \$22,952,966 | \$6,504,761 | |

1. The Prebbleton Community Centre will be partially funded by development contributions of \$500,000 in 2021.

2. The Rolleston Community Centre will be partially funded by development contributions of \$3,000,000 in 2013.

3. The West Melton Community Centre will be partially funded by development contributions of \$1,000,000 in 2020.

Development area capital expenditure – funded by development contributions

| Defined geographical area | Capital to occur from 1 July 2012 for growth | Total capital costs to recover from development contributions | Total capital costs to recover from other sources | Development contribution per lot (including GST) |
|-------------------------------|--|---|---|--|
| Rolleston Lowes Road ODP Area | \$5,145,038 | \$4,511,339 | \$633,699 | \$5,552 to \$24,420 per Lot |

LUMP SUM POLICY

1. Statutory authority for making policy

This Policy is made under section 56 of the Local Government (Rating) Act 2002 in respect of sums that may be paid in a financial year in anticipation of a liability for one or more targeted rates or for targeted rates for one or more specified activities, in subsequent financial years.

2. Commencement

This Policy came into force on 1 July 2004.

3. Policy to apply at discretion of the Council

This Policy applies at the discretion of the Council.

4. Definitions

In this Policy, unless the context requires otherwise:

- Area of benefit means the category or rating units, which, in the opinion of the Council, receives the benefit of a capital work.
- Capital work includes the proportion of physical works, which the Council determines is to be funded by any repayment loan.
- Loan charge means a targeted rate set and assessed to fund a repayment loan for a capital work.
- Loan servicing costs, in relation to any repayment loan for a financial year, means payments of principal and interest for that year.
- Lump sum means the amount of the loan charge for a particular rating unit in anticipation of the rating unit's liability for that loan charge for subsequent financial years less any applicable discount.
- Rating Act means the Local Government (Rating) Act 2002.
- Rating unit means a rating unit as defined in Section 5 of the Rating Act.
- Repayment loan means a loan or a series of loans on which interest and principal are paid annually so that at the end of a predetermined period all indebtedness under the loan or loans is repaid (and includes an internal loan with these features).

5. Principles

The following principles are to govern the way in which this Policy is applied:

- 5.1 This Policy should only be used for repayment loans where a loan charge has been or will be set and assessed over a defined area of benefit where the area of benefit has been approved by the Council.
- 5.2 The loan charge must be calculated by reference to:
 - a) the actual loan servicing costs plus an administration fee of 0.5% if the loan has been externally raised; or
 - b) the Interest Rate Swap rate plus an administration fee of 0.5% if the loan has been internally raised.
- 5.3 Whenever a lump sum is offered to ratepayers, the lump sum will be offered in respect of the current outstanding amount of the repayment loan. To avoid any doubt, this clause is subject to clause 6.2.
- 5.4 For the purpose of applying this Policy, the rating unit is the basis for setting and assessing loan charges and the loan charge must be set in accordance with Section 18(2) of the Rating Act. However, the Council may, in appropriate circumstances, determine that for a particular project, this Policy applies on another basis that is authorised under the Rating Act and provided in the Council's revenue and financing policy.
- 5.5 It is the Council's intention that the number of rating units within the area of benefit remains as constant as possible throughout the period that the loan charge is set and assessed for the repayment loan.
- 5.6 Where, as a result of a subdivision, one or more new rating units are created within the area of benefit, a 'development contribution' will be paid in respect of each of those new rating units. The sub-divider must nominate:
 - i) to which rating unit the original lump sum applied or a loan charge applies; and
 - ii) to which rating unit(s) the development contribution(s) apply.
- 5.7 The rating unit(s) to which the development contribution(s) apply will not be liable for the loan charge.
- 5.8 When a connection is created from holding capacity the Council will not offer lump sums in respect of a repayment loan, or part of a repayment loan. These connections are paid via development contribution(s).

- 5.9 The Council will enter into agreements to extinguish debt when rating units change ownership. Such agreements must be dealt with between the vendor and purchaser of the rating unit with the Council accepting their decision as to which party will be responsible for the debt.
- 5.10 If any lump sum offers have been made before the commencement of this Policy, the basis of calculation on which those previous offers were made remains unchanged even though further offers may be made under this Policy.

6. How this policy will be applied

- 6.1 The Council will determine [by way of the Selwyn Long Term Plan, Annual Budget or process] whether or not it will offer ratepayers of a defined area of benefit the option of paying a lump sum instead of a loan charge in the following financial year or years.
- 6.2 For example, the Council could determine as part of the 2012/2022 Selwyn Long Term Plan process that ratepayers will be offered the option of paying a lump sum in the 2012/2013 financial year instead of paying a loan charge in the 2012/2013 financial year and subsequent financial years.
- 6.3 The Council must determine the period over which the repayment loan will be fully paid off.
- 6.4 The lump sum will normally be calculated as a fixed amount for all rating units in the area of benefit, by dividing the current amount of the repayment loan by the number of rating units in the area of benefit. The discount is the difference between this amount and the total amount of loan charges the rating unit would have paid until the repayment loan was fully repaid.
- 6.5 If this Policy applies the Council must notify each eligible ratepayer in accordance with Section 136 of the Rating Act of the option to pay the lump sum, and of the option to pay it in one amount or in instalments as determined by the Council.
- 6.6 The notice under Clause 6.4 must state that:
- i) The ratepayer must, within 30 days, notify the Council whether the ratepayer accepts the offer and whether the ratepayer wishes to pay the lump sum in one amount or by instalments.

- ii) When the lump sum or the first instalment, as the case may be, must be paid.
- iii) if that payment is not received by the due date the relevant loan charge will be assessed against the rating unit in the next financial year beginning on 1 July and subsequent financial years.

- 6.7 The Council must deliver an invoice to every ratepayer who has accepted the Council's offer. The invoice must contain the following information:

- i) The address of the Council.
- ii) The name and address of the ratepayer.
- iii) The legal description or valuation number of the rating unit.
- iv) The lump sum or instalment of the lump sum, which the ratepayer has notified the Council that he or she wishes to pay.
- v) Where the lump sum amount may be paid.
- vi) Any other information that the Council thinks fit.

- 6.8 If the ratepayer does not pay the lump sum or instalment of the lump sum, as the case may be, the relevant loan charge will be set and assessed against the rating unit in the next financial year beginning on 1 July and subsequent financial years.

- 6.9 Despite Clause 6.6, the Council retains discretion to accept any payment that does not constitute the full amount of the lump sum or instalment of the lump sum.

7. Notes

- 7.1 The lump sum contribution provisions of Part IV (sections 62 – 78) of the Rating Powers Act 1988 are not reproduced in the Local Government (Rating) Act 2002.
- 7.2 Instead there is provision in section 56 for a policy for early payment of rates that will fall due in subsequent years. section 55 authorises policies for early payment of rates in the current year.
- 7.3 Section 56 provides:

"56 Policy for payment of rates for subsequent financial year

- (1) *A local authority may adopt a policy for the payment of rates in anticipation of rates for subsequent financial years.*
- (2) *A policy of the kind referred to in subsection (1) may provide for either or both of the following circumstances:*
 - (a) *any sum may be paid in a financial year in anticipation of a liability for general rates in subsequent financial years;*
 - (b) *any sum may be paid in a financial year in anticipation of a liability for 1 or more targeted rates, or for targeted rates for 1 or more specified activities or groups of activities, in subsequent financial years.*
- (3) *If rates are paid in accordance with a policy adopted under subsection (1), the local authority must credit the payment in accordance with the policy and the instructions, if any, of the person making the payment.*
- (4) *Section 55(2) and (3) applies, with the necessary modifications, to a policy adopted under this section.*
- (5) *To avoid doubt, payments made under this section must be credited against future rates, whether or not the policy under which the payment was made is still in force when the rates are assessed."*

7.4 Section 55 provides:

- "55 Policy for early payment of rates in the current financial year*
- (1) *A local authority may adopt a policy for the payment of some or all rates that are identified in the rates assessment before the due date or dates for those rates in the current financial year.*
 - (2) *A policy adopted under subsection (1)*
 - (a) *must be adopted using the special consultative procedure; and*
 - (b) *may be included in the Long Term Plan.*
 - (3) *A policy adopted under this section may provide for the local authority to discount the amount of the rates if payment is made by a specified date before the due date or dates."*

- 7.5 The legislation lacks clear authority to exempt a property (which has paid the rates in advance) from all future rating liability for a particular work. In other words, there is no express provision along the lines of Section 67(2)(b) of the Rating Powers Act 1988¹. It does not actually change the rating requirement for future years. Instead, it simply means that the Council has some of the money in advance to pay the rates.
- 7.6 Because the legislation does not replicate the detailed provisions of Part IV of the Rating Powers Act 1988, it is necessary to include detail of the policy to achieve similar effect.
- 7.7 5.4 has the effect that unless the Council decides otherwise, the targeted rate will be a 'uniform annual charge'.
- 7.8 5.5 may not be an issue. It is included to try to ensure that the amount of the annual targeted rate does not vary too much over the period of the repayment loan.
- 7.9 6.1 and 6.4 to 6.8 are designed to ensure that the policy will only have to rely on Section 56 and not Sections 55 and 56. It sets up a timeline to ensure certainty. Different dates could be used so long as the Council has certainty before it has to set the rates for any given year. Any particular decision to use the policy probably does not have to be in the annual plan.
- 7.10 Holding Capacity – As the name suggests, this is the dollar value or number of connections between what capacity is required to service the current population and what is being 'held' to service the future population. The Council, in making this decision to have holding capacity in a scheme, has to fund this cost until property owners, who create growth, repay it. Such a decision involves the Council owning an asset in infrastructure as opposed to having money in the bank. Although this decision is effectively swapping one asset 'cash' for another asset 'infrastructure', cash earns interest income while infrastructure does not. Interest income is used by the Council to reduce/subsidise the annual general rates levied.

