6.0 What the Water Supply Service Costs and How We Pay for It

6.1 Overview

The Local Government Act 2002 (Part 6 Subpart 3) requires local authorities to manage their finances "prudently and in a manner that promotes the current and future interests of the community. This implies compliance with Generally Accepted Accounting Practice (GAAP). Of particular relevance is NZ IAS 16.

In determining how activities will be funded local authorities are required to take the following into consideration.

- The contribution to the achievement of Community Outcomes (strategic alignment)
- Beneficiaries of each activity (beneficiary/user pays principles)
- The period over which benefits from the activity will occur (intergenerational equity issues)
- The extent to which identifiable individuals contribute to the need to incur expenditure (exacerbator and user pays principles)
- The costs and benefits of funding the activity compared to other activities (cost/benefit, prioritisation principles)
- The impact of funding the activity on the wellbeing of the community (ability to pay principles)

Activity Management Plans provide the basis for meeting these requirements for infrastructure-based activities.

6.2 Historical Costs

The following figure displays the historical costs associated with the Water Supply Activity.

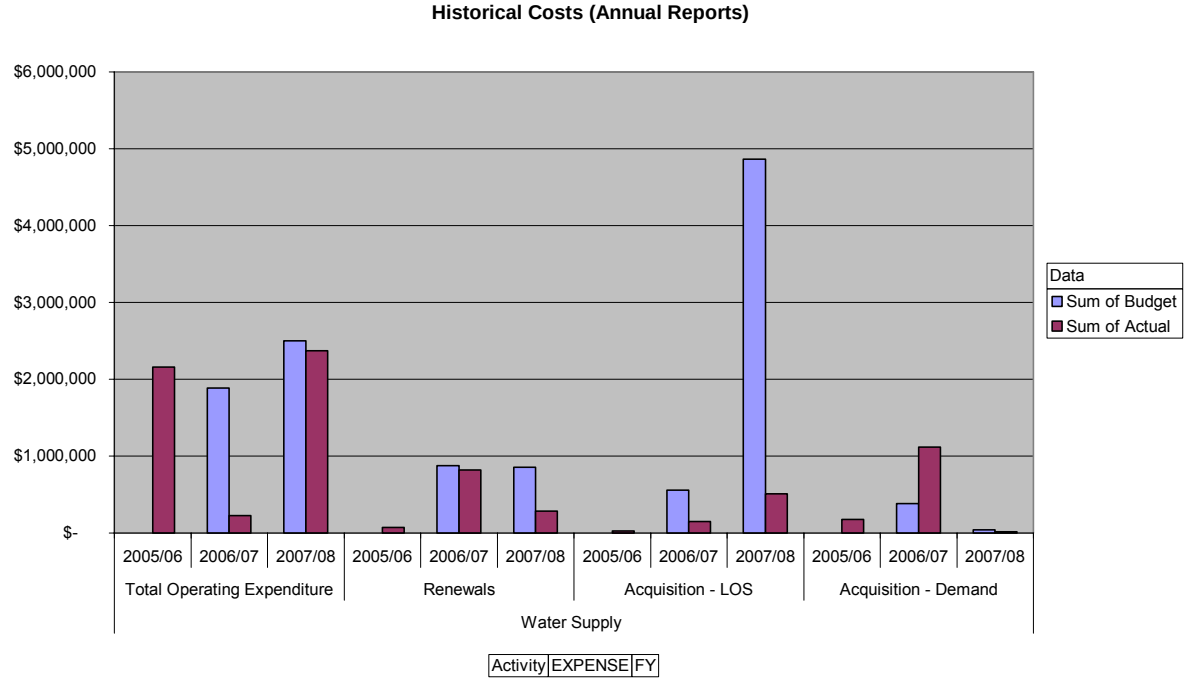

Figure 52 – Historical Expenditure

6.3 Financial Forecast

Financial Forecasts are sourced from the Council's front end budgeting system and Crystal Reports.

