

Financial Information

This section presents the financial implications of the Plan. It looks at the net worth, cashflows, performance and the overall position for the 2010/2011 year compared to what was forecast in the LTCCP. This section also details any changes to the assumptions made by Council in preparing the Plan as well as information about the revised rates for 2010/2011 in the funding impact statement and whether the Council is balancing its budget. The section also includes variations to fees and charges as well as the Accounting Policies used to prepare the financial information.

Key Assumption Changes

The Long Term Council Community Plan (LTCCP) 2009-2019 included significant forecasting assumptions that had been applied to develop the 10 year forecast. The assumptions contained in the LTCCP remain unchanged in this Draft Annual Plan apart from the variations described below. For details of the unchanged assumptions, please see the Council's LTCCP 2009-2019.

Interest Rate on Investments

Using the Reserve Bank's six month deposit rates for the last 10 years, the interest rate applicable to investments for each of the 10 years is now 6.1% rather than 6.4% as applied in the LTCCP.

Interest Rate on Borrowings and Internal Borrowings

Using the Reserve Bank's 90 day bank bill rates for the last 10 years, the interest rate applicable to all external or internal borrowings for each of the 10 years is now 6.76% rather than 7.75% as applied in the LTCCP.

Price Level Changes (Inflation)

Price Level Changes have been based on the latest information supplied by BERL in October 2009.

The table opposite details the updated indices which have been used in preparing this Plan. Figures for the 2019/2020 year were not supplied by BERL and as such Council has derived these using the trends from the BERL forecasts for each of the cost areas. The roading programme for 2010/2011 and 2011/2012 is based on the Roding Department's Asset Management Plan and as such price level changes have not been included for years 2010/2011 and 2011/2012 but have been used for the remaining programme at the rates indicated.

YEAR	Roding	Property	Water	Energy	Staff	Other
10/11	3.2%	2.6%	2.9%	3.6%	2.3%	3.9%
11/12	3.4%	2.3%	3.4%	3.2%	2.3%	3.3%
12/13	2.1%	2.3%	2.8%	2.9%	2.3%	4.2%
13/14	2.6%	2.3%	2.8%	2.9%	2.3%	3.4%
14/15	2.5%	2.3%	2.8%	2.7%	2.3%	3.1%
15/16	2.7%	2.3%	2.8%	2.6%	2.3%	2.9%
16/17	2.9%	2.3%	2.9%	2.7%	2.3%	2.7%
17/18	3.1%	2.3%	3.0%	2.7%	2.3%	2.4%
18/19	3.3%	2.3%	3.0%	2.7%	2.3%	2.2%
19/20	3.5%	2.3%	3.0%	2.7%	2.3%	2.0%

Depreciation

Depreciation on motor vehicles has been updated to reflect Council owned vehicle assets as of 30 June 2009. For all other assets depreciation rates and amounts will remain unchanged from the LTCCP.

Vehicle Costs

All vehicle costs (fuel, repairs and maintenance, insurance etc) have been reviewed and where the 2008/2009 actuals were significantly different from the LTCCP budget, changes have been made to reflect actual costs in the 2010/2011 Annual Plan estimates.

Financial Statements

PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME For the year ending 30 June 2011

	LTCCP 2010/2011	Annual Plan 2010/2011
Income		
Rates Revenue	34,551,515	34,283,124
Other Revenue	6,190,349	6,183,958
Interest and Dividends	764,376	262,693
New Zealand Transport Agency	14,840,615	15,626,301
Grants and Subsidies	381,549	400,998
Other Gains/(Losses)	752,510	686,072
Vested Assets	-	231,360
Development and Financial Contributions	341,946	399,175
MOH Subsidy for Sewerage/Water Schemes	2,015,019	3,150,597
Scheme Capital Recovery for Sewerage/Water Schemes	-	1,715,377
	59,837,879	62,939,655
Expenditure		
Employee Benefit Expenses	9,034,999	9,048,546
Depreciation and Amortisation	21,860,502	21,865,016
Finance Costs	1,419,076	301,479
Other Council Expenditure	28,822,430	28,679,943
	61,137,007	59,894,984
OPERATING SURPLUS/(DEFICIT)	(1,299,128)	3,044,671
Gain/(Loss) on Property, Plant and Equipment Revaluations	62,778,391	57,935,846
TOTAL COMPREHENSIVE INCOME	61,479,263	60,980,517

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY
For the year ending 30 June 2011

	LTCCP 2010/2011	Annual Plan 2010/2011
Balance at 1 July	1,334,032,337	1,321,076,763
Net Comprehensive Income for the year	61,479,263	60,980,517
Total Recognised Income and Expenditure	61,479,263	60,980,517
Balance at 30 June	1,395,511,600	1,382,057,280

PROSPECTIVE STATEMENT OF FINANCIAL POSITION
As at 30 June 2011

	LTCCP 2010/2011	Annual Plan 2010/2011
Equity		
Retained Earnings	741,727,044	732,383,174
Asset Revaluation Reserves	642,906,157	635,974,434
Other Reserves	10,878,399	13,699,672
	1,395,511,600	1,382,057,280
Represented by:		
Current Assets		
Cash and Cash Equivalents	8,997,282	5,301,510
Trade and Other Receivables	6,998,310	7,399,401
Inventories	363,066	357,636
	16,358,658	13,058,547
Non-Current Assets		
Property, Plant and Equipment	1,393,717,952	1,380,560,265
Intangible Assets	523,861	403,470
Forestry Assets	11,034,200	8,839,500
Other Financial Assets	8,082,437	2,386,898
	1,413,358,450	1,392,190,133
TOTAL ASSETS	1,429,717,108	1,405,248,680
Current Liabilities		
Trade and Other Payables	5,908,497	5,450,695
Contract Retentions and Deposits	741,958	760,799
Employee Benefit Liabilities	1,262,984	1,520,156
Development and Financial Contributions	5,784,451	1,950,454
Provision for Decommissioning	10,272	14,000
	13,708,162	9,696,104
Non-Current Liabilities		
Employment Benefit Liabilities	420,026	439,502
Provision for Decommissioning	78,289	74,561
Borrowings	19,999,031	12,981,233
	20,497,346	13,495,296
TOTAL LIABILITIES	34,205,508	23,191,400
NET ASSETS	1,395,511,600	1,382,057,280

PROSPECTIVE STATEMENT OF CASHFLOWS

	LTCCP 2010/2011	Annual Plan 2010/2011
CASHFLOWS FROM OPERATING ACTIVITIES		
Cash provided from		
Receipts from Rates Revenue	34,551,515	34,283,124
Receipts from New Zealand Transport Agency funding	14,840,615	15,626,301
Interest and Dividends	764,376	262,693
Contributions from Developers	2,008,739	399,175
Receipts from Other Revenue	9,149,846	11,670,105
	61,315,091	62,241,398
Cash disbursed to		
Interest	1,419,076	301,479
Payments to Suppliers and Employees	37,382,482	37,775,798
	38,801,558	38,077,277
Net Cash Inflow/(Outflow) from Operating Activities	22,513,533	24,164,121
CASHFLOWS FROM INVESTING ACTIVITIES		
Cash provided from		
Sale of Property, Plant and Equipment	66,950	74,462
Reduction in Investments	4,192,245	3,326,115
	4,259,195	3,400,577
Cash disbursed to		
Acquisition of Investments	-	-
Purchase of Intangible Assets	41,320	142,599
Purchase of Property, Plant and Equipment	24,328,381	30,239,602
	24,369,701	30,382,201
Net Cash Inflow(Outflow) from Investing Activities	(20,110,506)	(26,981,624)
CASHFLOWS FROM FINANCING ACTIVITIES		
Cash provided from		
Proceeds from Borrowings	1,423,421	3,275,411
Cash disbursed to		
Repayment of Borrowings	959,928	139,407
Net Cash Inflow(Outflow) from Financing Activities	463,493	3,136,004
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	2,866,520	318,501
Cash and Cash Equivalents at the beginning of the year	6,130,762	4,983,009
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8,997,282	5,301,510

Reconciliation between the Net Surplus (from the Statement of Comprehensive Income) and Net Cash from Operating Activities (from the Statement of Cashflows)

	LTCCP 2010/2011	Annual Plan 2009/2010
Surplus (Deficit)	(1,299,128)	3,044,672
<u>Add (Less) Non-Cash Items</u>		
Depreciation and Amortisation	21,860,502	21,865,016
Vested Assets	-	(231,360)
Forestry Revaluation	(685,560)	(611,610)
<u>Add (Less) Movements in Working Capital Items</u>		
Trade and Other Receivables	562,929	219,175
Trade and Other Payables	484,730	(37,527)
<u>Other</u>		
Gains/(Losses) on Disposal of Property, Plant and Equipment	(66,950)	(74,462)
Movement in Provision for Decommissioning	(9,783)	(9,783)
Movement in Development Contributions	1,666,793	-
Net Cash Inflow/(Outflow) from Operating Activities	<u>22,513,533</u>	<u>24,164,121</u>

Note 1: Reconciliation between Prospective Cost of Service Statements and the Prospective Statement of Comprehensive Income

Activity	<u>LTCCP 2010/2011</u>			<u>Annual Plan 2010/2011</u>		
	Revenue (1)	Expenditure	Surplus/(Deficit)	Revenue (1)	Expenditure	Surplus/(Deficit)
Beautification	772,940	701,396	71,544	800,300	728,736	71,564
Building Control	1,282,923	1,315,128	(32,205)	1,265,484	1,313,490	(48,006)
Cemeteries	172,579	172,892	(313)	186,990	187,380	(390)
Civil Defence and Emergency Management	265,079	274,227	(9,148)	263,300	335,853	(72,553)
Community Centres	383,452	537,418	(153,966)	393,437	813,987	(420,550)
Community Housing	268,833	301,713	(32,880)	269,519	290,732	(21,213)
District Support	3,694,366	3,582,410	111,956	3,131,390	2,554,863	576,527
Dog Control	275,165	275,024	141	301,113	297,095	4,018
Forestry	1,424,260	403,130	1,021,130	1,310,190	420,326	889,864
Grants and Donations	3,080,022	3,495,008	(414,986)	3,097,490	3,373,843	(276,353)
Health Regulation	392,963	429,059	(36,096)	382,761	417,427	(34,666)
Library Service	1,115,687	1,146,309	(30,622)	1,131,392	1,219,592	(88,200)
Other Local Services	540,992	626,996	(86,004)	540,007	658,392	(118,385)
Parks and Reserves	925,364	709,271	216,093	928,660	744,028	184,632
Public Conveniences	219,622	113,258	106,364	117,792	154,864	(37,072)
Representation and Advocacy	2,531,073	2,659,976	(128,903)	2,541,955	2,647,013	(105,058)
Resource Management	1,312,357	1,905,558	(593,201)	1,207,844	1,959,281	(751,437)
Roading and Transport	25,967,399	26,880,880	(913,481)	26,823,325	26,640,970	182,355
SIESA	1,233,188	1,406,345	(173,157)	1,170,111	1,249,518	(79,407)
Solid Waste Management	4,548,112	4,990,540	(442,428)	3,803,137	4,219,599	(416,462)
Stormwater	480,206	858,500	(378,294)	638,641	858,203	(219,562)
Strategy and Communication	1,181,606	1,206,918	(25,312)	1,238,943	1,227,253	11,690
Te Anau Airports	291,983	668,785	(376,802)	456,432	627,101	(170,669)
Wastewater	2,746,396	3,134,887	(388,491)	6,214,039	3,567,300	2,646,739
Water Supply	4,667,179	3,282,793	1,384,386	4,658,385	3,329,767	1,328,618
Work Schemes	64,135	58,588	5,547	67,018	58,371	8,647
Total Activities	59,837,881	61,137,009	(1,299,128)	62,939,655	59,894,984	3,044,671
Gain/(Loss) on Property, Plant and Equipment Revaluations	62,778,391	-	62,778,391	57,935,846	-	57,935,846
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	122,616,272	61,137,009	61,479,263	120,875,501	59,894,984	60,980,517

(1) The forestry revenue includes the forestry revaluation gain(loss).