When the Council has reduced interest income, general rates either have to increase or general rates funded expenditure has to be reduced. For this Council, this causes an inequity. Approximately 50% of all Selwyn residents provide their own sewerage disposal system (e.g. septic tanks). It is not fair for the 50% to have a general rate increase because they are not getting the benefit of a council provided sewerage system. To achieve equity, the Council makes an interest charge on those communities that have 'holding capacity' in their water and sewerage infrastructure. This interest charge is collected with the targeted rate that is levied to run/operate the infrastructure system. As more properties connect, and pay their development contribution, the holding capacity interest charge reduces.

¹ This section, provided that, where an election had been made in respect of a separately rateable property to pay lump sum contributions, "no ratepayer shall be liable in respect of that property for any separate rate or separate uniform annual charge or annual charge under Section 30 of this Act or combination thereof, as the case may require, made and levied under this Act to meet the cost of the work or the annual charges in respect of any special loan raised to meet the cost of the work".

LIABILITY MANAGEMENT (BORROWING) POLICY

Introduction

In broad terms, the Council manages both current and term liabilities.

This policy includes a number of policy limits.

Current liabilities

Current liabilities reflect those obligations, expressed in monetary terms, which the Council has to meet within relatively short timeframes, at a maximum within the next 12 months. In respect of its day-to-day obligations for both operational and capital expenditure, the Council's policy is to pay these liabilities in full by the due date. This eliminates any credit exposure or risk. Current liabilities also include the maturing portions of any term liabilities that are due for repayment within the following 12 months.

Term liabilities

Term liabilities represent the Council's obligations which, in general terms, are not immediately payable, i.e. not due within the following 12 months.

The Council approves the borrowing programme for each financial year as part of the Long Term Plan or Annual Budget. Additional borrowings may be approved by the Council on a case-by-case basis. The Council primarily borrows to fund its capital expenditure programme, including its property development activities. In approving new borrowings, the Council considers the impact of the proposed level of borrowings on its overall borrowing limits.

In considering this impact, the Council will implement its borrowing programme from either internal (its own cash reserves) or external sources. Whether borrowing will be from internal or external sources will be determined by the duration of borrowing required and the current and future assessed dollar value of the Council's cash reserves, (i.e. are there enough cash reserves to allow the proposed borrowing to be made internally).

Policy objectives

The Council primarily borrows to pay for the upgrading of existing assets or the construction/ purchase of new assets. These assets generally provide new or enhanced benefits to Selwyn District for many years. Borrowing is therefore considered the most cost-effective and equitable

way to fund these assets as it spreads the cost of the asset over the future generations of ratepayers who will benefit from the use of the asset. Accordingly, borrowings have a strategic benefit of making the cost of the asset investment affordable to today's ratepayers. In practical terms, this does not mean that borrowings will extend over the estimated life of each asset e.g. 10 years (pumps) or 80 years (reticulation) but instead an averaged approach will be used as a practical length to the term of borrowing e.g. 20 years. Borrowing terms will be managed on a case-by-case basis. Borrowings are maintained at a prudent level, in accordance with the Council's overall borrowing policy (for specific limits, refer below).

Power to borrow

The Council borrows as it considers appropriate and in accordance with the provisions of the Local Government Act 2002. The Council approves the level of new borrowing in general terms as part of the Long Term Plan or Annual Budget. The Council delegates the authority to officers to raise approved borrowings and working capital for liquidity purposes as and when the funding is required. Any additional borrowing beyond that approved in the Long Term Plan or Annual Plan must be approved by the Council. The Council also delegates authority to officers to manage treasury related risks with appropriate financial instruments within the limits contained in this policy.

Interest rate exposure

Borrowings issued at variable (floating) interest rates expose the Council to a cash flow interest rate risk. The Council may manage its cash flow interest rate risk by using approved treasury risk management instruments such as floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

The Council has set specific limits for its interest rate exposure as set out below:

| Fixed/floating interest rate risk control limit as percentage of 12 month forecast external borrowing | |
|--|--------------------|
| Minimum Fixed Rate | Maximum Fixed Rate |
| 50% | 95% |
| The level of fixed interest rate cover at any point in time must be within the following maturity bands: | |

Fixed rate maturity profile limit

| Period | Minimum | Maximum |
|---------------|---------|---------|
| 1 to 3 years | 15% | 60% |
| 3 to 5 years | 15% | 60% |
| 5 to 10 years | 10% | 60% |

Liquidity and funding risk

The Council minimises its liquidity risk by maintaining liquid investments or committed borrowing facilities at a level that exceeds 110% of existing external debt. Liquidity is defined as “external debt + committed bank facilities + liquid investments divided by existing external debt”. The Council minimises funding risk by avoiding concentrations of debt maturity dates.

Where special funds are maintained to repay borrowings, these investments are held for maturities not exceeding borrowing repayment dates.

The Council avoids exposure to liquidity and funding risk by managing the maturity of its debt and committed facilities within the following maturity limits:

Borrowing maturity profile limits

| Period | Minimum | Maximum |
|--------------|---------|---------|
| 0 to 3 years | 15% | 60% |
| 3 to 5 years | 15% | 60% |
| 5 years plus | 10% | 60% |

Credit/counterparty exposure

The Council transacts treasury instruments and borrows from institutions with satisfactory credit ratings. Borrowings are managed to ensure the Council is not exposed to material concentrations of counterparty risk and are therefore spread amongst a number of institutions to avoid concentrations of credit reliance. The Council will endeavour to spread its reliance on lenders/ investors and to this end will seek a minimum of two lending counterparties when debt exceeds \$20m.

Borrowing repayment

The Council will repay borrowings from a combination of excess depreciation over and above renewals, capital revenue, sale of surplus or underperforming assets, operating surpluses, the levying of targeted or general rates specifically for the repayment of borrowings or from the renewal of borrowings.

Specific borrowing limits

In determining a prudent level of borrowings, the Council assesses the level of borrowing against the Council's total net assets and interest expense per annum against operating revenues.

Total council borrowings will be managed within the following macro limits:

| Ratio | Limit |
|---|-------|
| Net debt as a percentage of equity | <12% |
| Net debt as a percentage of income | <250% |
| Net interest as a percentage of income | <20% |
| Net interest as a percentage of annual rates income | <30% |
| Liquidity (external debt + liquid financial investments + committed loan facilities to existing external debt) | >110% |
| Definitions: | |
| Net debt is total consolidated debt less liquid financial assets/ investments. | |
| Income is the Council's total income excluding vested asset revenue and revenue from development contributions. | |
| Net interest is the interest expense less interest income. | |
| Annual rates income includes general and targeted rates. | |
| Fixed rate debt is defined as re-pricing date beyond 12 months. | |

Security

The Council's borrowings may be secured by way of a Debenture Trust Deed (representing a charge over the Council's rates revenue). This security relates to any borrowing and to the performance of any obligation under any incidental arrangement. However, if it is considered advantageous, the Council's borrowings and other financial arrangements may be undertaken on an unsecured basis, or secured by way of a charge over the physical assets.

New Zealand Local Government Funding Agency Limited Investment

Despite anything earlier in this Liability Management (Borrowing) Policy, the Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- (a) Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA.
- (b) Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself.
- (c) Commit to contributing additional equity (or subordinated debt) to the LGFA if required.
- (d) Subscribe for shares and uncalled capital in the LGFA.
- (e) Secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

Reporting to the Council

In addition to the disclosures made in the Annual Report each year, a report will be prepared for the information of the Council as soon as practical after the end of each quarter being 31 March, 30 June, 30 September and 31 December. These quarterly reports will include information on external borrowings as well as internal borrowings.

INVESTMENT POLICY

1. Introduction - legal requirements

- 1.1 The Local Government Act 2002 requires all territorial and regional authorities to adopt an Investment Policy.
- 1.2 The requirements of the Local Government Act 2002 are stated in Section 105 which states:

Section 105 Investment policy

A policy adopted under section 102(1) must state the local authority's policies in respect of investments, including:

- (a) The mix of investments.
 - (b) The acquisition of new investments.
 - (c) An outline of the procedures by which investments are managed and reported on to the local authority.
 - (d) An outline of how risks associated with investments are assessed and managed.
- 1.3 The Council must be mindful that the investments it holds are held in trust for the citizens of Selwyn. As the investments are public money, risk adverse policy objectives must be adhered to.
 - 1.4 All investments will expose the Council to risk. The managing of the risk element in an appropriate manner will minimise the possibility of the investment value being compromised.