Table 102 – Water Supply Activity Financial Forecast

Water Supply

	Current Budget	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Operations and Maintenance											
Operating Costs											
23360 Water Supply Edendale	4,544	-	-	-	-	-	-	-	-	-	-
23560 Water Supply Five Rivers	147	150	155	159	163	167	169	175	180	184	190
23561 Water Supply Matuku	5,605	5,814	5,988	6,132	6,289	6,437	6,600	6,771	6,947	7,135	7,333
24360 Water Supply Lumsden	41,533	24,641	25,290	25,922	26,648	27,349	28,153	28,990	29,855	30,772	31,750
24361 Water Supply Loan Lumsden	2,100	-	-	-	-	-	-	-	-	-	-
24560 Water Supply Lumsden/Balfour	79,604	83,841	86,104	88,252	90,691	93,064	95,738	98,551	101,435	104,505	107,777
24561 Water Supply Loan Lums/Balfour	63,114	-	-	-	-	-	-	-	-	-	-
24760 Water Supply Manapouri	25,260	29,063	29,919	30,647	31,450	32,222	33,065	33,969	34,885	35,862	36,904
25160 Water Supply Mossburn	22,373	23,469	24,158	24,739	25,387	25,996	26,674	27,387	28,120	28,902	29,735
25760 Water Supply Ohai/Nightcaps	79,615	86,459	88,988	91,143	93,538	95,804	98,320	100,979	103,701	106,603	109,695
26160 Water Supply - Riversdale	-	-	-	-	24,508	25,100	25,758	26,450	27,161	27,920	28,730
26360 Water Supply Riverton	148,140	161,102	165,537	169,624	174,251	178,696	183,715	188,974	194,375	200,135	206,269
26860 Water Supply Te Anau	118,738	132,016	135,616	138,986	142,804	146,495	150,662	155,036	159,522	164,301	169,394
26960 Water Supply Overheads	3,231	3,231	3,338	3,414	3,496	3,570	3,648	3,732	3,818	3,910	4,007
26961 Water Supply Ramparts	28,181	30,224	30,972	31,760	32,680	33,583	34,628	35,712	36,831	38,023	39,291
26962 Water Supply Mount York	14,440	14,957	15,342	15,728	16,173	16,607	17,103	17,622	18,157	18,726	19,330
26963 Water Supply Takitimu	22,799	24,321	24,921	25,557	26,296	27,024	27,865	28,738	29,640	30,600	31,620
26964 Water Supply Kakapo	24,319	25,820	26,473	27,142	27,920	28,678	29,555	30,464	31,403	32,402	33,467
26965 Water Supply Homestead	12,622	13,107	13,434	13,775	14,173	14,561	15,011	15,476	15,957	16,468	17,015
26966 Water Supply Princhester	6,714	6,497	6,671	6,837	7,027	7,209	7,416	7,631	7,855	8,092	8,345
26967 Water Supply - Duncraigen	4,852	4,569	4,686	4,805	4,940	5,075	5,227	5,385	5,549	5,724	5,911
28060 Water Supply Tuatapere	71,769	73,904	75,996	77,859	79,948	81,950	84,187	86,544	88,961	91,534	94,276
28160 Water Supply Orawia	1,566	1,623	1,677	1,715	1,756	1,793	1,833	1,875	1,918	1,964	2,013
28161 Water Supply - Eastern Bush	13,760	14,657	15,065	15,434	15,853	16,251	16,699	17,171	17,656	18,170	18,721
28162 Water Supply Otahu Flat	11,256	11,878	12,219	12,516	12,848	13,162	13,512	13,879	14,259	14,663	15,094
28660 Water Supply Waikaia	-	-	-	-	24,508	25,100	25,758	26,450	27,161	27,920	28,730
28960 Water Supply Otautau	40,531	39,711	40,776	46,527	47,799	49,017	50,397	51,840	53,325	54,906	56,592
29460 Water Supply Winton	153,830	83,334	85,622	87,735	90,129	92,422	95,021	97,737	100,534	103,514	106,687
29962 Water Supply Edendale/ Wyndham	-	49,198	121,767	128,391	132,246	135,953	140,116	144,474	148,977	153,766	158,875
	1,000,643	**943,586**	**1,040,714**	**1,074,799**	**1,153,521**	**1,183,285**	**1,216,830**	**1,252,012**	**1,288,182**	**1,326,701**	**1,367,751**