Accounting Policies

Reporting Entity

The Southland District Council (referred to as “SDC” or “Council”) is a territorial local authority governed by the Local Government Act 2002. The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial profit. Accordingly, SDC has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements represent the results of the Council’s 26 significant activities (detailed on pages 119 to 126) including the Stewart Island Electrical Supply Authority (SIESA). SIESA is a business unit of the Council, which generates and reticulates electricity to the majority of Stewart Island residents and industry.

Venture Southland is a joint venture with Invercargill City Council and Gore District Council, for the development and promotion of Southland in terms of enterprise, tourism and the people of the province.

The prospective financial information reflects the operations of the SDC but do not include the consolidated results of Council controlled organisations and Venture Southland. The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to the users.

The prospective financial statements of Council were authorised for issue by Council on 30 June 2010.

Basis of Preparation

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

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

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

Prospective Financial Information

The financial information contained within this Long Term Community Council Plan (LTCCP) is prospective financial information in terms of Financial Reporting Standard 42 (FRS 42) ‘Prospective Financial Statements’. The purpose for which is to enable ratepayers, residents and all other interested parties to obtain information about the expected future financial performance, position and cashflow of SDC.

The actual results achieved for any particular financial year are also likely to vary from the information presented, and may vary materially depending on the circumstances that arise during the period.

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

Measurement Base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of heritage assets, certain infrastructural assets, and biological assets.

The financial statements are presented in New Zealand dollars (the functional currency of the SDC) and all values are rounded to the nearest dollar.

(a) Revenue

Rates are set annually by a resolution from 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.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Interest is recognised using the effective interest method.

Subsidies from New Zealand Transport Agency and grants from other Government agencies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other grants and bequests, and assets vested in the Council - with or without conditions - are recognised as revenue when control over the assets is obtained.

Development and financial contributions are recognised at the later of the point when the Council is ready to provide the service for which the contribution was levied, or the event that will give rise to a requirement for a development or financial contribution under the legislation.

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

(b) Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred. The Council has not capitalised borrowing costs associated with funding capital works in progress as required under NZ IAS (New Zealand equivalents to International Accounting Standards) 23 Borrowing Costs. Public benefit entities may defer adoption of NZ IAS 23 pending the completion of the Financial Reporting Standard Board's research project into the application of NZ IAS 23 (revised 2008) by public benefit entities.

(c) 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.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of SDC's decision.

(d) Leases

▪ *Finance Leases*

Finance leases effectively transfer to the lessee substantially all the risks and benefits incidental to the ownership of the leased item, whether or not title is eventually transferred. 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 SDC 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.

▪ *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.

(e) Equity

Equity is the communities' interest in the Council as measured by total assets less total liabilities. Equity is classified into a number of reserves to enable clearer identification of the specified uses that the Council makes of its accumulated surpluses. The components of equity are:

- Retained Earnings
- Council created reserves (general reserve, separate account balances and rates appropriation balance)
- Special reserves (managed by Allocation Committees)
- Asset revaluation reserves

Reserves represent a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Council created reserves may be altered without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

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

(f) 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.

(g) Trade and other receivables

Trade 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.

Loans, including loans to community organisations made by SDC at nil, or below-market interest rates are initially recognised at the present value of their expected future cashflows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cashflows of the loan is recognised in the Statement of Financial Performance as a grant.

A provision for impairment of receivables is established when there is objective evidence that the Council 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 cashflows, discounted using the effective interest method.

(h) Inventories

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

The write down from cost to current replacement cost is recognised in the Statement of Financial Performance.

(i) Financial Assets

SDC classifies its financial assets into the following four 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 determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets 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 Statement of Financial Performance. Purchases and sales of investments are recognised on trade-date, the date on which SDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cashflows 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 traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. SDC 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 cashflows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

- Financial assets at fair value through profit or loss

This category has two sub-categories: Financial assets held for trading, and those designated at fair value through profit or loss 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. 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 sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the Statement of Financial Performance.

- 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 derecognised are recognised in the Statement of Financial Performance. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

- Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that SDC 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 derecognised are recognised in the Statement of Financial Performance.

- Financial assets at fair value through equity

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

This category encompasses:

- Investments that SDC intends to hold long term but which may be realised before maturity; and
- Shareholdings that SDC holds for strategic purposes. SDC's investments in its associate companies are not included in this category as they are held at cost (as allowed by NZ IAS 27 Consolidated and Separate Financial Statements and NZ IAS 28 Investments in Associates) whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value, unless fair value cannot be reliably measured, in which case, the investments are measured at historical cost.

Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the Statement of Financial Performance. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in Statement of Financial Performance even though the asset has not been derecognised.

On derecognition the cumulative gain or loss previously recognised in equity is recognised in the Statement of Financial Performance.

Council's investments in this category include: Civic Assurance (formerly the New Zealand Local Government Insurance Corporation Limited) and Milford Sound Development Authority.

(j) Impairment of Financial Assets

At each balance sheet date SDC 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 forecast Statement of Financial Performance.

(k) 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 disposal costs.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the Statement of Financial Performance.

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.

(l) Goods and Services Tax (GST)

The forecast financial statements have been prepared exclusive of GST with the exception of receivables and payables, which are stated inclusive of GST. When GST is not recoverable as an 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 investing and financing activities, is classified as an operating cashflow in the Statement of Cashflows.

Commitments and contingencies are disclosed exclusive of GST.

(m) Property, Plant and Equipment

Property, plant and equipment consist of:

- *Infrastructure Assets*

Infrastructure assets are those systems taken as a whole that are intended to be maintained indefinitely. These assets include the Council's roading and bridge networks and the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function. For example, sewerage reticulation includes reticulation piping and sewer pump stations.

- *Operational Assets*

These include land, buildings, improvements, library books, plant and equipment, and motor vehicles.

- *Restricted Assets*

Restricted assets are parks and reserves owned by the Council, which cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

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 SDC 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 Statement of Financial Performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to SDC and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment except land and heritage assets, at rates which 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:

Asset Category	Estimated Economic Life (years)	Depreciation	
		Percent	Method
Operational Assets			
Improvements	10	10.00%	SL
Buildings	40	2.50%	SL
Vehicles	5-12	9.00%-20.00%	SL
Other Plant	6-12	8.86%-15.40%	SL
Furniture and Fittings	7-8	13.50%	SL
Office Equipment	7-8	13.50%	SL
Computer Equipment	2-10	10.00%-50.00%	SL
SCADA Equipment	7-8	13.50%	SL
Other Equipment	7-8	13.50%	SL
Library Books	10	10.00%	SL
Runways	5-10	10.00%-20.00%	SL

Infrastructural Assets

Sealed Roads	Various	1.30% - 16.60%	SL
Unsealed Roads	4-5	20.00% - 25.00%	SL
Bridges	43-120	0.80% - 2.30%	SL
Footpaths	12-60	1.60% - 8.30%	SL
Streetlighting	20-60	1.60% - 5.00%	SL
Sewerage Schemes	Various	1.59% - 7.02%	SL
Stormwater Schemes	7-50	1.56% - 14.29%	SL
Water Supply Schemes	Various	1.85% - 13.09%	SL
Marine Assets	5-50	2.00% - 20.00%	SL
Transfer Stations	10	10.00%	SL
Landfill Sites	10	10.00%	SL

SIESA assets have the following useful lives and associated depreciation rates of major classes of assets for accounting purposes.

Asset Category	Estimated Economic Life	Depreciation		Method
	(years)	Percent		
Plant	2-25	4.00% - 60.00%	SL or DV	
Vehicles	8-15.5	12.00% - 21.60%	DV	
Buildings	50-100	1.00% - 4.00%	SL or DV	

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

Revaluations

Roads, water reticulation, sewerage reticulation and stormwater systems are revalued on an annual basis. Heritage assets are valued on a three yearly valuation cycle. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed each balance date to ensure that those values are not materially different to fair value. The valuation basis for the different asset categories are described in more detail below.

- *Land and Buildings*

The deemed cost of land and buildings were established by registered valuers from Quotable Value in accordance with the requirements of the Institute of Chartered Accountants of New Zealand Standards, as at 30 June 1993. Purchases made since 30 June 1993 are recorded at cost.

Endowment lands are vested in Council for specific purposes for the benefit of various communities. These vestings have been made under various pieces of legislation which restrict both the use of any revenue and any possible dispositions.

- *Infrastructural Assets*

Appropriately qualified personnel from MWH New Zealand Limited have completed a revaluation of District roading, footpaths and bridge asset networks as at 30 June 2009. This revaluation established a depreciated replacement cost to component level for those infrastructural assets as at 30 June 2009.

In-house staff with specialist knowledge in the area have completed a revaluation as at 30 June 2009 of the water supply, sewerage scheme and stormwater assets. This revaluation established a depreciated replacement cost to component level for those infrastructural assets as at 30 June 2009. Mr R Hayes who is appropriately qualified has reviewed the component rates and expected life estimates used in this valuation.

Revaluations of roading, water, sewerage and stormwater assets are carried out annually.

All other infrastructural assets (electrical generation plant, streetlighting and marine assets) are valued at their deemed cost, based on a revaluation of assets undertaken by appropriately qualified personnel from Royds Garden Limited in 1993.

- *Plant and Vehicles (including Electrical Generation Plant)*

Items are shown at historical cost less provision for depreciation.

- *Library Books*

Books have been valued by SDC staff on a depreciated replacement cost basis, using New Zealand Library Association guidelines, as at 30 June 1993 representing deemed cost. Additions to library book stocks since 30 June 1993 are recorded at cost.

- *Heritage Assets*

The only assets to be included under this category are art works owned by the Council, which have been valued by an independent valuer, Mr R Thomson of International Art Centre, Auckland, as at 30 June 2005 and recorded at fair value in accordance with NZ IAS 16.

Other assets, which would normally be classified under heritage assets, for example war memorials, have been included under 'Other Assets'.

Because of the nature of the item art works are revalued on a three to five yearly cycle and not depreciated.

- *Other Assets*

Other assets are shown at historic cost or depreciated replacement cost, less a provision for depreciation. Additions and deletions to other assets since 30 June 1993 are recorded at cost.

Accounting for revaluations

SDC accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to 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 in the Statement of Financial Performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

(n) Work in Progress

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

(o) Intangible Assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Council are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	2.5 - 10 years	10.00% - 40.00%	SL
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(p) Forestry Assets

Forestry assets are revalued annually at fair value less estimated point of sale costs as of 30 June by in-house staff with specialist knowledge in the area. This is peer reviewed by an independent valuer using standard forest valuation methodology. Fair value is determined based on the present value of expected net cashflows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of forestry 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 Statement of Financial Performance.

The costs to maintain the forestry assets are included in the forecast Statement of Financial Performance.

(q) 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. Properties leased to third parties to meet service delivery objectives are classified as property, plant and equipment.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, SDC measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the forecast Statement of Financial Performance.

(r) 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 assets 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 cashflows.

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 Statement of Financial Performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Financial Performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the Statement of Financial Performance, a reversal of the impairment loss is also recognised in the Statement of Financial Performance.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the forecast Statement of Financial Performance.

(s) Employee Benefits

Short term benefits

Employee benefits that the SDC 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.

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 by in-house staff. 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 cashflows. A discount rate of 7% and an inflation factor of 3% were used.

Superannuation schemes

Defined contribution schemes - obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Statement of Financial Performance as incurred.

(t) Provisions

SDC 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 expenditures 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 expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The change in the provision due to the passage of time is recognised in the Statement of Financial Performance.

Financial guarantee contracts

A financial guarantee contract is a contract that requires SDC to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability the Council will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if SDC assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

Landfill post-closure costs

The Council, as operator, has a legal obligation under its resource consent to provide ongoing maintenance and monitoring services at their landfill sites after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure costs arises.

The provision is measured based on the present value of future cashflows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

Amounts provided for landfill post-closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the Council.

(u) Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Repayments

Most borrowings are repaid on a table basis (i.e. each repayment instalment consists of a mixture of both principal and interest). The one exception are the roading business unit loans, which are interest payments only.

(v) Budget Figures

The budget figures are those approved by the Council at the beginning of the year after a period of consultation with the public as part of the Annual Plan process. The budget figures have been prepared in accordance with New Zealand Generally Accepted Accounting Practice and are consistent with the accounting policies adopted by the Council for the preparation of financial statements.