2. Policy statements summary

The following is a summary of the Council's policies in relation to investments. As they are a summary, the full discussion on each policy must be read to ensure a complete understanding of the policy is held.

Investments

| | |
|---|--|
| 1. Management of equities. | All equities will be managed to maximise returns and increase economic value of the investment. |
| 2. Local Government Funding Agency Limited. | The Council may invest in the Local Government Funding Agency Limited to provide access to lower cost borrowing. |
| 3. Central Plains Water Limited (CPWL) | The Council will continue to own its two shares in CPWL and will review its options to either convert the \$1,678,689 of borrowings plus accrued interest it has provided to the company into equity or seek repayment if and when the scheme is commissioned. This loan earns interest calculated on the interpolated 12 month Local Government Stock Rate plus a margin of 50 basis points. The Council may also provide loan funding to help CPWL progress stage one of the Central Plains Water Irrigation Scheme. |
| 4. Central Plains Water Trust (CPWT). | The Council will continue to be a settlor of this Trust. |
| 5. Orion Selwyn District Centenary Educational Trust. | The Council will continue to be a settlor of this Trust. |
| 6. Tramway Reserve Trust. | The Council will continue to be a settlor of this Trust. |
| 7. Selwyn District Charitable Trust. | The Council will continue to be a settlor of this Trust. |
| 8. Cash and Bonds. | The Council will manage its cash and bond investments to firstly protect the Council/ratepayer capital and secondly earn an acceptable income. |
| 9. Infrastructural Advances. | Advances will be made available to ratepayers, existing and future, that create a market return. |
| 10. Community Body Loans. | All community loans must be approved by the Council. |
| 11. Commercial Properties. | The Council will seek to establish a portfolio of commercial properties that provides appropriate market returns. Opportunities to invest in appropriate commercial properties will be considered on their merits. |
| 12. Izone Southern Business Hub. | Although developed with the objective of creating employment opportunities within the District, Izone Southern Business Hub offers the opportunity to create investment returns as a secondary activity. |
| 13. Equity Acquisitions. | All equity acquisitions that meet the major transaction (refer 4.1) definition must be approved by the Council. |
| 14. Equity Disposals. | All equity disposals that meet the major transaction definition must be approved by the Council. |
| 15. Special Funds. | The Council, by 30 June each year, will review the merit of each special fund. |
| 16. Reporting. | All investments are to be reported on monthly to the Council except for equities held by Selwyn Investment Holdings Limited, which will be the subject of a report to the Council on a quarterly basis. |

3. Investments classes

3.1. Equity

- 3.1.1. Selwyn Investment Holdings Limited (SIHL) manages the Council's equity investments. It does so in a way that ensures the commercial imperatives are the guiding objectives of each investment.

SIHL currently holds the following equity investments:

- Orion Group Limited (10.725% owned)
- SICON Limited (100% owned)
- Selwyn Plantation Board Limited (60.68% owned)
- Ferguson Brothers Limited (100% owned)

The Council also holds an equity investment in Transwaste Canterbury Limited. This investment reflects the Council's contribution to the construction of a regional landfill. The Council's shareholding is 3%.

3.1.2. General policy on management of its investment

| | |
|------------------|---|
| Policy Statement | All equities will be managed to maximise returns and increase the economic value of the investment. |
|------------------|---|

The Council's policy is for SIHL to maximise its returns to the Council through the management of its equity investments. The Council does not have any specific policies in relation to the investments held by SIHL, although the shareholding in both SIHL and Orion are considered strategic assets under Section 90 of the Local Government Act 2002. The general policy of SIHL in the management of its investments is to maximise the returns and to increase the economic value of each investment it currently holds or will hold in the future.

The way to maximise the returns on each investment is to optimise dividend flows consistent with maintenance and enhancement of shareholder value. This additional income to SIHL will enable a higher dividend/payout to its shareholder (Selwyn District Council). There are various means that an investment can increase its dividend pay-out to SIHL.

SIHL ensures that each investment adds economic value over the longer term to enable the Council to use these investments as security for funding special projects of the Council. With a higher economic value (i.e. increases the value of the investment) it enables the Council to borrow more external funds if required, subject to prudent ratios being maintained.

In all circumstances the general policy on management of its investments is viewed by SIHL as what is best for SIHL and the Council in the long term including the individual investment.

3.1.3. Procedures to manage each investment

SIHL has several procedures in place to manage the investments it controls. The most important procedure is to review and approve each investment's Statement of Intent (SOI) and business plan yearly. This enables SIHL to review the direction of each company/investment and have an input into these documents to ensure the investment does maximise its returns to the shareholders. At this point in time SIHL can also review the financial data included in each SOI to ensure the optimum result is achieved for SIHL and its shareholder.

Other procedures included:

- Reviewing quarterly, six-monthly and annual reports from each investment. These reports are analysed and compared with the annual budgets and SOI's of each investment. Any variations or other explanations required are brought to the attention of the Board of that investment.
- Regular meetings with the Chairman of the Board and Chief Executive of each investment to review their operations and future developments in the Company. These meetings are normally held each quarter of the year.
- Attending all Annual General Meetings and Special Meetings held by each company.
- Having professional advisors within and outside the Board to review the financial reports and markets within the industry to ensure that each investment is performing to the market standards.

The exact procedures that are used for each investment depend whether SIHL is holding the investment for a short or long term.

3.1.4. Risks associated with investments

SIHL assesses the risk of each investment based on the market risks for that type of industry. The market risks associated with each investment are noted to ensure that the returns are consistent with the risk taken. Market risks would include competitors' market share, competitors' strength and weakness and other external factors. e.g. Government.

Other types of risks are associated with the investment itself such as the expertise of the Board of Directors, products the company is producing, future investments made by the company, market share and structure of the company (both financial and organisational). These risks can be assessed by the financial returns of the company (i.e. the dividend SIHL receives from its investment).

SIHL's ongoing risk management procedures include:

- Appointment to the Board of Directors of each company, external directors with expertise.
- Approving on an annual basis the investment's Statement of Intent and business plan.
- All other procedures as listed under management of investments.

3.2. Local Government Funding Agency Limited (LGFA)

| | |
|------------------|--|
| Policy Statement | The Council may invest in the Local Government Funding Agency Limited to provide access to lower cost borrowing. |
|------------------|--|

The Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment.

The Council's objective in making any such investment will be to:

- Obtain a return on the investment.
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

3.3. CPWL

| | |
|------------------|---|
| Policy Statement | The Council will continue to hold this investment and may provide loan funding to help CPWL progress stage one of the Central Plains Water Irrigation Scheme. |
|------------------|---|

The Council entered into a loan agreement for \$1,030,000 with CPWL during the 2004 financial year to recognise the Council's share of scheme expenses incurred in the establishment of CPWL. Under the loan agreement the funds will be treated as suspensory loans unless and until the scheme is commissioned (and in the event that the scheme is commissioned in stages, then from the commissioning of the first stage).

The Council provided an extension to the loan facility of \$154,723 on 28 February 2005 and on 8 October 2009 paid \$494,146 to Christchurch City Council to purchase its loan to CPWL. The extension and ex-Christchurch City Council loans were provided on the same terms and conditions as the original loan balance. The total loan is \$1,678,869, plus accrued interest.

Interest on the loan will accrue, from 25 October 2004, 28 February 2005 and 8 October 2009 for the respective loan balances, at an annual rate being the then current interpolated 12 month local government stock rate plus a margin of 50 basis points. Interest will be calculated daily on the loan and shall be paid in arrears. Interest shall be included in part of the outstanding amount and shall not be capitalised.

If CPWL is not successful in gaining the necessary resource consents to proceed with construction of the scheme, the loans will be converted to ordinary shares in CPWL on a dollar for dollar basis.

The loans will not be repayable in cash until the scheme has been commissioned.

If the scheme proceeds and construction is funded by debt and equity finance the Council will have the option to convert the loan into shares (of an agreed class) in any associated and/or related company which may be or is to be the infrastructure-owing entity which will be associated with CPWL. Rights to water do not attach to these shares. If the Council does not elect to convert their loans into shares, the loan shall be repaid in cash over an agreed period of time.

If the scheme proceeds and construction is wholly debt financed, the Council will have no right to convert the loan into shares in the associated and/or related company and the loans are to be repaid in cash over an agreed period of time.

There are no specific maturity dates for the loans as repayment depends on the progress of the scheme and options chosen by CPWL and the Council.

The Council owns two shares in CPWL.

Provision for loan write down

The Council has provided support to the Central Plains Water Scheme in the form of suspensory loans to CPWL as described above. The Council has made a provision for the possible non-repayment of the loans to recognise their suspensory nature. The Council will review the provision each year as the scheme progresses.

The Council, in providing this provision, has done so due to this being the appropriate technical accounting approach. The Council is extremely supportive of this project which has the potential to provide significant employment and economic benefits to the District.

Proposed loan to support stage one of the irrigation scheme

The Council may provide loan funding to CPWL to help it progress stage one of the CPW irrigation scheme. The loan would help CPWL secure funding from the Government's Irrigation Acceleration Fund and would be used to fund detailed design work for stage one of the scheme.