(w) Cost Allocation

SDC has derived the cost of service for each significant activity of 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 have been allocated to all significant activities in two ways. Where appropriate, indirect costs are directly apportioned to activities. The remaining indirect costs are allocated either on a gross cost or activity/usage basis.

(x) Critical Accounting Estimates and Assumptions

In preparing these forecast financial statements SDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost (DRC) valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition assessments of underground assets;

- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then SDC could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Financial Performance. To minimise this risk SDC's infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the SDC's asset management planning activities, which gives the Council further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

(y) Critical Judgements in Applying SDC's Accounting Policies

Management has exercised the following critical judgements in applying the Council's accounting policies to the prospective financial statements.

Classification of property

SDC owns a number of properties, which are maintained primarily to provide housing to pensioners. The receipt of rental income from these properties is incidental to holding these properties.

These properties are held for service delivery objectives as part of the Council's Social Housing Policy. These properties are accounted for as property, plant and equipment.

(z) Statement of Cashflows

Operating activities include cash and cash equivalents (as defined in (g) above) received from all the Council's income sources and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of the Council.

(aa) Cost of Services Statements

The cost of services statements, as provided in each of the Statements of Service Performance, report the net cost of services for each of the Council's significant activities, and are represented by the costs of providing the service less all revenue that can be allocated to these activities.

Changes in Accounting Policies

There have been no changes to the accounting policies since the date of the last audited financial statements.

Funding Impact Statement

This statement details the revenue and financing mechanisms to be used by the Southland District Council, including the amount of funds to be produced by each mechanism. It also gives additional information on the calculation of District rates and local rates and charges, as well as a summary of variations to the Council's fees and charges.

Funding Sources

The following table shows the significant funding sources for the Southland District Council and compares this to what was proposed in the LTCCP for 2010/2011.

GST Exclusive	LTCCP 2010/2011	Annual Plan 2010/2011	Variance	Explanation of Variance
Rates	34,551,515	34,283,124	(268,391)	Rates have decreased primarily due to a change in timing and costs of the proposed kerbside recycling system which was anticipated to be a three bin system and fully operational in the LTCCP for 2010/2011 but Council is now proposing a two bin system with a revised start date of 1 April 2011.
Other Revenue ¹	6,190,349	6,183,958	(6,391)	
Interest and Dividends	764,376	262,693	(501,683)	Decrease is due to lower investments as a result of not converting internal loans to external loans as planned for in the 2009-2019 LTCCP. The change between internal (use of investments) and external funding (term loans) is mainly the result of a revised timeline of capital projects.
New Zealand Transport Agency	14,840,615	15,626,301	785,686	Increase is due to change in timing of roading spend, with some work being carried over from 2009/2010..
Grants and Subsidies	381,549	400,998	19,449	Anticipated additional funding for SPARC and the Museum Roving Officer.
Other Gains/(Losses) ²	752,510	686,072	(66,438)	Decrease is mainly due to a lower forestry gain resulting from a downward revision of logging prices based on recent tenders.
Vested Assets	-	231,360	231,360	Change in timing of a subdivision originally forecast to be completed in 2009/2010.
Development and Financial Contributions	341,946	399,175	57,229	Change in timing and scope of a Riverton water scheme capital project.
MOH Subsidy for Sewerage/Water Schemes	2,015,019	3,150,597	1,135,578	Change in timing of water and sewerage capital projects mainly relating to Edendale and Wyndham.
Scheme Capital Recovery for Sewerage/Water Schemes	-	1,715,377	1,715,377	Change in timing of water and sewerage capital projects mainly relating to Edendale and Wyndham.
Proceeds from Borrowings	1,423,421	3,275,411	1,851,990	Change in timing of capital projects mainly relating to the Lumsden/Lumsden Balfour deep bore project.
NET SURPLUS	61,261,300	66,215,066	4,953,766	

¹Other Revenue includes fees and charges.

²Other Gains/(Losses) includes proceeds from the sale of assets and the forestry gain/(loss).

Breakdown of rates by rate type (2010/2011)

Rate Type	LTCCP 2010/2011	Annual Plan 2010/2011
Building Regulation	250,670	249,276
Civil Defence and Rural Fire	507,591	515,744
Council Offices and District Support	2,953,380	3,037,280
Development and Promotions	2,232,373	2,239,792
Library Services	865,666	875,870
Local Rates	8,776,093	9,493,993
Public Health Services	182,827	179,388
Representation	1,533,271	1,524,844
Roading	10,188,508	10,094,294
Regional Heritage	373,614	372,635
Strategy and Advocacy	2,550,913	2,544,251
Waste Management	1,495,317	1,490,101
Wheelie Bin Collection	2,641,294	1,665,656
Total Rates to be collected (GST exclusive)	34,551,517	34,283,124

Council's revenue from rates set on a uniform basis is 25.07%. The maximum allowed under Section 21 of the Local Government Rating Act 2002 is 30%.

The table below sets out the rating mechanisms to be used for the 2010/2011 financial year. Unless specified otherwise, the same mechanisms are also proposed to be used for each of the other years covered by this LTCCP.

Council's revenue from rates set on a uniform basis is 25.07%. The maximum allowed under section 21 of the Local Government Rating Act 2002 is 30%.

The table below sets out the rating mechanisms to be used for the 2010/11 financial year. Unless specified otherwise, the same mechanisms are also proposed to be used for each of the other years covered by this LTCCP.

Definitions

The following definitions relate to the terms used in the table below.

Accommodation (local rate) - A rate that is based on the QV classification of commercial - accommodation.

Commercial (Otatau - local rate) - A rate that is based on the QV classification commercial, industrial or other QV classifications. (except farmland and residential QV classifications).

Commercial (Te Anau - local rate) - A rate that is based on the QV classification commercial, industrial or other QV classifications. (except commercial - accommodation and residential QV classifications).

Farmland (local rate) - A rate that is applied to the total Hectares within the town boundary less 1.2 Hectares (being the urban) charge. Rating units less than 1.2 Hectares are not charged.

Meridian ratetypes - (Strategy, Policy and Planning, Development and Promotions, Waste management, Council Offices and District Support, Building Regulation). These ratetypes apply to the 3 assessments (22639,23028,23127) owned by Meridian. These are to fund the same activities as the main ratetypes but are set to reflect an agreement between Meridian and Council.

Pan - A pan is the equivalent of a water closet or urinal.

Provision of service - The relevant service deemed by Council to be appropriate given the type of service, nature and location of the rating unit etc. (including trough, connection, meter, loan, three-quarter, one-quarter)

Residential (local rate) - A rate that is based on the QV classification of residential.

Rate in the Dollar (RID) - A rate that is based on the valuation (Land, Improvement, Capital) of the rating unit.

Sanitary Fixture - Means any fixture which is intended to be used for sanitation. This includes a sanitary convenience, a urinal and a wash/hand basin.

Separately used or inhabited part (SUIP) - This includes any part of a rating unit separately occupied by the owner or any other person who has the right to occupy that part by virtue of a tenancy, lease, licence or other agreement. Examples of a SUIP are any residential building or part thereof, which is separately inhabited, parts of a rating unit used for different reasons, a concession granted by the Department of Conservation for private or commercial purposes which has a footprint on the land, land that has been subdivided for sale and does not yet qualify as a rating unit on the district valuation roll.

Uniform Targeted Rates (UTR) - A rate that is set as a fixed dollar amount irrespective of the value of the rating unit.

Unit of Demand - A unit of demand is calculated as below. Note the primary use of the rating unit is used to determine the category used for the rating unit. This is based on the QV classification of the rating unit. The below are used when calculating total units of demand for the rating unit.

- Residential dwelling - 1 x each separately inhabited part of the rating unit plus an additional unit for every additional kitchen contained within the separately inhabited part = total units of demand
- Hotel, Motel or Bed and Breakfast - 0.25 x each guest (based on maximum design occupancy) + 1 (if management lives on rating unit) = total units of demand
- Camping Ground - 0.18 x each guest (based on maximum design occupancy, this includes cabins, tents and caravans) + 1 (if management lives on rating unit) = total units of demand
- Restaurant - 0.04 x each guest per each hour the restaurant is open for service (based on maximum design occupancy) + 1 (if management lives on rating unit) = total units of demand
- Offices - 0.08 x each employee (based on maximum design occupancy) = total units of demand
- Industries and other rating units not classified above - the greater of total estimated waste in litres per day divided by 920 litres per day or total gm (BOD₅) divided by 260gm (BOD₅) = total units of demand

Urban (local rate) - A rate that is applied to the first 1.2 Hectares of the rating unit.

District Rates

	Basis of Rate	Uniform Charge	Rate in the \$	Rate
<u>Governance, Planning and Development</u>				
Representation	UTR per rating unit	99.15		1,524,778
Strategy, Policy and Planning	UTR per rating unit	14.13		217,256
	RID on capital value		0.00013726	2,275,703
Strategy, Policy and Planning - Meridian	UTR per rating unit	14.13		42
	RID on capital value		0.00007837	51,172
				<u>2,544,173</u>
Development and Promotions	UTR per rating unit	145.64		2,239,288
Development and Promotions - Meridian	UTR per rating unit	145.64		437
				<u>2,239,725</u>

A UTR reflects that the use on these services is people based - generally a rural rating unit with a family does not draw any more service than an urban rating unit with a family. The balance of the funding is provided through a rate based on capital value, as the most equitable form of "tax" available to the Council.

Regional Heritage and Library

Regional Heritage	UTR per SUIP of a rating unit	25.09		372,561
Library Service	UTR per SUIP of a rating unit	58.99		875,943

Council has set a level of user pays (10%) for its library service; however it recognises the wider benefits these services have in the District's communities. The use of UTR's on every SUIP of a rating unit to fund the rate reflects the 'people' based nature of these activities and recognises that rating unit size does not affect how much service is available. It is important to note that a charge is made whether or not the services are used.

Roading

Commercial - 3.0%	UTR per rating unit	65.69		30,086
	RID on capital value		0.00092935	272,743
				<u>302,829</u>
Dairy - 31.0%	UTR per rating unit	65.69		48,282
	RID on capital value		0.00072655	3,080,955
				<u>3,129,238</u>
Farming (non dairy) - 39.0%	UTR per rating unit	65.69		213,098
	RID on capital value		0.00042575	3,723,712
				<u>3,936,810</u>
Forestry - 5.5%	UTR per rating unit	65.69		11,496
	RID on capital value		0.00488294	543,690
				<u>555,186</u>
Industrial - 4.0%	UTR per rating unit	65.69		21,382
	RID on capital value		0.00137614	382,389
				<u>403,771</u>
Lifestyle - 5.0%	UTR per rating unit	65.69		147,934
	RID on capital value		0.00037326	356,785
				<u>504,719</u>

	Basis of Rate	Uniform Charge	Rate in the \$	Rate
Mining - 1.5%	UTR per rating unit	65.69		1,642
	RID on capital value		0.01105852	149,772
				<u>151,414</u>
Other - 1%	UTR per rating unit	65.69		19,806
	RID on capital value		0.00010991	81,136
				<u>100,942</u>
Residential - 10%	UTR per rating unit	65.69		515,699
	RID on capital value		0.00031104	493,727
				<u>1,009,427</u>

A UTR per rating unit is levied to give an approximate 10% level of user charge for access to the roading network. Until the government changes roading funding mechanisms the balance of roading funding that the Council is required to provide will be levied as a capital value rate, to reflect the extent of the rural roading network. The Council allocates the percentage share of costs within each land use sector by a UTR and targeted rate based on capital value. QV classifications are used to determine which roading ratetype is charged to a rating unit.

Waste Management

Waste Management	UTR per rating unit	67.51		1,038,000
	RID on capital value		0.00002701	447,817
Waste Management - Meridian	UTR per rating unit	67.51		203
	RID on capital value		0.00000621	4,055
				<u>1,490,074</u>

A UTR per rating unit directs costs away from land value based rating effects and recognises the limitations of other rating mechanisms. A rate based on capital value reflects the benefits that environmental protection has in preserving values and potential service demand i.e. the more developed a property is, the more refuse it will generate.

Wheelie Bin Collection

Urban	UTR per SUIP with provision of service	181.69		1,420,634
Rural	UTR per SUIP with provision of service	223.56		245,022
				<u>1,665,656</u>

These are both full cost-recovery services which are payable only by those receiving the service. Each wheelie bin is classified as a unit. All rating units within the designated urban wheelie bin boundary which contain a dwelling are required to pay a minimum of one unit. The service is not compulsory for commercial rating units, vacant land, community buildings or education facilities which do not contain a dwelling within their rating unit boundary. All compulsory rating units have the option to have more than one unit and they will then be subsequently charged an additional UTR per extra unit. All non-compulsory rating units within the designated urban wheelie bin boundary have the option to receive the service and will be charged one UTR for every unit they elect to receive. There are designated rural wheelie bin routes and all rating units which are willing to transport the wheelie bins to the road frontage of a road on the route is entitled to receive the service. The rating units which choose to receive the service have the option to have more than one unit and will be charged 1 unit for each wheelie bin provided.

Council Offices and District Support

Council Offices and District Support	RID on capital value		0.00017908	2,969,055
Council Offices and District Support - Meridian	RID on capital value		0.00010456	68,272
				<u>3,037,328</u>

This rate contributes to the operation of Council's eight area offices and a contribution to the funding of various corporate services. Currently Council considers a rate based on capital value is appropriate.

	Basis of Rate	Uniform Charge	Rate in the \$	Rate
<u>Building Regulation</u>				
Building Regulation	RID on value of improvement		0.00005801	238,588
Building Regulation - Meridian	RID on value of improvement		0.00001652	10,683
				249,271

80% of the costs of this service are recovered from users through building and other consent fees. An improvements value rate is used to fund the remainder as the use of these services is related to the level of property development.

Public Health Service

Public Health Service	UTR per SUIP of a rating unit	12.08		179,376
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Council considers a UTR per rating unit is the most equitable funding mechanism for these activities because of their focus on the natural environment.

Civil Defence and Rural Fire

Civil Defence and Rural Fire	RID on land value		0.00004135	515,747
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Wherever possible user pays principles are applied to the fighting of rural fires and fire permits. Ongoing 'prevention' costs and civil defence costs are considered by the Council to be most equitably funded from a rate based on land value, as this best reflects the level of risk.

Schedule of Local Rates

Local, Hall, Community Centre, Pool and Airport rates are assessed in addition to the above. Each of the following rates is set in respect of rating units within the particular named locality only. Information as to the boundaries of each locality for rating purposes, and whether or not a particular rating unit is within that area, can be provided on request.

Local Rates - are used to fund Beautification, Cemeteries, Community Centre (Car Parking), District Support, Library Service, Other Local Services, Parks and Reserves, Public Conveniences, Representation and Advocacy, Roading and Transport and Stormwater activities in the named locality. Where differentiated based on use, eg urban, farmland, commercial, accommodation and residential the definitions of the categories are set out in the definitions section above.

Hall and Community Centre rates - are used to fund the Community Centre activity in the named locality.

Pool rates - are used to fund the swimming pools in the named locality. This activity is outlined within Other Local Services.

Airport rate - is used to fund the Te Anau Airports activity in the Te Anau Ward including Te Anau and Manapouri.

Loan rates (Edendale/Wyndham, Oban, Tuatapere, Otautau, Wallacetown and Gorge Road) - are used to fund sewerage and/or water capital contributions for the named scheme. Ratepayers may elect to pay the one-off capital contribution for a new scheme over a selected period.

Loan rates (Lumsden and Lumsden/Balfour) - are used to fund internal loans taken out for the deep bore project. The residential rates are charged on each SUIP within the locality and the rural rate is charged on any vacant section outside the Lumsden and Balfour townships based on the water units already allocated. The half charge is charged on residential vacant land within the Lumsden and Balfour townships.

Loan rates (Sandy Brown) - is used to fund the extension of the sewerage scheme into the Sandy Brown locality. All rating units are charged within this boundary.

Rural Water Rates - are used to fund the costs of providing water services. All rating units in a rural water locality can apply to Council to use the scheme. All rating units are required to pay one UTR for each unit available to the rating unit. One unit is calculated as follows, Lumsden Balfour Rural Water is 2,000 litres per day, Te Anau Rural Water, Eastern Bush, Otahu Flat, Orawia, Matuku Rural Water is 1,814.4 litres per day. Rating units on the Matuku Rural Water scheme which have water troughs with direct feed from Council's water mains pay 0.5 of a UTR per trough receiving this service. Rating units of the Otautau Water scheme which have water troughs with direct feed from Council's water mains pay 0.2 of a UTR per trough receiving this service. Rating units on the Te Anau Rural Water Schemes are required to pay a connection charge per supply tank with a restrictor on the rating unit. Rating units on the Te Anau Rural Water Schemes which are allocated more than 7.7 units are charged a 7.7 UTR for every 7.7 units allocated. Te Anau Rural Water Schemes rating units can apply to receive a half charge for 50% of a unit if they already receive at least 1 unit.

Sewerage Schemes (Balfour, Browns, Lumsden, Manapouri, Monowai, Nightcaps, Ohai, Otautau, Riversdale, Riverton, Te Anau, Tokanui and Winton) - are used to fund the costs of providing sewerage services. A unit is one pan or residential dwelling. Residential rating units with more than one kitchen are charged an extra unit for each subsequent kitchen. All non-contiguous rating units within the local boundaries are charged one unit for each separately inhabited part of the rating unit. All rating units within the local boundaries which contain a building with sanitary fittings are required to pay a minimum of one unit. Non-residential rating units that use more than the demand of 1 residential dwelling will be charged based on the number of pans within the rating unit. Schools are charged the 75% charge per pan. Vacant non-contiguous rating units within the designated boundaries are charged a "half charge" for the provision of the service due to the ability to be able to connect. Rating units in Te Anau are charged a 10 times rate instead of 10 full charges.

Sewerage Schemes (Edendale/Wyndham, Gorge Road, Oban, Tuatapere and Wallacetown) - are used to fund the costs of providing sewerage services. A unit is one unit of demand (refer to the definition section for how this is calculated). All rating units within the local boundaries which contain a building with sanitary fittings are required to pay a minimum of one unit. Vacant non-contiguous rating units within the designated boundaries are charged a "half charge" for the provision of the service due to the ability to be able to connect. A quarter charge is used when .25 of a unit of demand is required to be charged.

Stewart Island Waste Management rate - is used to fund waste disposal on Stewart Island.

Urban Water rates - are used to fund the costs of providing water services. One unit is one standard domestic connection (20mm ID connection). All rating units without meters within the designated local boundaries are charged one unit for each separately inhabited part of the rating unit. Vacant non-contiguous rating units within the designated boundaries are charged a "half charge" for the provision of the service due to the ability to be able to connect. Rating units with meters are charged the meter rate for each meter used. All rating units including outside the boundary may apply to Council to use extra units and will be charged for the extra units.

Water Charged for Water Consumed - They represent the amount that will be rated per cubic meter of water used on rating units that have water meters.

Woodlands Septic Tank Cleaning Rate - is used to fund the septic tank cleaning service in Woodlands. This is charged to rating units for each septic tank on the rating unit.

Wyndham Stormwater rate - is used to fund the stormwater scheme in Wyndham. This is charged to rating units which use the stormwater system but are not included within the Wyndham township.

	Basis of Rate	Uniform Charge	Rate in the \$ on LV	Rate
Athol Local Rate	UTR per rating unit	77.39		4,411
Balfour Local Rate - Urban	Differentially RID on land value (1.00)		0.01453780	20,745
Balfour Local Rate - Farmland	Differentially RID on land value (0.25)		0.00363445	1,399
				22,145
Balfour Sewerage - Full Charge	UTR per provision of service	327.37		27,826
Balfour Sewerage - Half Charge	UTR per provision of service	163.69		1,310
				29,136
Browns Sewerage - Full Charge	UTR per provision of service	373.73		4,858
Browns Hall	UTR per SUIP of a rating unit	27.02		2,999
Dipton Town Local Rate	UTR per rating unit	60.27		1,748
Drummond Village Local Rate	UTR per rating unit	51.98		2,378
Eastern Bush Rural Water - Full Charge	UTR per unit supplied	319.61		42,829
Edendale Local Rate - Urban	UTR per rating unit	22.22		6,111
Edendale Local Rate - Urban	Differentially RID on land value (1.00)		0.00336980	43,533

	Basis of Rate	Uniform Charge	Rate in the \$ on LV	Rate
Edendale Local Rate - Farmland	Differentially RID on land value (0.25)		0.00084245	4,071
				<u>53,714</u>
Edendale/Wyndham Sewerage Rate	UTR per provision of service	232.31		146,355
Edendale/Wyndham Sewerage - Half Charge	UTR per provision of service	116.15		6,040
				<u>152,395</u>
Edendale Sewerage Loan - 2 years (inc connection cost)	UTR per provision of service	4,186.04		25,116
Edendale Sewerage Loan - 4 years (inc connection cost)	UTR per provision of service	2,232.60		49,117
Edendale Sewerage Loan - 10 years (inc connection cost)	UTR per provision of service	1,074.27		25,782
Edendale Sewerage Loan - 15 years (inc connection cost)	UTR per provision of service	827.04		7,443
Edendale Sewerage Loan - 25 years (inc connection cost)	UTR per provision of service	644.60		57,369
Edendale Sewerage Loan - 2 years (excl connection cost)	UTR per provision of service	3,464.31		3,464
Edendale Sewerage Loan - 2 years (excl connection cost)	UTR per provision of service	1,847.67		1,848
Edendale Sewerage Loan - 10 years (excl connection cost)	UTR per provision of service	889.05		3,556
Edendale Sewerage Loan - 25 years (excl connection cost)	UTR per provision of service	533.46		56,547
Edendale/Wyndham Water - Full Charge	UTR per unit supplied	265.69		161,274
Edendale/Wyndham Water - Half Charge	UTR per unit supplied	132.84		6,908
				<u>168,182</u>
Edendale Water Loan - 2 years	UTR per provision of service	962.31		7,698
Edendale Water Loan - 4 years	UTR per provision of service	513.24		10,265
Edendale Water Loan - 10 years	UTR per provision of service	246.82		6,171
Edendale Water Loan - 15 years	UTR per provision of service	190.12		951
Edendale Water Loan - 25 years	UTR per provision of service	148.18		18,967
Edendale Hall	UTR per SUIP of a rating unit	22.18		7,452
Fiordland Pool	UTR per SUIP of a rating unit	10.29		19,993
Five Rivers Wd Local Rate	RID on land value		0.00007793	84,225
Gorge Road Local Rate	UTR per rating unit	22.53		4,191
Gorge Road Sewerage - Full Charge	UTR per provision of service	304.79		10,668
Gorge Road Sewerage - Half Charge	UTR per provision of service	152.39		152
				<u>10,820</u>

	Basis of Rate	Uniform Charge	Rate in the \$ on LV	Rate
Gorge Road Sewerage Loan	UTR per provision of service	430.81		4,308
Limehills Local Rate	UTR per rating unit	142.09		4,760
Limehills Hall	UTR per SUIP of a rating unit	48.80		8,296
Lumsden Local Rate	RID on land value		0.00801553	101,311
Lumsden Balfour Rural Water - Full Charge	UTR per unit supplied	236.20		174,552
Lumsden Balfour Rural Water Loan	UTR per provision of service	215.57		115,330
Lumsden Balfour Residential Water Loan	UTR per provision of service	33.61		6,856
				<u>122,186</u>
Lumsden Water - Full Charge	UTR per unit supplied	335.81		91,340
Lumsden Water - Half Charge	UTR per unit supplied	167.90		4,533
				<u>95,874</u>
Lumsden Residential Water Loan	UTR per provision of service	33.61		9,142
Lumsden Residential Water Loan - Half Charge	UTR per provision of service	16.80		420
				<u>9,562</u>
Lumsden Sewerage - Full Charge	UTR per provision of service	163.88		51,622
Lumsden Sewerage - 75% Charge	UTR per provision of service	122.91		860
Lumsden Sewerage - Half Charge	UTR per provision of service	81.94		4,097
				<u>56,580</u>
Lumsden Hall	UTR per SUIP of a rating unit	27.29		8,624
Manapouri Local Rate	RID on land value		0.00262797	108,134
Manapouri Sewerage - Full Charge	UTR per provision of service	242.55		74,948
Manapouri Sewerage - Half Charge	UTR per provision of service	121.28		7,398
				<u>82,346</u>
Manapouri Water - Full Charge	UTR per unit supplied	267.48		62,055
Manapouri Water - Half Charge	UTR per unit supplied	133.74		8,024
Manapouri Water - Meter Charge	UTR per provision of service	146.67		440
				<u>70,520</u>
Manapouri Water Charge for Water Consumed	\$ per m ³	0.80		
Manapouri Hall	UTR per SUIP of a rating unit	27.27		7,281
Matuku Rural Water - Full Charge	UTR per unit supplied	121.34		18,929
Matuku Rural Water - Trough Charge	UTR per provision of service	60.67		9,768
				<u>28,697</u>