3.4. Current Trusts

CPWT

| | |
|------------------|--|
| Policy Statement | The Council will continue to be a settlor of this Trust. |
|------------------|--|

Objectives

1. CPWT is a trust for charitable purposes for the benefit of the present and future inhabitants of the regions, being the respective areas within the geographical boundaries of the Councils.
2. CPWT will encourage, support and facilitate sustainable development of the water resources of the regions for the benefit of the inhabitants.
3. CPWT will provide and facilitate opportunities for agricultural and horticultural diversity in the regions.
4. CPWT will provide and facilitate education to the inhabitants of the regions in relation to water issues affecting the regions.
5. CPWT will appropriately balance enhancement of economic benefits for the regions with enhancement of ecological, social and recreational values for the regions.

Orion Selwyn District Centenary Education Trust

| | |
|------------------|--|
| Policy Statement | The Council will continue to be a settlor of this Trust. |
|------------------|--|

Objectives

The Trust's objective is to provide and support the education of students who are attending high schools in the Selwyn District and who are intending to undertake a course of tertiary education in New Zealand.

Tramway Reserve Trust

| | |
|------------------|--|
| Policy Statement | The Council will continue to be a settlor of this Trust. |
|------------------|--|

Objectives

Tramway Reserve Trust is a charitable trust formed on 22 August 2003. The purpose of the Trust as set out in section 4.1 of the Trust Deed is to:

1. Develop the area being Reserve 5020 and known as Tramway Reserve located at Tramway Reserve Road as a recreational, educational and scientific venue by:
 - a. Restoring and enhancing the wetlands.
 - b. Establishing and protecting a wide range of native flora, native fauna, game birds and sports fish.
 - c. Providing walking tracks to facilitate public access to the restored wetlands.
2. Promote the restoration of waterways of all types.
3. Increase water dissipation via natural methods.
4. Encourage planting to restore water quality.
5. Encourage biodiversity.
6. Restore the natural riparian habitat for aquatic species and bird life.
7. Undertake any other activity incidental or conducive to the attainment of the purposes for activities of the Trust.

Selwyn District Charitable Trust

| | |
|------------------|--|
| Policy Statement | The Council will continue to be a settlor of this Trust. |
|------------------|--|

Objectives

Selwyn District Charitable Trust is a trust for charitable purposes. It holds and distributes funds to support and encourage Selwyn District Council's provision of public services and amenities for the benefit of the public within the Selwyn District by making funds available for the following purposes.

1. Water/wastewater facilities - the construction, maintenance, operation and upgrading of water and wastewater facilities for the benefit of the public.
2. Roading - the construction, maintenance, operation and upgrading of roading for the benefit of the public.

3. Transport facilities - the acquisition, construction, maintenance, operation and upgrading of public transport facilities.
 4. Parks/reserves - the establishment, maintenance operation and upgrading of parks and reserves for the benefit of the public.
 5. Recreational facilities - the construction, maintenance, operation and upgrading of swimming pools or other recreational or leisure-time occupation facilities for the benefit of the public.
 6. Community facilities - the construction, maintenance, operation and upgrading of public libraries or other similar community facilities for the benefit of the public.
 7. Cultural facilities: -the construction, maintenance, operation and upgrading of cultural facilities for the benefit of the public.
 8. Other infrastructure - the construction or establishment of new infrastructure projects of a charitable nature, or the maintenance and operation of existing infrastructure facilities that are of benefit to the public.
- 3.5. Cash and bond policy

Objectives

The objectives of this investment policy are:

- To ensure the Council has appropriate working capital funds available to carry out its strategic plans as outlined in the Annual Budget / Long Term Plan.
- To ensure that adequate funds are immediately accessible in the event of a disaster or unexpected failure of infrastructure.
- To ensure that the Council is able to meet its liability commitments as they fall due.
- To ensure that legally restricted funds are appropriately accounted for and invested so as to earn reasonable income towards their purposes. (Legally restricted funds include trust funds, and bonds/deposits etc).
- To ensure that where the Council has resolved to set aside investments for particular purposes, these funds earn interest towards those purposes and are readily available when called upon. (It should be recognised that these funds are by policy of the Council only and have no enduring legal status that would bind a future Council).
- To firstly protect the Council/ratepayers capital and to secondly earn an acceptable income.

- To ensure that all statutory requirements are met.

Investing priorities

The Council's priorities with regards to investing are:

- Capital expenditure, especially water and sewerage that meets the Council goals and strategic plan criteria.
- Repayment of debt and internal loans (to reduce external risk exposures).
- Purchase of appropriate land and buildings.
- Financial instruments, risk or near risk-free, diversified in term and institution.

Scope

This document is binding on the Council, Committees of the Council, Recreation Reserve Committees, Community Boards, Committees of Community Boards and any Trusts whose accounts are incorporated in the Council's Annual Report and Accounts. The term 'Council' includes all the above bodies.

Acceptable uses of investment funds

The following are the guidelines for permitted uses of the Council's investment funds:

Income/interest:

- Reduction of rates.
- Capital expenditure and one-off projects.
- Add to capital to increase ability of fund to meet intentions.

Capital:

- Capital expenditure.
- One off projects.
- Disaster relief.

Policy relating to short term investments

All cash funds for the time being 'surplus' are to be invested in a mixture of high quality liquid instruments. The terms or maturities for short term investments will be a mixture of At Call to up to 182 days so that, if necessary, the Council can call upon the funds at relatively short notice, after

taking into account projected cash flows.

Longer term investments are entered into where:

- The investments are high quality and liquid (i.e. can be traded on an efficient market).
- All debt investments must be senior ranking.

High quality and liquid investment counterparties are:

- New Zealand Government.
- Highly rated New Zealand Registered Banks.
- Highly rated Building Societies.
- Local Authorities.
- Highly rated State Owned Enterprises.
- Government guaranteed Regional Health Entities.
- Highly rated Corporates.

The Council will not consider investing with a body unless it meets an acceptable Standard and Poors (or equivalent) credit rating, where applicable. New Zealand Local authorities are the only exception to this requirement.

Acceptable Standard and Poor ratings:

| Short term rating | Long term rating | Explanation of rating |
|-------------------|------------------|---------------------------------|
| A1+ | AAA, AA+, AA | Extremely strong to very strong |
| A-1 | A+, A | Strong |

Diversification

Maximum amount per institution as set out in the table below:

Short Term Investments (less than 12 months)

(Approved Issuers, Instruments and Limits)

| Issuer | Overall portfolio limited (invest % to a portfolio maximum of) | Approved instruments | Minimum S & P short term credit rating of issuer | Limit for each issuer subject to overall portfolio limit for issuer class (nominal amount) |
|-------------------------------|--|---|--|--|
| New Zealand Government. | 100% | Treasury bills. | Not applicable | No Limit |
| New Zealand registered banks. | 100% | Call/term deposits, negotiable certificates of deposits, transferable certificate of deposit. | A-1 | \$15 million |
| Local authorities. | 100% | Promissory notes/ commercial paper. | Rated A-1 | \$7.5 million |
| | | | Unrated | \$2 million |
| State-owned enterprises. | 50% | Promissory notes/commercial paper. | A-1 | \$5 million |
| Regional health entities. | 50% | Promissory notes/commercial paper. | A-1 | \$5 million |
| Corporates. | 25% | Promissory notes/commercial paper. | A-1 | \$2 million |
| Building societies. | 25% | Call/term deposits. | A-1 | \$2 million |

Long Term Investments (12 months and greater)

(Approved Issuers, Instruments and Limits)

| Issuer | Overall portfolio limited (invest % to a portfolio maximum of) | Approved instruments | Minimum S & P short term credit rating of issuer | Limit for each issuer subject to overall portfolio limit for issuer class (nominal amount) |
|------------------------------|--|---------------------------------|--|--|
| New Zealand Government. | 100% | Bonds. | Not applicable | No Limit |
| Local authorities. | 100% | Medium term notes, bonds, FRNs | Rated A1 | \$7.5 million |
| | | | Unrated | \$2 million |
| State owned enterprises. | 25% | Medium term notes, bonds, FRNs | A | \$5 million |
| New Zealand registered banks | 50% | Medium term notes, bonds, FRNs | A | \$5 million |
| Regional health entities. | 50% | Medium term notes, bonds, FRNs. | A | \$2 million |
| Corporates. | 25% | Medium term notes, bonds, FRNs. | A | \$2 million |
| Building societies. | 25% | Medium term notes, bonds, FRNs. | A | \$2 million |

Interest rate risk and term profile

The above counterparty limits seek to mitigate credit risk and liquidity risk by focusing investments on high quality and liquid debt instruments. The interest rate risk associated with investing in fixed income debt securities will be considered as part of the overall return evaluation when making decisions on maturity duration.

Current account management

The cheque account credit balance should not exceed \$2,000,000 for more than two continuous working days.

It is permitted to go into overdraft for up to \$400,000 on a maximum of 10 days per year.

Average return - comparative benchmark

The emphasis is on capital protection rather than maximising returns. Nevertheless returns should be maximised within the parameters of this policy.