	Basis of Rate	Uniform Charge	Rate in the \$ on LV	Rate
Monowai Sewerage - Full Charge	UTR per provision of service	161.07		2,416
Monowai Sewerage - Half Charge	UTR per provision of service	80.54		-
Mossburn Local Rate - Urban	Differentially RID on land value (1.00)		0.00773160	32,047
Mossburn Local Rate - Farmland	Differentially RID on land value (0.25)		0.00193290	953
				<u>33,000</u>
Mossburn Water - Full Charge	UTR per unit supplied	183.16		20,514
Mossburn Water - Half Charge	UTR per unit supplied	91.58		1,465
Mossburn Water - Meter Charge	UTR per provision of service	146.67		2,053
				<u>24,033</u>
Mossburn Charge for Water Consumed	\$ per m ³	0.55		
Nightcaps Local Rate	UTR per rating unit	191.32		36,733
Nightcaps Sewerage - Full Charge	UTR per provision of service	168.59		30,009
Nightcaps Sewerage - 75% Charge	UTR per provision of service	126.44		379
Nightcaps Sewerage - Half Charge	UTR per provision of service	84.29		2,950
				<u>33,338</u>
Nightcaps Hall	UTR per SUIP of a rating unit	45.25		8,100
Ohai Local Rate	UTR per rating unit	229.77		45,207
Ohai Sewerage - Full Charge	UTR per provision of service	392.90		80,937
Ohai Sewerage - Half Charge	UTR per provision of service	196.45		7,465
				<u>88,403</u>
Ohai Hall	UTR per SUIP of a rating unit	32.56		6,382
Ohai/Nightcaps/Wairio Water - Full Charge	UTR per unit supplied	347.38		137,562
Ohai/Nightcaps/Wairio Water - Half Charge	UTR per unit supplied	173.69		11,637
Ohai/Nightcaps/Wairio Water - Meter Charge	UTR per provision of service	146.67		4,987
				<u>154,186</u>
Ohai/Nightcaps/Wairio Water Charge for Water Consumed	\$ per m ³	1.03		
Orawia Water - Full Charge	UTR per unit supplied	217.38		5,217
Otahu Flat Rural Water - Full Charge	UTR per unit supplied	349.97		41,121
Riversdale Local Rate - Urban	Differentially RID on land value (1.00)		0.00356560	33,267
Riversdale Local Rate - Farmland	Differentially RID on land value (0.25)		0.00089140	77
				<u>33,344</u>
Riversdale Sewerage - Full Charge	UTR per provision of service	173.21		42,436
Riversdale Sewerage - 75% Charge	UTR per provision of service	129.91		260

	Basis of Rate	Uniform Charge	Rate in the \$ on LV	Rate
Riversdale Sewerage - Half Charge	UTR per provision of service	86.61		<u>2,165</u> 44,862
Riverton Tn Local Rate - Urban	Differentially RID on land value (1.00)		0.00291553	411,801
Riverton Tn Local Rate - Farmland	Differentially RID on land value (0.25)		0.00072888	<u>3,486</u> 415,287
Riverton Pool	UTR per SUIP of a rating unit	18.69		30,110
Riverton Sewerage - Full Charge	UTR per provision of service	174.66		189,331
Riverton Sewerage - 75% Charge	UTR per provision of service	130.99		1,572
Riverton Sewerage - Half Charge	UTR per provision of service	87.33		<u>12,226</u> 203,130
Riverton Water - Full Charge	UTR per unit supplied	257.16		272,590
Riverton Water - Half Charge	UTR per unit supplied	128.58		20,444
Riverton Water - Meter Charge	UTR per provision of service	146.67		<u>4,107</u> 297,141
Riverton Charge for Water Consumed	\$ per m ³	0.77		
Riverton Ward Local Rate	UTR per rating unit	90.00		60,660
Riverton Ward Local Rate	RID on land value		0.00007747	<u>42,911</u> 103,571
Stewart Island Local Rate	RID on land value		0.00075213	66,003
Oban Sewerage - Full Charge	UTR per provision of service	525.86		225,068
Oban Sewerage - Half Charge	UTR per provision of service	262.93		29,974
Oban Sewerage - Quarter Charge	UTR per provision of service	131.47		<u>789</u> 255,831
Oban Sewerage - Loan Charge	UTR per provision of service	480.68		50,471
Oban Sewerage - Loan Charge Extension	UTR per provision of service	583.99		<u>60,297</u> 110,768
Stewart Island Waste Management Rate	UTR per SUIP of a rating unit	266.29		101,456
Stewart Island Hall	UTR per SUIP of a rating unit	30.00		10,710
Te Anau - Manapouri Airport Rate	UTR per rating unit	156.98		411,131
Te Anau Tn Local Rate - Residential	Differentially RID on land value (1.00)		0.00203969	425,867
Te Anau Tn Local Rate - Accommodation	Differentially RID on land value (2.15)		0.00438533	61,816
Te Anau Tn Local Rate - Commercial	Differentially RID on land value (2.15)		0.00438533	<u>200,822</u> 688,505

	Basis of Rate	Uniform Charge	Rate in the \$ on LV	Rate
Te Anau Sewerage - Full Charge	UTR per provision of service	288.59		572,563
Te Anau Sewerage - 75% Charge	UTR per provision of service	216.44		1,299
Te Anau Sewerage - Half Charge	UTR per provision of service	144.30		67,821
Te Anau Sewerage - Full Charge (x10)	UTR per provision of service	2,885.92		135,638
				<u>777,320</u>
Sandy Brown Rd Utility Loan ²	UTR per rating unit	124.27		17,771
Te Anau Water - Full Charge	UTR per unit supplied	145.08		206,159
Te Anau Water - Half Charge	UTR per unit supplied	72.54		35,617
Te Anau Water - Meter Charge	UTR per provision of service	146.67		11,587
				<u>253,363</u>
Te Anau Charge for Water Consumed	\$ per m ³	0.43		
Te Anau Rural Water - Connection Charge	UTR per provision of service	434.86		86,972
Te Anau Rural Water - Full Charge	UTR per unit supplied	289.90		75,084
Te Anau Rural Water - Half Charge	UTR per unit supplied	144.95		1,594
Te Anau Rural Water - 7.7 Charge	UTR per unit supplied	2,232.27		167,420
				<u>331,071</u>
Te Anau Hall	UTR per SUIP of a rating unit	21.16		34,745
Te Anau Wd Local Rate	RID on land value		0.00009735	60,544
Te Tipua Ward Local Rate	RID on land value		0.00002773	25,877
Toetoes Ward Local Rate	RID on land value		0.00008035	74,430
Tokanui Local Rate	UTR per rating unit	152.86		8,407
Tokanui Sewerage - Full Charge	UTR per provision of service	325.52		20,833
Tokanui Sewerage - 75% Charge	UTR per provision of service	244.14		244
Tokanui Sewerage - Half Charge	UTR per provision of service	162.76		977
				<u>22,054</u>
Tuatapere Tn Local Rate	UTR per rating unit	248.83		73,405
Tuatapere Sewerage - Full Charge	UTR per provision of service	240.87		86,171
Tuatapere Sewerage - Half Charge	UTR per provision of service	120.43		1,927
				<u>88,098</u>
Tuatapere Sewerage Loan Charge - 4 Years	UTR per provision of service	1,622.81		43,816
Tuatapere Sewerage Loan Charge - 15 Years	UTR per provision of service	600.55		19,818
Tuatapere Sewerage Loan Charge - 25 Years	UTR per provision of service	467.70		58,229
				<u>121,863</u>

	Basis of Rate	Uniform Charge	Rate in the \$ on LV	Rate
Tuatapere Water - Full Charge	UTR per unit supplied	316.39		96,815
Tuatapere Water - Half Charge	UTR per unit supplied	158.19		2,847
Tuatapere Water - Meter Charge	UTR per provision of service	146.67		1,320
				<hr/> 100,983
Tuatapere Charge for Water Consumed	\$ per m ³	0.94		
Tuatapere Hall	UTR per SUIP of a rating unit	26.31		9,551
Tuatapere Ward Local Rate	RID on land value		0.00005191	39,378
Waihopai Ward Local Rate	RID on land value		0.00002460	30,699
Waikaia Town Local Rate	RID on land value		0.00353350	28,759
Waikaia Ward Local Rate	RID on land value		0.00003002	39,400
Otautau Local Rate - Commercial	Differentially RID on land value (2.00)		0.03131711	44,282
Otautau Local Rate - Residential	Differentially RID on land value (1.00)		0.01565855	115,446
Otautau Local Rate - Farmland	Differentially RID on land value (0.25)		0.00391464	1,014
				<hr/> 160,742
Otautau Sewerage - Full Charge	UTR per provision of service	264.98		116,856
Otautau Sewerage - 75% Charge	UTR per provision of service	198.74		1,192
Otautau Sewerage - Half Charge	UTR per provision of service	132.49		4,637
				<hr/> 122,686
Otautau Sewerage - Loan Charge	UTR per provision of service	438.47		49,109
Otautau Water - Full Charge	UTR per unit supplied	229.26		96,977
Otautau Water - Half Charge	UTR per unit supplied	114.63		2,063
Otautau Water - Trough Charge	UTR per provision of service	45.85		825
Otautau Water - Meter Charge	UTR per provision of service	146.67		1,027
				<hr/> 100,892
Otautau Charge for Water Consumed	\$ per m ³	0.68		
Otautau Hall	UTR per SUIP of a rating unit	29.44		12,659
Wallace Ward Local Rate	RID on land value		0.00003412	57,389
Wairio Town Local Rate	UTR per rating unit	61.42		1,167
Wallacetown Tn Local Rate	RID on land value		0.00482728	53,518
Wallacetown Sewerage - Full Charge	UTR per provision of service	182.08		49,162
Wallacetown Sewerage - Half Charge	UTR per provision of service	91.04		2,367
				<hr/> 51,529

	Basis of Rate	Uniform Charge	Rate in the \$ on LV	Rate
Wallacetown Sewerage-Loan Charge 4 Years	UTR per provision of service	1,163.11		46,524
Wallacetown Sewerage-Loan Charge 15 Years	UTR per provision of service	430.05		16,772
Wallacetown Sewerage-Loan Charge 25 Years	UTR per provision of service	334.68		28,113
				<u>91,409</u>
Wallacetown Ward Local Rate	RID on land value		0.00003329	29,920
Winton Tn Local Rate	RID on land value		0.00307579	339,076
Winton Sewerage - Full Charge	UTR per provision of service	158.66		193,724
Winton Sewerage - 75% Charge	UTR per provision of service	118.99		1,547
Winton Sewerage - Half Charge	UTR per provision of service	79.33		7,219
				<u>202,490</u>
Winton Water - Full Charge	UTR per unit supplied	326.26		385,313
Winton Water - Half Charge	UTR per unit supplied	163.13		10,930
Winton Water - Meter Charge	UTR per provision of service	146.67		2,347
				<u>398,589</u>
Winton Charge for Water Consumed	\$ per m ³	0.97		
Winton Hall	UTR per SUIP of a rating unit	17.24		22,171
Winton Pool Rate ¹	UTR per SUIP of a rating unit	8.89		11,415
Winton Ward Local Rate	RID on land value		0.00006775	116,471
Woodlands Local Rate	UTR per rating unit	145.41		8,470
Woodlands Septic Tank Cleaning Charge	UTR per provision of service	23.76		1,402
Wyndham Local Rate	RID on land value		0.01498725	94,198
Wyndham Stormwater Charge	UTR per provision of service	52.98		477
Wyndham Hall	UTR per SUIP of a rating unit	32.00		9,216
Wyndham Sewerage Loan - 2 years (inc connection cost)	UTR per provision of service	3,831.24		15,325
Wyndham Sewerage Loan - 4 years (inc connection cost)	UTR per provision of service	2,043.84		24,526
Wyndham Sewerage Loan - 10 years (inc connection cost)	UTR per provision of service	984.11		28,539
Wyndham Sewerage Loan - 15 years (inc connection cost)	UTR per provision of service	758.04		10,613
Wyndham Sewerage Loan - 25 years (inc connection cost)	UTR per provision of service	591.39		81,020