The short term portfolio will be benchmarked against the average 90 day bill rate for the reporting period.

The long term portfolio will be benchmarked by duration measurement, and this will be required to be within 2.5 and 3.5 years and accordingly be measured against the average 3 year swap rate for the reporting period.

Working capital requirements

All organisations need to have adequate cash resources to fund their daily cashflow requirements.

Cash held for working capital requirements must be minimised to ensure the maximum level of cash funds are available for term investment.

The Council's working cash requirements must be managed. Cash held in cheque accounts and call accounts must not exceed a maximum daily limit of \$5,000,000.

3.6. Investments in infrastructure

| | |
|------------------|--|
| Policy Statement | Advances will be made available to ratepayers, existing and future, that create a market return. |
|------------------|--|

This Council will be taking an active role via internal advances for investing in schemes for the public. The Council's policy on such investments was adopted at the 8 October 1997 Council meeting.

Resolved - Councillor Challies/Woods

"That the Council Policy in relation to future capital contribution be as follows:

- A separate account be established for each individual project to which investments by the Council in future capital contributions are charged.*
- That interest be charged annually at 30 June on the loan for 20 year advances as agreed to in the Annual Plan for that financial year.*
- That the capital contributions be adjusted annually on the 30 June by the CPI rate as at that date.*
- That the capital contributions be used to repay the annual interest charged to each account with the balance of new connections being applied to the outstanding balance of that account.*
- That all contributions received after the loan is repaid are credited to the scheme concerned.*
- That in the event of the capital contributions failing to meet the interest payment in any one year, the Council may apply an increase in the operations rate across all existing users to cover all or part of the annual interest charge of that particular scheme.*
- That the Council monitor the repayment of such capital contributions and make the appropriate adjustments to ensure the Council's investment will be repaid over a 20 year period."*

CARRIED

The Council's policy on investing in infrastructure is a sound one in that it shows a commitment to the community by the Council for the provision of such services. It is important to remember that cash investments over this period are being exchanged for investments in infrastructure generating a market rate of return. The key things for the Council to monitor are the split between cash investments and bond investments over this period to ensure that its risks are minimised.

3.7. Loans and guarantees to community organisations

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|------------------|--|
| Policy Statement | All community loans must be approved by the Council. |
|------------------|--|

3.7.1. Background

It has been normal practice for local authorities, in certain circumstances, to provide support to local sporting and other community organisations by way of either a loan or guarantee.

Whilst this activity is not generally considered an investment in the usual sense, it does represent a commitment of ratepayer funds to organisations which may not be able to service interest and capital repayments as they fall due.

Many capital projects considered by such organisations could not proceed without the Council's assistance as these organisations are unable to satisfy commercial lending criteria.

3.7.2. Lending criteria

The Council policy is:

- (i) That the Council establishes a special fund to be known as the Selwyn District Recreational and Cultural Reserve Fund.
- (ii) The funding of this account is set at \$100,000 funded by way of transfer from the Selwyn District special fund account 'General Funds'.
- (iii) The purpose of this fund will be to advance funds to qualifying recreational and cultural organisations for the provision of essential capital assets. In principle this fund should be utilised as a lender of last resort, i.e. once other avenues such as:
 - Lotteries Commission grants
 - Hillary Commission grants
 - Trust Bank guarantees and/or grants
 - Local fundraising
 have been explored.
- (iv) The capital asset or development which is the subject of the application must be physically domiciled within the Selwyn District area and be generally available for the use of the residents of the Selwyn District.
- (v) The Council may, at its discretion and in exceptional circumstances, vary the criteria to provide physical assets that are not fixed to the land and which may not be generally available to the residents of the District. Such cases must be however for the overall enhancement of the quality of life in the District.
- (vi) All applications for assistance from this fund must be fully documented for consideration and recommendation by the Council's Corporate Services Committee. Final confirmation of approval to be ratified by the Council.
- (vii) Funds to be advanced for a maximum period of five years.
- (viii) Interest on amounts advanced to be calculated on the basis of:
 - Year 1 - 0%
 - Thereafter - 5%

- (ix) Repayments to be made at six monthly intervals on the basis of equal aggregate repayment of principal and interest.
- (x) Security for any amount advanced shall be by way of mortgage over the property concerned or personal guarantee from members of the applicant organisation. All costs associated with the application shall be the responsibility of the applicant organisation.

3.8. Commercial property strategy

3.8.1. Introduction

The Selwyn District Council investments are focused on cash and bond investments and equities.

The Council's first significant commercial property was The Warehouse Distribution Centre at Izone Southern Business Hub. This building was first purchased by the Council for \$13.5m in June 2003 and sold in February 2005 for \$15.2m. After allowing for sale costs the resulting \$1.5m surplus has been reinvested in the Council's cash and bond portfolio.

The successful management of the purchase and sale of the Warehouse building has demonstrated the ability of the Council to create higher annual cash flows (a gross rental stream of 10.25% compared to cash returns over the last 7 years, being an average of 5.9%). It also demonstrates an ability for the Council to diversify its investment risk into a wider ranging portfolio (i.e. commercial property) with the potential to generate capital gains.

The Council requested Izone Southern Business Hub project team to develop a commercial property strategy because of the individual project team member's experience with commercial property. This was adopted on 14 December 2005.

The strategy of the Council is to establish a portfolio value of \$30m with a weighting of 60% equity and 40% debt. (Being \$18,000,000 equity and \$12,000,000 debt).

The use of debt is important in the commercial property portfolio strategy as it will provide a discipline regarding investment decisions but also will ensure that the most efficient funding structure will be implemented.

In implementing this strategy the Council needs to be mindful to regularly review the strategy, understand the reasoning behind its implementation but also remember that commercial property, like most investments as a cyclical nature regarding returns which will vary over the period of an investments life.

3.8.2. Total portfolio value

In determining the value of commercial property the Council should hold, one needs to consider the mix of its overall investment portfolio. As at 30 June 2011 the investment portfolio can be described as:

| | Investments | \$'000s |
|------------------------------------|-------------|---------|
| Selwyn Investment Holdings Limited | 81.9% | 113,151 |
| Transwaste (Canterbury) Limited | 1.1% | 1,500 |
| Bond investments | 2.0% | 2,815 |
| Cash investments | 0% | 0 |
| Loans | 0.1% | 182 |
| Investment property | 14.9% | 20,646 |

| | | |
|--------------|-------------|------------------|
| Total | 100% | \$138,294 |
|--------------|-------------|------------------|

Converting cash and bond investments to commercial property changes the weighting and the risk assessment.

3.8.3. Funding of portfolio

New investments should not be fully funded from equity (in other words existing investments). There should always be a mix of equity and debt and in the situation of the commercial property portfolio the recommended balance is a 60/40 balance between equity and debt. The debt will be external debt for the Council and will be raised by using appropriate facilities that provide the lowest cost to Council. It should also minimise the type of security that needs to be provided i.e. rating security should be the most desirable. Security over buildings would increase the actual cost of the debt.

3.8.4. Annual return required from portfolio

The annual return is important because if the cashflow generated annually does not, at a minimum, exceed that which could be earned from existing cash and bond portfolio then there is no point in taking the risk of dealing in commercial property.

Historically, the Council has achieved investment returns on deposits in the range 5 to 8% and these rates will continue to fluctuate in line with interest rates in the future.

This commercial property strategy is based on a cash annualised return of a minimum of 7.5% from the portfolio. No allowance is accordingly made for revaluation movements to be distributed as income. This return allows the commercial property portfolio to hold funds for future investment but, more importantly, to create a reserve from which this annual cash flow can be maintained even if decisions have been made for the long term benefit of the portfolio which will not allow the annual income stream to exceed 9.25% i.e. retained earnings in the property portfolio can be used to supplement the required annual cash flow.

3.8.5. Location of portfolio

Consideration has been given as to the type of structure that should be considered from a location perspective.

Currently the expertise in commercial property that the Council has available is predominantly located within the Canterbury area. Although experience exists on a more national basis within the Izone Southern Business Hub Project Team, the purchasing of properties outside of the Canterbury area has a higher risk in not being easily viewable and management on a practical basis and would also rely on external consultants to assist in this process.

That aside, opportunities outside the Canterbury area must be considered on their merits.

Accordingly, the location percentage for investment will be as follows:

| Canterbury-based | Balance of New Zealand |
|-------------------------------|-----------------------------|
| 70% - 100% of total portfolio | 0% - 30% of total portfolio |

The Canterbury-based allocation may include investment opportunities within the Izone Southern Business Hub development.

3.8.6. Client type for leasing

The type of client to whom the property will be leased heavily determines decisions on expected returns.

The assessments that the Council will need to make in determining the type of lessees will need to be focused on the following considerations:

- Quality of tenant
- Whether the client is:
 - o international
 - o national
 - o regional
 - o a family run business or a corporate structure.

The key parameter with regard to client type will be the lease term. Preference in the Commercial Property Portfolio Strategy will be to have lease terms that at commencement have a minimum of five years.