	Basis of Rate	Uniform Charge	Rate in the \$ on LV	Rate
Wyndham Sewerage Loan - 2 years (excl connection cost)	UTR per provision of service	3,112.88		3,113
Wyndham Sewerage Loan - 4 years (excl connection cost)	UTR per provision of service	1,660.62		9,964
Wyndham Sewerage Loan - 10 years (excl connection cost)	UTR per provision of service	799.59		8,795
Wyndham Sewerage Loan - 15 years (excl connection cost)	UTR per provision of service	615.91		1,232
Wyndham Sewerage Loan - 25 years (excl connection cost)	UTR per provision of service	480.50		12,974
Wyndham Water Loan - 2 years	UTR per provision of service	957.81		5,747
Wyndham Water Loan - 4 years	UTR per provision of service	510.96		9,197
Wyndham Water Loan - 10 years	UTR per provision of service	246.03		8,119
Wyndham Water Loan - 15 years	UTR per provision of service	189.51		2,653
Wyndham Water Loan - 25 years	UTR per provision of service	147.85		23,656
<u>Individual Community Centre Levies</u>				
Athol Memorial Hall	UTR per SUIP of a rating unit	40.48		2,591
Balfour Hall	UTR per SUIP of a rating unit	26.67		6,934
Brydone Hall	UTR per SUIP of a rating unit	21.06		1,348
Clifden/Orawia Hall*	UTR per SUIP of a rating unit	32.36		6,343
Colac Bay/Orepuki Hall	UTR per SUIP of a rating unit	31.21		8,271
Dacre Hall	UTR per SUIP of a rating unit	37.51		2,851
Dipton Hall	UTR per SUIP of a rating unit	27.54		5,040
Dunearn/Avondale Hall	UTR per SUIP of a rating unit	22.76		1,366
Eastern Bush Hall	UTR per SUIP of a rating unit	36.94		1,034
Five Rivers Hall	UTR per SUIP of a rating unit	40.00		3,120
Fortrose Domain	UTR per SUIP of a rating unit	20.53		1,068
Garston Hall	UTR per SUIP of a rating unit	28.27		1,216
Glenham Hall	UTR per SUIP of a rating unit	20.00		1,040
Gorge Road Hall	UTR per SUIP of a rating unit	35.93		8,623
Heddon Bush Hall	UTR per SUIP of a rating unit	55.02		3,136
Hedgehope/Glencoe Hall	UTR per SUIP of a rating unit	35.56		3,058
Hokonui Hall	UTR per SUIP of a rating unit	41.56		1,787
Lochiel Hall	UTR per SUIP of a rating unit	31.11		3,982
Mabel Bush Hall	UTR per SUIP of a rating unit	24.29		1,676
Makarewa Hall	UTR per SUIP of a rating unit	8.89		1,689
Mandeville Hall	UTR per SUIP of a rating unit	40.00		1,640
Mataura Island Hall	UTR per SUIP of a rating unit	16.90		963
Menzies Ferry Hall	UTR per SUIP of a rating unit	22.90		1,099
Mimihau Hall	UTR per SUIP of a rating unit	44.71		2,236
Mokoreta/Redan Hall	UTR per SUIP of a rating unit	80.00		5,440
Mossburn Hall	UTR per SUIP of a rating unit	31.82		7,637
Myross Bush Hall	UTR per SUIP of a rating unit	27.71		1,386

	Basis of Rate	Uniform Charge	Rate in the \$ on LV	Rate
Oreti Plains Hall	UTR per SUIP of a rating unit	47.38		5,117
Otahuti Hall	UTR per SUIP of a rating unit	22.07		1,059
Otapiri/Lora Gorge Hall	UTR per SUIP of a rating unit	65.00		5,005
Riversdale Hall	UTR per SUIP of a rating unit	31.11		9,706
Ryal Bush Hall	UTR per SUIP of a rating unit	24.84		2,956
Seaward Downs Hall	UTR per SUIP of a rating unit	26.67		1,494
Spar Bush Hall	UTR per SUIP of a rating unit	16.53		727
Thornbury Hall	UTR per SUIP of a rating unit	44.37		3,727
Tokanui/Quarry Hills Hall	UTR per SUIP of a rating unit	41.70		4,087
Tussock Creek Hall	UTR per SUIP of a rating unit	20.09		1,467
Tuturau Hall	UTR per SUIP of a rating unit	30.31		1,182
Waianiwa Hall	UTR per SUIP of a rating unit	36.39		3,421
Waikaia Recreation	UTR per SUIP of a rating unit	41.60		11,814
Waikawa Community Centre	UTR per SUIP of a rating unit	18.47		2,272
Wallacetown Hall	UTR per SUIP of a rating unit	25.95		7,915
Waimahaka Hall	UTR per SUIP of a rating unit	31.77		2,859
Waimatuku Hall	UTR per SUIP of a rating unit	22.67		1,179
Wairio Community Centre	UTR per SUIP of a rating unit	31.64		2,436
Wreys Bush Hall	UTR per SUIP of a rating unit	23.55		754
Wrights Bush Hall	UTR per SUIP of a rating unit	23.00		1,242

OVERVIEW

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Funding Impact Statement Variations

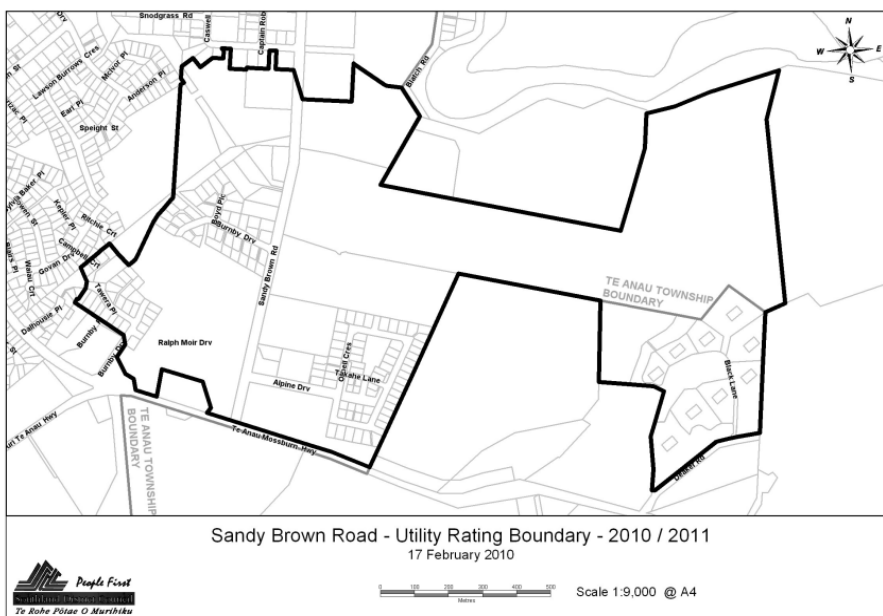
The Council has updated the information in its roading rate model which calculate the percentage share of costs which different sector pay towards roads and has adopted a slightly modified share of costs as a result (explained in more detail in the 'Key Issues and Projects' section of the plan). This year the Council also introduced a new rate for the Winton swimming pool as well as making an amendment to the rating area for the Sandy Brown Utility Loan (in Te Anau).

(1) Winton Pool Rate

The Winton Community Board has established a new rate to assist with the maintenance costs of the Winton swimming pool after a request from the Pool Committee. The Community Board has made grants for the pool in the past and believes ongoing funding should be given to such an important asset in community. The rate (which will be \$8.89 per dwelling (plus GST at the prevailing rate) will be paid by ratepayers in and around Winton excluding areas that already have pools e.g. Limehills, Browns and Hedgehope. The map opposite shows the proposed Winton pool rating boundary.

(2) Sandy Brown Road Utility Loan Rate

Around five years ago at the request of property owners at the end of Sandy Brown Road, the Te Anau water and sewerage network was extended to service proposed new subdivisions in the area. Paid for by Council, a new rate on these properties was set up to repay the loan raised to fund the project. Recently there has been further development in the area and Council has expanded the rating boundary to include those properties that are connected or able to be connected to water or sewerage through this extension which up to this point have not been paying this rate. A map of the proposed rating boundary is shown on below.



Capital Project Funding Plans

Edendale/Wyndham Sewerage Scheme (Wyndham component)

Council is required by Section 117B to include a funding plan in its LTCCP or Annual Plan where the Council is intending to fund or partially fund a capital project by lump sum contributions from its ratepayers. The following plan relates to the construction of a sewerage scheme for Edendale and Wyndham. The funding plan for Wyndham ratepayers commences from 1 July 2010 and is proposed to expire on 30 June 2011.

It is proposed that the cost of the project will be funded 1/2 from Ministry of Health Funding, 1/6 from Council (funded by way of a loan over 25 years, the repayment of which is from the waste management rate), 2/6 from those within the scheme boundary (where payment is either from a single lump sum contribution or a targeted rate over either a 2, 4, 10, 15 or 25 year period).

Project details -		Estimated funding -	
Construction start date	February 2008	MOH funding estimated	\$3.45 million
Estimated completion/commissioning date	September/October 2010	Council Contribution (Loan)	\$1.15 million
Estimated date when final actual costs known (see recalculation of amounts information included below) ¹	August 2011	Lump Sum Contribution/Targeted Rates	\$2.30 million
		<i>Total Estimated Cost (excluding GST)</i>	\$6.90 million

How the contribution will be calculated -

The contribution payable for each unit either by Lump Sum Contribution or Targeted Rates will be calculated as follows:

Total local share cost divided by the total number of applicable units of demand = contribution per unit of demand (plus interest for contributions payable by Targeted Rate).

If those connecting choose not to elect to pay by lump sum contribution, then they have the choice of paying by targeted rate. The amount payable annually will be based around the above calculation per unit plus interest charged at Council's internal rate of return on the outstanding balance over the number of years elected.

(a) Total Local Share is determined by the following formula:

Total budgeted capital cost of the scheme
 Less the Ministry of Health Subsidy
 Less Southland District Council Subsidy
 Less any CB/CDA contribution
 Plus GST

(b) Total number of applicable unit charges is calculated based on the units of demand within the defined sewerage area created (shown in the map on page 229 of the LTCCP 2009-2019), estimated to include 340 rating units.

¹ Recalculation after all on-site connections have been completed in Edendale and Wyndham and all costs are known.

Unit of Demand - A unit of demand is calculated as below. Note the primary use of the rating unit is used to determine the category used for the rating unit. This is based on the QV classification of the rating unit. The below are used when calculating total units of demand for the rating unit.

- Residential dwelling - 1 x each separately inhabited part of the rating unit plus an additional unit for every additional kitchen contained within the separately inhabited part = total units of demand
- Hotel, Motel or Bed and Breakfast - 0.25 x each guest (based on maximum design occupancy) + 1 (if management lives on rating unit) = total units of demand
- Camping Ground - 0.18 x each guest (based on maximum design occupancy, this includes cabins, tents and caravans) + 1 (if management lives on rating unit) = total units of demand
- Restaurant - 0.04 x each guest per each hour the restaurant is open for service (based on maximum design occupancy) + 1 (if management lives on rating unit) = total units of demand
- Offices - 0.08 x each employee (based on maximum design occupancy) = total units of demand
- Industries and other rating units not classified above - the greater of total estimated waste in litres per day divided by 920 litres per day or total gm (BOD5) divided by 260gm (BOD5) = total units of demand

Recalculation of amounts due -

If after establishing the final cost and number of units (estimated to be known by August 2011), the portion payable by those connecting, for each unit, increases by more than 1%, (based on a unit fee of \$6,500 or \$8,000 if adopting the SDC option to construct the on-site connections, 1% represents \$65) a recalculation of the lump sum contribution and targeted rate will be undertaken. Where the actual cost increase is less than 1% the variance will be funded from the Edendale/Wyndham Sewerage Scheme rate smoothing reserve to be recovered from local sewerage rates in later years. If after establishing the final cost as described above, the per unit cost is lower than \$6,500 a recalculation will be undertaken.

No interest will be applied to any recalculated amount, whether payable or refundable. If the variance results in a recalculation, within one month of calculating the final cost Council will:

In the case of an amount payable, where:

- (a) The initial payment was by way of a lump sum, forward an invoice for the final cost to the current property owner. The balance(s) owing will be due one month from invoice date.
- (b) The initial payment was by way of targeted rate, the final cost will be added to any balance owing and the targeted rate applicable for the next financial year will be recalculated on this new total.

Where a refund is computed, and:

- (a) The refund is for a unit(s) paid by a lump sum contribution the total refund will be paid to the current property owner.
- (b) The refund is for a unit(s) paid by a targeted rate, the total refund will be credited against the rate account dated one month subsequent to the calculation of the final cost.

Lump Sum Contributions Timetable -

Invitations to those connecting to the scheme will be sent during March/ April 2010, the due date to receive the completed elections form will be one month from the date sent. Those who choose this repayment option will be sent an invoice requesting payment one month subsequent to the due date of the completed election form.

If payment of the full amount is not paid by the payment due date and Council is unsuccessful contacting the ratepayer or have not heard from the ratepayer by this date, Council reserves the right to cancel the election and transfer the amount(s) owing on to the rates account as a targeted rate option over 25 years (Option 6) commencing from 1 July 2010.

Targeted Rate -

If those connecting do not choose to elect to repay the contribution in one lump sum they must choose one of the targeted rate options. The five options being offered within the targeted rate option are over a 2, 4, 10, 15 or 25 year period.

The targeted rate is calculated as above and is subject to interest calculated using the Council's internal interest rate. The interest rate applied is Council's internal rate of return calculated annually and applying from 1 July each year. Council set the rate applying from 1 July 2010 at 6.76% as part of its Annual Plan process. Based on this internal interest rate of 6.76% the amount of annual rates for each unit and the period for which this rate would apply is shown in the table to the right.

Ongoing Operational Costs

In addition, once the sewerage scheme is operational, those connected or able to be connected to the scheme will be liable for a targeted sewerage rate to pay the costs of operating the scheme. Page 146 of the Funding Impact Statement sets out the amount of the targeted rate.

Estimated annual rates for targeted rate repayment options

OPTION	RATING PERIOD	ANNUAL RATES Plus GST (Excluding on-site connection cost)	ANNUAL RATES Plus GST (Including on-site connection cost)
Option 2	2 years	\$3,112.88	\$3,831.24
Option 3	4 years	\$1,660.62	\$2,043.84
Option 4	10 years	\$799.59	\$984.11
Option 5	15 years	\$615.91	\$758.04
Option 6	25 years	\$480.50	\$591.39

Edendale/Wyndham Water Supply Scheme

Council is required by Section 117B to include a funding plan in its LTCCP or Annual Plan where the Council is intending to fund or partially fund a capital project by lump sum contributions from its ratepayers. The following plan relates to the construction of a water supply scheme for Edendale and Wyndham. The funding plan for Wyndham ratepayers commences 1 July 2010 and is proposed to expire on 30 June 2011.

It is proposed that the cost of the project will be funded approximately 1/2 from Ministry of Health Funding, 1/6 from Council (funded by way of a loan over 25 years, the repayment of which is from the waste management rate), 2/6 from those within the scheme boundary (where payment is either from a single lump sum contribution or a targeted rate over either a 2, 4, 10, 15 or 25 year period).

Project details -		Estimated funding -	
Construction start date	February 2008	MOH funding estimated.	\$17 million
Estimated completion/commissioning date (Edendale)	April 2010	Council contribution (loan)	\$70 million
Estimated completion/commissioning date (Wyndham)	September 2010	Lump sum contribution/targeted rates (Edendale)	\$0.53 million
Estimated date when final actual costs known (see recalculation of amounts information included below) ¹	August 2011	Lump sum contribution/targeted rates (Wyndham)	\$0.62 million
		Lump sum - reserves contribution	\$0.20 million
		<i>Total estimated cost (excluding GST)</i>	<i>\$4.22 million</i>

How the contribution will be calculated -

The contribution payable for each unit either by Lump Sum Contribution or Targeted Rates will be calculated as follows:

Total local share cost divided by the total number of applicable units of demand = contribution per unit of demand (plus interest for contributions payable by Targeted Rate)

If those connecting choose not to elect to pay by lump sum contribution, then they have the choice of paying by targeted rate. The amount payable annually will be based around the above calculation per unit plus interest charged at Council's internal rate of return on the outstanding balance over the number of years elected.

(a) Total Local Share is determined by the following formula:

Total budgeted capital cost of the scheme
 Less the Ministry of Health Subsidy
 Less Southland District Council Subsidy
 Less any CB/CDA contribution
 Plus GST

(b) Total number of applicable unit charges is calculated based on the units of demand within the defined sewerage area created in 2009 (shown in the map on page 229 of the LTCCP 2009-2019), estimated to include 340 rating units.

¹Recalculation after all on-site connections have been completed in Edendale and Wyndham and all costs are known.

Unit of Demand - A unit of demand is calculated as below. Note the primary use of the rating unit is used to determine the category used for the rating unit. This is based on the QV classification of the rating unit. The below are used when calculating total units of demand for the rating unit.

- Residential dwelling - 1 x each separately inhabited part of the rating unit plus an additional unit for every additional kitchen contained within the separately inhabited part = total units of demand
- Hotel, Motel or Bed and Breakfast - 0.25 x each guest (based on maximum design occupancy) + 1 (if management lives on rating unit) = total units of demand
- Camping Ground - 0.18 x each guest (based on maximum design occupancy, this includes cabins, tents and caravans) + 1 (if management lives on rating unit) = total units of demand
- Restaurant - 0.04 x each guest per each hour the restaurant is open for service (based on maximum design occupancy) + 1 (if management lives on rating unit) = total units of demand
- Offices - 0.08 x each employee (based on maximum design occupancy) = total units of demand
- Industries and other rating units not classified above - the greater of total estimated waste in litres per day divided by 920 litres per day or total gm (BOD5) divided by 260gm (BOD5) = total units of demand

Recalculation of amounts due -

If after establishing the final cost and number of units (estimated to be known by April 2011), the portion payable by those connecting, for each unit, increases by more than 1%, (based on a unit fee of \$2,000, 1% represents \$20) a recalculation of the lump sum contribution and targeted rate will be undertaken. Where the actual cost increase is less than 1% the variance will be funded from the Edendale/Wyndham Water Supply Scheme rate smoothing reserve to be recovered from local water supply rates in later years. If after establishing the final cost as described above the per unit cost is lower than \$2,000 a recalculation will be undertaken.

No interest will be applied to any recalculated amount, whether payable or refundable. If the variance results in a recalculation, within one month of calculating the final cost Council will:

In the case of an amount payable, where:

- (a) The initial payment was by way of a lump sum, forward an invoice for the final cost to the current property owner. The balance(s) owing will be due one month from invoice date.
- (b) The initial payment was by way of targeted rate, the final cost will be added to any balance owing and the targeted rate applicable for the next financial year will be recalculated on this new total.

Where a refund is computed, and:

- (a) The refund is for a unit(s) paid by a lump sum contribution the total refund will be paid to the current property owner.
- (b) The refund is for a unit(s) paid by a targeted rate, the total refund will be credited against the rate account dated one month subsequent to the calculation of the final cost.

Lump Sum Contributions Timetable -

Invitations to those connecting to the scheme will be sent during March/April 2010, the due date to receive the completed election form will be one month from the date sent. Those who choose this repayment option will be sent an invoice requesting payment one month subsequent to the due date of the completed payment options form. If payment of the full amount is not paid by the payment due date and Council is unsuccessful contacting the ratepayer or have not heard from the ratepayer by this date, Council reserves the right to cancel the election and transfer the amount(s) owing on to the rates account as a targeted rate option over 25 years (Option 6) commencing from 1 July 2010.

Targeted Rate -

If those connecting do not choose to elect to repay the contribution in one lump sum they must choose one of the targeted rate options. The five options being offered within the targeted rate option are over a 2, 4, 10, 15 or 25 year period.

The targeted rate is calculated as above and is subject to interest calculated using the Council's internal interest rate. The interest rate applied is Council's internal rate of return calculated annually and applying from 1 July each year. Council set the rate applying from 1 July 2010 at 6.76% as part of its Annual Plan process. Based on this internal interest rate of 6.76% the amount of annual rates for each unit and the period for which this rate would apply is shown in the table to the right.

Ongoing Operational Costs

In addition, once the sewerage scheme is operational, those connected or able to be connected to the scheme will be liable for a targeted sewerage rate to pay the costs of operating the scheme. Page 146 of the Funding Impact Statement sets out the amount of the targeted rate.

Estimated annual rates for targeted rate repayment options

OPTION	RATING PERIOD	ANNUAL RATES Plus GST
Option 2	2 years	\$957.81
Option 3	4 years	\$510.96
Option 4	10 years	\$246.03
Option 5	15 years	\$189.51
Option 6	25 years	\$147.85

Fees and Charges Variations

The table below shows the fees and charges for 2010/2011 which differ from 2009/2010. Additional information about the fees can be found in the Council's Schedule of Fees and Charges. Please note that the fees listed generally do not include GST (i.e are plus GST at the prevailing rate). When the GST increase to 15% takes effect on 1 October 2010, the fees for *Dog Registration and Associated Fees and Refuse Site and Transfer Station Charges* (shown in italics) will not change, but other fees will be charged at the prevailing rate of GST at the time.

	2009/2010 (Plus GST)	2010/2011 (Plus GST)
Building Regulation		
Building consent fees		
New dwelling < 300 m ² floor area (base fee)	\$1,524.44	\$1,641.78
New dwelling > 300 m ² floor area (base fee)	\$1,918.22	\$2,043.56
Addition to dwelling (base fee)	\$753.78	\$853.33
Altered dwelling (base fee)	\$435.56	\$528.00
Relocated dwelling (base fee)	\$594.67	\$690.67
Commercial accommodation / commercial crowd / commercial working (base fee)	\$1,482.67	\$1,598.22
Conservatory, deck, farm building, dairy shed, garage (base fee)	\$376.89	\$468.00
Solid-liquid-gas fired heating demolition (base fee)	\$188.44	\$0.00
Freestanding Solid Liquid Gas Fired Heating Unit	\$0.00	\$192.71
Inbuilt Solid Liquid Gas Fired Heating Unit	\$0.00	\$355.38
Plumbing drainage swimming/spa pool fencing other minor works (base fee)	\$217.78	\$305.33
Land Information Memorandum and Project Information Memorandum		
Land Information Memorandum	\$176.89	\$200.00
Project Information Memorandum PIM Only Application	\$68.44	\$96.00
Project Information Memorandum Issued with Consent	\$0.00	\$13.33
Site - Service Assessment	\$0.00	\$82.67
Other fees and charges		
RAPID number	\$150.00	\$151.11
Relocatable Building Report	\$217.78	\$222.67
Tent/marquee (>50 m ² public >100m ² private)	\$217.78	\$222.67
Compliance schedule/statement	\$117.33	\$120.00
Compliance schedule (amended)	\$58.67	\$60.00
Certificate of Public Use	\$335.11	\$342.67
Certificate of Acceptance	\$335.11	\$342.67
Alternative Solution/waiver	\$694.22	\$720.00