3.8.7. Maximum value in any one property

The weightings in terms of the maximum value of property held in the portfolio will heavily depend on other key assessments of the portfolio but the key issue will be that the property portfolio (including cash allocated) total value for any one property will not exceed 50% of the total property held (e.g. if the property portfolio totals \$40m (over time) then the highest value

property in the portfolio would be \$20m.

Clearly flexibility has to be allowed for where a particular property has significantly increased in value due to location as opposed to lower returns on properties which, therefore, exceed the weighting of 50%.

In situations where the weighting is exceeded then the portfolio will have a 12 month period to assess the need to realign the portfolio to reflect the guideline of 50%.

3.8.8. Property types

This strategy will allow for investments in industrial, commercial, retail or vacant land as deemed appropriate by the Manager of the Property Portfolio. A good mix of property type along with strong client leases will minimise any risks from any particular property type.

3.8.9. Joint venture/partnership arrangements

Consideration will be given in this property strategy to involving other joint venture partners who have similar risk assessments and understanding of commercial property.

Different rules and guidelines can be placed around joint venture partners in the development strategy but common sense and prudence must be key considerations in identifying joint venture partners.

3.8.10. Establishing rental levels

The key factor in setting rental levels will be the market. Although no allowance is made to repay debt (principal) from annual income, consideration will be given to debt repayment on an annual basis.

3.8.11. Sale of commercial property

Commercial property will be sold:

- a) by public tender process; or
- b) by agreement with a preferred or selected purchaser with valuation evidence to support the sale price to be agreed on.

The Council recognises that opportunities to dispose of commercial property will arise from time to time.

In some situations a public tender process will be the most appropriate to allow for the market to determine the value. In other situations the specifics of a property to be sold, may be better suited by direct approaches from potential purchasers or by the Council approaching a potential purchaser. In those situations valuation evidence will be used to support sales with the final decision as to which process to use being that of the Council.

3.9. Izone Southern Business Hub

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| Policy Statement | Although developed with the objective of creating employment opportunities within the District, Izone Southern Business Hub offers the opportunity to create investment returns as a secondary activity. |
|------------------|--|

4. Process of acquisition

4.1. Equity investments

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|------------------|---|
| Policy Statement | All equity investment purchases that meet the major transaction definition must be approved by the Council. |
|------------------|---|

The constitution of SIHL states that all major transactions must be approved by the Council.

Major transactions are identified as being:

- a) the acquisition of, or an agreement to acquire, by the company, whether contingent or not, assets equivalent in value to the value of the assets or the greater part of the assets of the company before the acquisition; or
- b) the disposition of, or an agreement to dispose of, whether contingent or not, the whole or the greater part of the assets of the company; or
- c) a transaction which has, or is likely to have, the effect of the company acquiring rights or interests or incurring obligations or liabilities equivalent in value to the value of the assets or the greater part of the assets of the company before the transaction.

All requests for the Council to approve the acquisition of equity investments must be fully supported by an appropriate analysis. The overriding concern to the Council by approving any equity investment will be that the economic value of its investment is being increased.

Equity investment for the reason of economic development of the District or for the provision of employment opportunities for Selwyn residents will be considered. Such investments must ensure the economic value of the Council is not adversely affected or compromised.

4.2. Infrastructure

All investments by the Council in infrastructure must be approved by the full Council.

| | |
|------------------|--|
| Policy Statement | All investments in infrastructure must be approved by the Council. |
|------------------|--|

5. Disposal process

5.1. Equity investments

| | |
|------------------|---|
| Policy Statement | All equity investment disposals that meet the major transaction definition must be approved by the Council. |
|------------------|---|

Decisions to dispose of equities must be fully supported by generally accepted financial analysis.

The concerns of the community must be considered. As the investments are held in trust for the community of Selwyn, any disposal must be in the best interests of the community. The inability of the Council to add economic value to its equity investments will be the key driver in any equity disposal.

The Council will seek appropriate advice on any decisions it makes.

6. Special funds

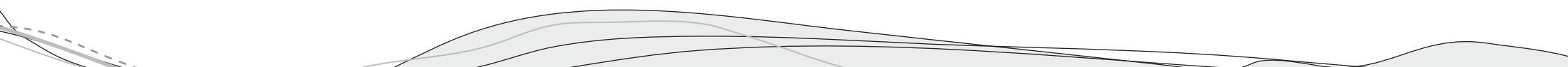
The Council holds a variety of special funds that have been set up for specific purposes.

| | |
|------------------|---|
| Policy Statement | The Council, by 30 June each year will review the merit of each special fund. |
|------------------|---|

7. Reporting

Investments in cash and bonds will be reported to the Council on a quarterly basis.

SIHL manages the Council’s investments in Orion, Selwyn Plantation Board, SICON and Ferguson Brothers Limited and will report to the Council on a quarterly basis.



RATES REMISSION POLICY INCLUDING MĀORI FREEHOLD LAND

This policy is prepared under section 102(5) of the Local Government Act 2002 using the special consultative procedure laid down in section 83 of that Act.

Background

The new Local Government (Rating) Act 2002 has changed the processes required for rating from 1 July 2003. Under the old legislation remission of rates was in some cases mandatory, with others at the discretion of the Council. Mandatory remissions do not exist under the new Act and the Council is required to develop its own remission policies and these need to be adopted through the Annual Plan process.

The new Act allows the Council to remit rates 'for any reason, on any land and to any extent', provided that the remission is in accordance with rules that the local authority sets for itself in a remission policy. Remission of rates involves reducing the amount owing or waiving the collection of rates altogether.

Why have a rates remission policy?

Rate remissions can be used to assist in achieving the economic, social, environmental or cultural outcomes contained in the Council's Long Term Plan, i.e. remissions for community facilities under its 'Community Events and Facilities' strategic plan outcomes. To mitigate individual circumstances i.e. remission of penalties.

Principles to consider in setting a rates remission policy

Remissions should be linked to the objectives in the Council's Long Term Plan. In other words the remission policy should assist in achieving the desired direction and outcomes contained in the Council's planning documents. The policy should be complimentary to the other programmes provided by the Council. The Council grants may be a more appropriate way of achieving the desired outcome than by way of a rate remission.

The policy should be clear, unambiguous, and easily understood. This is important as the remission policy is subject to the special consultative procedure.

The policy should be in terms of categories of rating units rather than individual rating units.

The policy should be periodically reviewed to ensure it achieves the outcomes sought by the Council.

It should be remembered that remissions shift the rate burden between properties. Remitting rates from one property means those remitted rates need to be collected from other properties. The policy needs to be fair and equitable.

Considerations made when developing the Rates Remission Policy.

Strategic goals

There are a number of Strategic Goals where rates remission is or may be a useful tool in assisting the Council to achieve those goals and outcomes.

Identified Strategic Goals are as follows:

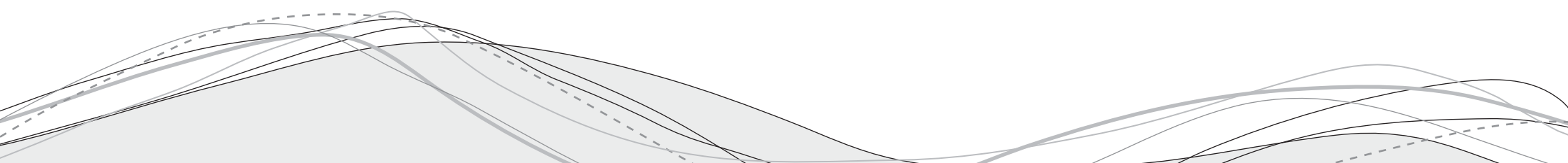
1. Strategies that promote a sense of community and support initiatives to enhance social well-being.
2. Strategies that are good for economic growth, promote and facilitate economic development and employment opportunities.
3. Strategies, which manage our natural and developed environment and protect and enhance the visual character, heritage and cultural values of the rural area.
4. Strategies that make our district a great place in which to live.

Grants are also available to foster community identity, participation and to encourage use of existing facilities.

Remission of rates for economic development

Various Councils have in the past included a provision for the remission of rates in order to promote employment and economic development within their district. This Council has not had such a policy. Given that there has been a very limited number of requests for this type of remission may indicate that such a provision is unnecessary. Although a rate relief policy could assist in achieving strategy 2 above, a number of factors have led to this being excluded from the remission policy.

A new business given a rate remission can often be in direct or indirect competition with existing businesses that are paying full rates.



This District is currently having success in attracting new business without this type of rate remission.

Remissions for community, sporting and other organisations

Objective

To facilitate the provision of non-commercial (business) community services, facilities and recreational opportunities for the residents of the Selwyn District Council.

The purpose of granting rate remission to an organisation is to:

- Assist the organisation's survival.
- Make membership of the organisation more accessible to the general public, particularly disadvantaged groups including children, youth, young families, aged people, and economically disadvantaged people.

Conditions and criteria

This policy will apply to rating units owned by the Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.

The policy does not apply to organisations operated for private pecuniary profit, or which charge a commercial tuition fee, or commercial rent.

The maximum rate remission (other than for community halls) will be 50% of general rates.

(Note: The holding of a liquor licence will not disqualify an organisation from receiving a rate remission).