	2009/2010 (Plus GST)	2010/2011 (Plus GST)
Cemeteries		
Standard interment fees for Southland District Council cemeteries - five years old and over		
Centre Hill	\$1,044.44	\$1,191.11
Dipton	\$1,044.44	\$1,191.11
Edendale	\$1,044.44	\$1,191.11
Halfmoon Bay	\$1,044.44	\$1,191.11
Lumsden	\$1,044.44	\$1,191.11
Lynwood	\$1,044.44	\$1,191.11
Otautau	\$1,044.44	\$1,191.11
Otautau RSA (Less \$300.00)	\$777.78	\$891.11
Riverton	\$1,044.44	\$1,191.11
Riverton RSA (Less \$200.00)	\$866.67	\$991.11
Nightcaps (Wairio)	\$1,044.44	\$1,191.11
Wallacetown	\$1,044.44	\$1,191.11
Winton	\$1,044.44	\$1,191.11
Woodlands	\$1,044.44	\$1,191.11
Wreys Bush	\$1,044.44	\$1,191.11
Wyndham	\$1,044.44	\$1,191.11
Other cemetery fees		
Interment one year old and up to five years old (50%)	\$522.22	\$595.56
Interment stillborn and up to one year old (25%)	\$261.11	\$297.78
Dog registration and associated fees		
Registration		
(a) Registration per dog per annum	\$14.93	\$17.78
(b) Penalty for late payment	\$7.47	\$8.89
(c) Part-year registration, per month	\$1.24	\$1.51
Dog impounding fees		
(d) Sustenance of dogs impounded (per day)	\$8.89	\$13.33
Refuse site and transfer station charges		
Refuse		
Ute type loads and small trailers	\$19.56	\$21.33
Tandem trailers and high side trailers	\$44.44	\$46.22
Unstripped car body surcharge	\$94.22	\$96.00
Car tyres (each)	\$3.56	\$5.33
4WD tyres (each)	\$8.89	\$10.67

	2009/2010 (Plus GST)	2010/2011 (Plus GST)
Recycling and reuse		
<i>Ute type loads and small trailers</i>	\$8.89	\$10.67
<i>Tandem trailers and high side trailers</i>	\$21.33	\$23.11
Reserve and development contributions		
Development contributions for water and sewerage		
For Te Anau only, per lot charge:		
- Water	\$2,889.00	\$2,861.33
- Sewerage	\$11,834.00	\$11,863.83
Headworks contribution for rural water supplies (per unit)		
For any new connection (or request for additional units) to the following supplies:		
Te Anau Rural	\$3,089.90	\$3,198.24
Eastern Bush	\$3,683.09	\$3,671.64
Otahu Flat	\$3,864.76	\$5,183.79
Matuku Unit	\$697.67	\$498.60
Matuku Trough	\$348.84	\$249.31
Lumsden Balfour		
- 1 unit	\$3,737.71	\$3,904.47
- 2 unit	\$7,101.65	\$7,418.49
- 3 unit	\$10,091.82	\$10,542.06
- 4 unit	\$12,708.21	\$13,275.19
- 5 unit	\$14,950.84	\$15,617.87
- 6 unit	\$16,819.69	\$17,570.11
- 7 unit	\$18,314.78	\$19,131.89
- 8 unit	\$19,436.09	\$20,303.23
- 9 unit	\$20,183.63	\$21,084.12
- Per additional one unit after 9	\$373.77	\$390.44
Financial contributions for water supplies		
For any new connection per household equivalent to the following supplies:		
Edendale	\$2,388.57	N/A
Manapouri	\$2,225.07	\$2,761.64
Mossburn	\$3,338.92	\$3,733.73
Ohai/Nightcaps	\$2,151.74	\$2,531.68
Riverton	\$1,995.72	\$2,622.33
Tuatapere	\$2,782.31	\$3,307.89
Otautau	\$1,356.05	\$1,731.91
Winton	\$2,046.36	\$2,743.74

		2009/2010 (Plus GST)	2010/2011 (Plus GST)
Financial contributions for sewerage supplies			
For any new connection per household equivalent to the following supplies:	Balfour	\$3,009.36	\$2,988.91
	Browns	\$4,432.15	\$4,341.59
	Gorge Road	\$18,153.62	\$19,271.95
	Lumsden	\$2,600.80	\$4,485.61
	Manapouri	\$3,257.66	\$3,379.93
	Monowai	\$4,536.60	\$4,420.69
	Nightcaps	\$8,130.03	\$8,004.85
	Ohai	\$860.45	\$770.90
	Riversdale	\$3,330.21	\$3,229.00
	Riverton	\$4,905.89	\$5,938.37
	Stewart Island	\$12,411.25	\$12,757.18
	Tokanui	\$5,969.27	\$5,356.47
	Otautau	\$7,586.63	\$7,675.17
	Winton	\$1,456.69	\$1,433.44
	Wallacetown	\$6,714.84	\$6,690.86
	Tuatapere	\$10,650.59	\$10,714.47
Resource Management Act			
Discount policy for late consents - notice of intent			
<p>A recent amendment to the Resource Management Act 1991 (Section 36AA) enables Councils to discount charges on the processing of resource consents (Section 36 charges) where resource consents are not processed within the required timeframe, and the Council is at fault. Southland District Council does not intend developing its own Discount Policy but will use the default policy set out in the Regulation.</p> <p>The Minister for the Environment is currently preparing a Default Discount Policy that sets out the level of discounts, how the fault is determined, and what will happen in the event of a dispute. The Default Policy will be made a Regulation which will come into force at the end of July 2010.</p> <p>Once that Regulation comes in, the Discounting Policy will apply against all resource consent applications made after that date, based on the discount and fault criteria set out in that Regulation. The Council will not have the ability to immediately integrate the new Discount Policy into the 2010/2011 Annual Plan, therefore it is intended that the Regulation operate alongside the Annual Plan for the 2010/2011 year. The content of the Regulation will be incorporated into the subsequent 2011/2012 Annual Plan.</p> <p>It should be noted that any costs of such a discount fall back on to the general ratepayer. Southland District Council is continuing to refine its consent processing procedures to ensure that fault for late issue of consents is not attributed to any action or inaction of the Council.</p>			
Road Reserve and Service Fees			
Stock Management			
Stock Crossing at grade	- Fee	\$150.00	\$151.11
Stock Races	- Fee	\$150.00	\$151.11
Stock Droving	- Fee	\$50.00	\$53.33

		2009/2010 (Plus GST)	2010/2011 (Plus GST)
Drainage			
Lower a road culvert	- Fee	\$150.00	\$151.11
Drainage on roadsides	- Fee	\$150.00	\$151.11
Stormwater connection to kerb and channel	- Fee	\$50.00	\$53.33
Vehicular Accessways			
Urban - Unsealed	- Fee	\$50.00	\$53.33
Urban - Sealed	- Fee	\$50.00	\$53.33
Commercial urban/rural	- Fee	\$150.00	\$151.11
Rural Private	- Fee	\$150.00	\$151.11
Carriageways			
Public/private utilities and services on roadsides	- Fee	\$150.00	\$151.11
Stock underpasses	- Fee	\$150.00	\$151.11
Temporary closure of roads for public events		\$50.00	\$53.33
Temporary closure of roads for roading purposes		\$50.00	\$53.33
Road Margin			
Dust suppression		\$50.00	\$53.33
Signs on roads		\$50.00	\$53.33
Road margin planting		\$50.00	\$53.33
Cultivation of road margin		\$50.00	\$53.33
Storage on the road margin		\$50.00	\$53.33
Whitebait huts		\$50.00	\$53.33
Permanent Fencing in the road margin		\$150.00	\$151.11
RAPID Numbering		\$150.03	\$151.11
Roading Utility Applications (Group B applications)			
Connect drain to kerb and channel	- Fee	\$90.00	\$93.33
Connect to piped utilities (urban or rural water supply, stormwater/sewerage)	- Fee	\$270.00	\$271.11
Stewart Island Electrical Supply Authority			
General tariff			
Annual distribution and development charge		\$480.00	\$499.20
General tariff		\$0.46	\$0.48
Night rate			
- Unit rate		\$0.40	\$0.42
Commercial connections			
Standard rate (per unit)		\$0.46	\$0.48
Monthly charge		\$112.00	\$116.48

Balancing the Budget

Balancing the budget -

Section 100 of the Local Government Act 2002 requires Council to ensure that each year that its projected operating revenues are set at a level sufficient to meet its projected operating expenditure. Council is projecting an operating surplus of \$3.0 million and therefore will meet its balanced budget requirement in terms of the Act. The change from a projected deficit of \$1.3 million for 2010/2011 in the LTCCP to a forecast operating surplus of \$3.0 million for the Annual Plan is primarily due to a revised timeline of capital projects such as the Edendale/Wyndham sewerage scheme.

The operating surplus includes asset development revenue from vested assets, development and financial contributions, MOH subsidy for sewerage/water schemes and scheme capital recovery for sewerage/water schemes.

Year	LTCCP 2010/2011	Annual Plan 2010/2011
Operating Surplus/(Deficit)	(1,299,128)	3,044,671

The projected surplus takes into account revenue for capital projects or debt repayment but does not balance this against the related expenditure (such as loan principal repayments or capital costs). This can be shown as follows:

How the Operating Surplus/(Deficit) is used -

	LTCCP 2010/2011	Annual Plan 2010/2011
Property, Plant and Equipment	1,933,189	6,231,379
Loan Repayments	1,385,477	1,383,359
Reserves	(4,617,794)	(4,570,067)
Total Operating Surplus/(Deficit)	(1,299,128)	3,044,671

Rates Smoothing

The 2010/2011 rates in this Annual Plan were calculated based on the rate smoothing approach adopted by Council. Estimated revenue and expenditure for the next 10 years (using the LTCCP 2009-2019 as a starting point) were reviewed and amended for any changes needed such as updated costs or new projects. In particular Council focused on updating the 2010/2011 year of the LTCCP. This provided the basis for determining the rates required for 2010/2011.

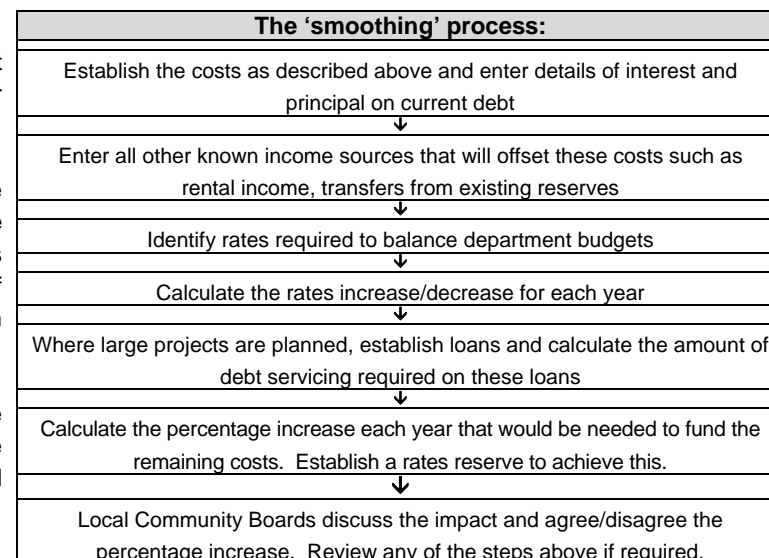
A detailed explanation of the rate smoothing approach follows:

Rates smoothing approach to the total rates collected in any year -

Given the number of communities within the Southland District and the number of significant infrastructural projects planned, the Council will require a number of new loans (either internal or external) to fund projects (particularly in the early years) over the next 10 years.

If all projects were to be funded by rates, this would have a major 'see-saw' effect on the projected rate increases. As a result of this Council has re-approached the way it determines the total rates to be collected in any year. The aim was to achieve a consistent percentage rates increase by funding projects over the next 10 year period. This has resulted in a 'smoothing' of the rates. In any given year the total amount of rates to be collected may be more or less than what is required. To fund the balance, Council intends to use existing reserves.

The amounts used to balance this will be identified separately through new rate reserve accounts. Loosely they could be called 'revolving credit facilities'. The purpose of these reserve accounts will be to manage this 'credit' by advancing funds for projects in early years and repaying these in later years once funds accumulate.



This means that instead of creating an individual loan for each community project, some projects undertaken can now be financed over the period from this new central reserve held by each community. This has enabled Council to ensure that projects planned can be managed within the projected rate increases while giving communities the flexibility to include projects that previously may have been deferred because the annual rate increase may have seemed too high.