The Te Pirita, Irwell, Motukarara, Springston South and Sedgemere Halls are identified as playing a special role in the District's communities and shall therefore receive a 100% general rate remission.

(Community halls' remissions are covered under the Local Government (Rating) Act 2002).

Remission of rates on Māori freehold land

The Council will consider applications for remission of rates on Maori Freehold Land in accordance with its existing policies.

Postponement of rates

The Local Government (Rating) Act 2002 allows Councils to have a rates postponement policy for any reason on any land and to any extent.

The Council does not currently have a policy on postponement of rates but, if necessary, will treat each individual case on its merits.

Remission of sewerage rates for schools

The Council rating policy for sewerage is that all properties connected to sewerage will pay one uniform rate for the first three pans located on a property with the 4th and all subsequent pans being levied at 25% of the first pan. The reduction to 25% was calculated to reflect the fact that residents who own a domestic dwelling may also at times use the sewerage facilities (mainly recreational) of properties that have a multiple pan charge. The reason for this lower charge was to reflect that the same sewerage effluent was being generated in a town, but was being disposed of at different sites within a town.

A number of submitters to the Council's draft 2003/2004 annual budget asked whether schools could receive a further lower charge due to their belief that children generally tend to use the sewerage facilities at home as opposed to those at school. They suggested that pan charges based on Ministry of Education guidelines as to the number of pans required to be supplied by schools for staff and students, as opposed to the actual pans installed by a school, should be used for charging schools sewerage.

The Council agreed to this suggestion and now provides rates remissions to ensure the annual sewerage rating reflects the number of pans required by the Ministry of Education guidelines.

Rating hardship policy for capital contributions

1. The Council's rating hardship policy for capital contributions is as follows:
 - (a) The underlying principle of giving ratepayers assistance with their Capital Contribution is that the payment arrangement be fair and reasonable to the ratepayer concerned.
 - (b) Ratepayers must enter into automatic payment or like arrangements to repay capital contributions.
 - (c) Caveats over titles are to be registered wherever payment is to be deferred for a period greater than twelve months.

- (d) The Council will meet all costs of lodging a caveat and its ultimate removal.
- (e) Ratepayers who can provide evidence that an assets sale is pending which will allow a lump sum, be given a maximum twelve month period to liquidate that asset and pay the capital contribution except where a complying system exists.
- (f) Each ratepayer applying for hardship assistance must provide an appropriate financial declaration to the Council and must show that they have sought assistance from other welfare agencies or financial institutions as appropriate.
- (g) Approval of all rating hardship applications under this Policy must be from the Council's Manager of Corporate Services or appropriate Councillor or Chairman of a Committee which has financial responsibilities and, where appropriate, consultation with the community representative.

Remission of penalty on overdue instalment

Ratepayers shall be allowed one overdue instalment in 24 months, penalty free, on application.

Remission of penalty if rates paid on second instalment

If the full year's payment of rates is made on the second instalment in any year, any penalty incurred for late payment on the first instalment shall be remitted.

Remission of rates penalties and other certain rates

Penalties on rates or levies may be remitted where the following criteria are satisfied.

1. A written application is made specifying the reason for non-payment and the period for which the application is made.
2. The reason for non-payment involves one of the following circumstances:
 - a. Hospitalisation or other medical reasons (where confirmed by medical evidence).
 - b. Deceased estates (where a deceased ratepayer's affairs have been delayed by statutory process).
 - c. Land transfer or subdivision (where this has been delayed by the statutory process - this will need to be subject to limitations).
3. The Manager Corporate Services has the authority to remit penalties and levies in circumstances where it would be reasonable to do so other than those listed in (1) and (2) and shall report such remissions regularly to the Council or appropriate Committee.

Remissions of targeted rates & uniform annual and general charges

The following are exempted from uniform annual general charges & targeted rates for libraries and recreation reserves:

1. Sports, community-based or similar organisations.
2. Ratepayers who own a dwelling and vacant land, the exemption to be on the vacant land.
3. Ratepayers, where vacant land can be identified as integral to the operation of their business, the exemption to be on the vacant land.
4. Ratepayers who own a dwelling and a commercial, industrial or service based property that does not have dwelling facilities, the exemption to be on the commercial, industrial or serviced based property.

The exemptions in clauses (a) to (d) above apply to ratepayers who own property in multiple library rating districts, as per section 20 of the Local Government (Rating) Act 2002, and are the decision of the Manager Corporate Services.

The exemptions in (a) to (d) above do not limit a ratepayer's entitlement to exemptions under the contiguous property rules of section 20 of the Local Government (Rating) Act 2002.

Remission of rates on Plunket branches

1. Properties owned by the Royal New Zealand Plunket Society shall not be charged the uniform annual general charge while used one hundred percent as a child care facility.
2. All properties of the Plunket Society shall be charged for all services as provided as separate items by the Council (e.g. water, refuse, sewer, etc).

Remission of rates on Masonic lodges

50% remission of general rates on lodges owned by the Freemasons of New Zealand.

Remission of rates on open space covenants

Remission of rates for protected areas of significant indigenous flora or fauna, landscape or geological value.

Policy Objective

- To acknowledge the wider community benefit of protecting areas of significant indigenous flora or fauna, landscape or geological value which are often on privately owned land by sharing the cost by way of a rating remission.

- To recognise the extent of voluntary protection given to natural values on private land by granting a rating remission commensurate with the level of protection offered.
- To recognise that inappropriate use may result in compromising the indigenous flora or fauna, landscape or geological value and that the landowners should receive compensation from having to pay rates on that land where preservation and protection is occurring.

Criteria

For land held under a legal protection mechanism or formal agreement for preservation and protection:

The Council will grant rating remissions for identified significant indigenous flora or fauna, landscape or geological value in accordance with the following formula (to the extent practically possible using existing rating administrative systems):

- 100% rating relief for any identified significant indigenous flora or fauna, landscape or geological value with a legal mechanism for the purpose of preservation and protection in perpetuity.
- 70% rating relief for any identified significant indigenous flora or fauna, landscape or geological value with a legal mechanism for the purpose of preservation and protection for a period less than 25 years.
- 70% rating relief for any identified significant indigenous flora or fauna, landscape or geological value with a formal mechanism for the purpose of providing for the preservation or protection.

Rating remission will be calculated in the following manner:

- The area of land (ha) covered by the identified significant indigenous flora or fauna, landscape or geological feature will be multiplied by \$300 to give a value for the indigenous flora or fauna, landscape or geological value.
- The resulting figure will be calculated as a percentage of the total land value of the property.
- The resulting percentage will be applied to the existing rating assessment to the general rates component.
- The appropriate percentage rating remission (e.g. 70% or 100% prescribed above) will be calculated. The result will be the level of remission granted.

Terms

Identified - means identified in the District Plan, Significant Natural Area Report, Canterbury Biodiversity Strategy or other areas considered worthy of protection by covenanting bodies.

Legal mechanism - options include an open space covenant or Kawanata Maori with QEII

Trust, Banks Peninsula Conservation Trust, DoC, a Nga Whenua Rahui protection or landowners independently registering private covenants on their title.

Formal mechanism - means a written agreement or understanding between at least the Council and the landowner.

Significant indigenous flora or fauna, landscape or geological value of a site is as defined in appendices 12, 13 and 14 of the District Plan.

Scout group hall rating

The Council will allow a 50% remission of general rates for all Scout Groups.

School and service club endowment land

School and service club endowment plantations within the Selwyn District Council that are planted on rateable property shall be granted a 50% rates remission.

Refuse rating through routes

The uniform annual charge for availability of refuse collection shall be maintained, with exemptions being granted to those ratepayers who are on through routes, as defined by the current refuse route map and who can demonstrate acceptable alternative refuse disposal options.

Remission of rates on land protected for natural, historic or cultural conservation purposes

The Council may provide rates remission to ratepayers who meet objectives, conditions and criteria of this policy.

Objective

Rates remission is provided where it is necessary to preserve and promote natural resources and heritage by encouraging the protection of land held for a natural, historic or cultural purpose.

Conditions and criteria

Ratepayers who own rating units which have some feature or cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this policy.

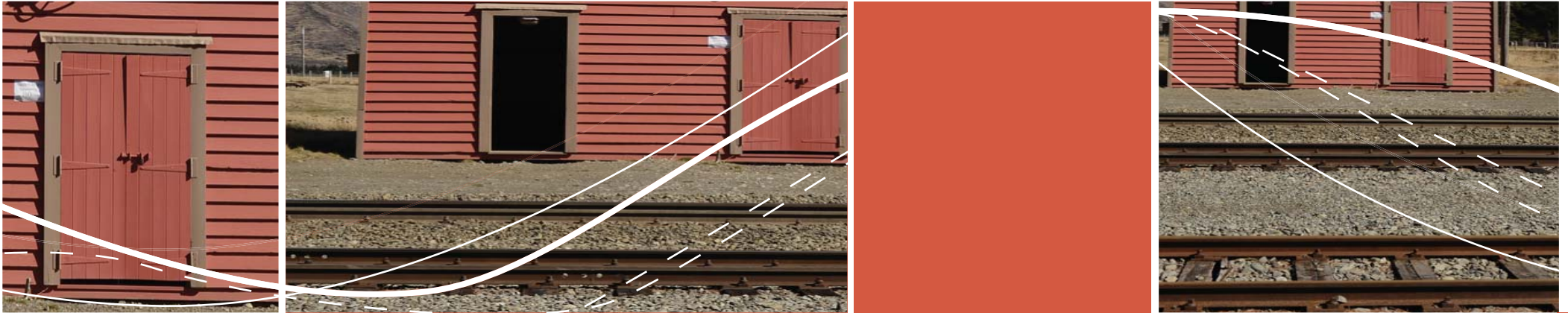
Applications should be supported by documentary evidence of the protected status of the rating unit, for example, the copy of the covenant or other legal mechanism.

In considering any application for remission of rates under this part of this policy, the Council will consider the following criteria:

- 1 The extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.

- 2 The degree to which features of natural, cultural or historic heritage are present on the land.
- 3 The degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land.

In granting remissions under this policy, the Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.



COUNCIL INFORMATION

COUNCIL INFORMATION

Mayor and Councillors contact details

| <i>Mayor</i> | | <i>Deputy Mayor - Selwyn Central Ward</i> | |
|----------------------------|--|---|---|
| Kelvin Coe | 513 The Lake Road RD 3 LEESTON 7683 (H) (03) 329 1768 (F) (03) 329 1786 (C) 027 267 7732 kelvin.coe@selwyn.govt.nz | Sarah Walters | 143 Midhurst Road RD 1 CHRISTCHURCH 7671 (H) (03) 318 1227 (C) 027 270 1215 sarah.walters@selwyn.govt.nz |
| Selwyn Central Ward | | | |
| Mark Alexander | 478 Two Chain Road RD 7 CHRISTCHURCH 7677 (H) (03) 347 6393 (F) (03) 347 6392 (C) 027 526 6388 mark.alexander@selwyn.govt.nz | Jeff Bland | Weedons Road RD 8 CHRISTCHURCH 7678 (H) (03) 347 4070 (C) 027 399 9206 jeff.bland@selwyn.govt.nz |
| Peter Hill | 1316 Tramway Road RD 2 LEESTON 7682 (H) (03) 325 4450 (C) 027 364 5834 peter.hill@selwyn.govt.nz | | |
| Malvern Ward | | | |
| Sam Broughton | 275 Waireka Road RD 1 DARFIELD 7571 (H) (03) 318 8284 (C) 027 223 8345 sam.broughton@selwyn.govt.nz | John Morten | 224 Waireka Road RD 1 DARFIELD 7571 (H) (03) 317 9001 (F) (03) 317 9002 (C) 027 200 2578 john.morten@selwyn.govt.nz |

Springs Ward

| | | | |
|-----------------------|--|----------------------|--|
| Lindsay Philps | 14 Lyttelton Street LINCOLN 7608 (H) (03) 325 2130 (C) 027 295 3868 lindsay.philps@selwyn.govt.nz | Malcolm Lyall | 520 Springs Road PREBBLETON 7604 (H) (03) 349 7990 (C) 027 433 9964 malcolm.lyall@selwyn.govt.nz |
| Debra Hasson | 152 Chamberlains Road RD 4 CHRISTCHURCH 7674 (H) (03) 329 5445 (C) 027 435 5055 debra.hasson@selwyn.govt.nz | | |

Ellesmere Ward

| | | | |
|--------------------|--|----------------------|---|
| Pat McEvedy | 80 St John Street SOUTHBRIDGE 7602 (H) (03) 324 2572 (C) 027 430 3818 pat.mcevedy@selwyn.govt.nz | Nigel Barnett | 176 Dunsandel/Hororata Road Dunsandel, RD 2 LEESTON 7682 (H) (03) 325 4205 (C) 027 484 4888 nigel.barnett@selwyn.govt.nz |
|--------------------|--|----------------------|---|

Community board members

Malvern Community Board

| Chairperson | | Deputy Chairperson | |
|------------------------|---|---------------------|---|
| Jenny Gallagher | 43 Tramway Road RD 1 DARFIELD 7571 (H) (03) 318 1784 (C) 027 497 0120 jenny.gallagher@selwyn.govt.nz | Allan Thorne | Arbourlea 2143 Bealey Road RD 2 DARFIELD 7572 (H) (03) 318 0798 (F) (03) 318 0797 allan.thorne@selwyn.govt.nz |
| Mary Ireland | 3D Perrin Place DARFIELD 7510 (H) (03) 318 8649 (F) (03) 318 8648 mary.ireland@selwyn.govt.nz | Bill Frost | 55 Station Road RD 1 COALGATE 7673 (H) (03) 318 2604 (F) (03) 318 2601 bill.frost@selwyn.govt.nz |
| Bob Mugford | PO Box 35 COALGATE 7646 (H) (03) 318 2877 bob.mugford@selwyn.govt.nz | | |

Selwyn Central Community Board

| Chairperson | | Deputy Chairperson | |
|-----------------------|---|--------------------|--|
| Liz Russell | 7 Oak Tree Lane ROLLESTON 7614 (H) (03) 347 7262 (C) 027 240 7964 liz.russell@selwyn.govt.nz | Alan French | 23 Delaware Way ROLLESTON 7614 (H) (03) 347 2338 (C) 027 664 4305 alan.french@selwyn.govt.nz |
| Sandy Williams | 3 Verona Court ROLLESTON 7614 (H) (03) 377 2908 (C) 027 663 692 sandy.williams@selwyn.govt.nz | Joyce Davey | 6 Juliet Place ROLLESTON 7614 (H) (03) 347 8217 joyce.davey@selwyn.govt.nz |

WHERE TO GO FOR MORE INFORMATION

The Long Term Plan 2012/22 is also available at www.selwyn.govt.nz or you can get a copy at any Selwyn District libraries/service centres (see list below).

| Customer services | | |
|--|--|---|
| For general enquiries, assistance and information. Telephone (03) 347 2800 or (03) 318 8338 | | |
| Website | Selwyn District Council Headquarters | |
| www.selwyn.govt.nz | 2 Norman Kirk Drive PO Box 90 ROLLESTON 7643 | |
| Service Centres | | |
| Leeston Library / Service Centre High Street Private Bag 1 LEESTON Phone (03) 324 8080 | Darfield Service Centre South Terrace DARFIELD 7510 Phone (03) 318 8338 | |
| Lincoln Service Centre Gerald Street LINCOLN 7608 Phone (03) 347 2875 | Rolleston Library / Service Centre Rolleston Drive ROLLESTON 7614 Phone (03) 347 2880 | |
| Auditors | Bankers | |
| Audit New Zealand PO Box 2 CHRISTCHURCH 8140 On behalf of the Auditor-General | Westpac PO Box 2721 CHRISTCHURCH 8140 | |
| Solicitors | Sister Districts | |
| Buddle Findlay PO Box 322 CHRISTCHURCH 8140 | Akitakata City City Offices, Yoshida 791 Yoshida Cho, Hiroshima 731 0592 JAPAN | Shandan County Government North Road No.3 Qingquan Town Shandan County Gansu Province CHINA 734100 |
| | Town of Yubetsu Minatomachi 31, Yubetsu-Cho Monbetsu-gun, Hokkaido 099 640, JAPAN | The Malvern Community Board has been delegated the authority to facilitate relationships with Yubetsu-Cho. |

COUNCIL CONTROLLED TRADING ORGANISATIONS

Council companies

| Selwyn Investment Holdings Limited (100% owned by the Council) | Selwyn Plantation Board Ltd (60.68% owned by Selwyn Investment Holdings Limited) |
|--|--|
| PO Box 90 ROLLESTON 7643 Phone (03) 347 2800 Fax (03) 347 2799 Website www.sihl.co.nz | |
| Board WJ Bell (Chairperson) J Morten | Board R Polson (Chairperson) A Berge S Astor J Morten |
| SICON Limited (100% owned by Selwyn Investment Holdings Limited) | |
| 3 South Terrace PO Box 40 DARFIELD 7541 Phone (03) 324 3068 or (03) 318 8320 Fax (03) 318 8578 E-mail sicon@sicon.co.nz Website www.sicon.co.nz | |
| Board W Bell (Chairperson) T Roulston P Carnahan N McBreen | |

Other council organisations

| Central Plains Water Trust (50% owned by Selwyn District Council) | | Izone Southern Business Hub Council committee established to develop an industrial park at Rolleston | |
|--|--|--|--|
| PO Box 90 ROLLESTON 7643 Phone (03) 347 2800 Fax (03) 347 2799 | | PO Box 90 ROLLESTON 7643 Phone (03) 347 2800 Fax (03) 347 2799 | |
| Trustees DJ O'Rourke (Chairperson) DJ Catherwood RW Davison DAR Haslam V Smart C Williams | | Website www.izone.org.nz | |
| | | Committee Members JB Morten (Chairperson) JL Christensen WJ Bell S Price R McEwan | |
| | | Chief Executive RD Hughes Developments Limited Attention: Robin Hughes Phone (03) 379 2609 | |
| | | The Council Manager responsible DD Marshall – Manager Corporate Services | |