Water Supply

	Current Budget	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Operations and Maintenance											
Repairs and Maintenance											
23360 Water Supply Edendale	9,030	-	-	-	-	-	-	-	-	-	-
23561 Water Supply Matuku	10,709	10,877	11,203	11,517	11,829	12,218	12,572	13,013	13,416	13,846	14,302
24360 Water Supply Lumsden	31,298	44,722	46,063	47,354	48,633	50,237	51,694	53,503	55,162	56,926	58,805
24560 Water Supply Lumsden/Balfour	45,197	65,136	67,090	68,968	70,831	73,168	75,290	77,925	80,341	82,911	85,648
24760 Water Supply Manapouri	18,827	25,392	26,154	26,886	27,612	28,524	29,350	30,378	31,320	32,321	33,388
25160 Water Supply Mossburn	16,824	19,750	20,343	20,912	21,476	22,186	22,829	23,627	24,361	25,140	25,970
25760 Water Supply Ohai/Nightcaps	74,728	91,555	94,302	96,941	99,560	102,844	105,827	109,531	112,927	116,541	120,387
26160 Water Supply - Riversdale	-	-	-	-	21,476	22,186	22,829	23,627	24,361	25,140	25,970
26360 Water Supply Riverton	99,272	115,811	119,285	122,625	125,936	130,092	133,864	138,550	142,845	147,417	152,281
26860 Water Supply Te Anau	75,218	105,182	108,337	111,370	114,378	118,152	121,580	125,835	129,735	133,886	138,305
26961 Water Supply Ramparts	16,799	18,568	19,125	19,660	20,192	20,857	21,462	22,214	22,902	23,636	24,415
26962 Water Supply Mount York	13,087	13,378	13,780	14,165	14,548	15,028	15,464	16,006	16,501	17,029	17,591
26963 Water Supply Takitimu	20,586	25,539	26,306	27,041	27,772	28,688	29,521	30,554	31,501	32,509	33,581
26964 Water Supply Kakapo	15,578	27,556	28,383	29,177	29,965	30,954	31,852	32,966	33,988	35,076	36,233
26965 Water Supply Homestead	8,302	10,194	10,499	10,794	11,085	11,451	11,784	12,196	12,574	12,976	13,404
26966 Water Supply Princhester	6,112	7,917	8,154	8,383	8,609	8,894	9,152	9,472	9,765	10,078	10,411
26967 Water Supply - Duncraigen	5,056	5,480	5,644	5,802	5,959	6,156	6,334	6,557	6,760	6,975	7,206
28060 Water Supply Tuatapere	44,830	57,268	58,987	60,637	62,275	64,330	66,196	68,513	70,637	72,897	75,302
28160 Water Supply Orawia	3,053	3,940	4,058	4,171	4,284	4,426	4,554	4,714	4,860	5,014	5,180
28161 Water Supply - Eastern Bush	15,947	21,058	21,690	22,297	22,899	23,655	24,341	25,193	25,973	26,805	27,689
28162 Water Supply Otahu Flat	35,889	25,514	26,280	27,014	27,744	28,660	29,492	30,522	31,469	32,477	33,548
28660 Water Supply Waikaia	-	-	-	-	21,476	22,186	22,829	23,627	24,361	25,140	25,970
28960 Water Supply Otautau	48,825	60,645	62,464	64,213	65,948	68,122	70,099	72,552	74,802	77,196	79,743
29460 Water Supply Winton	100,624	105,473	108,637	111,679	114,694	118,479	121,915	126,182	130,094	134,257	138,687
29962 Water Supply Edendale/ Wyndham	-	27,000	46,865	49,622	51,116	52,961	54,661	56,742	58,678	60,734	62,931
	715,791	**887,955**	**933,649**	**961,228**	**1,030,297**	**1,064,454**	**1,095,491**	**1,133,999**	**1,169,333**	**1,206,927**	**1,246,947**
Depreciation											
11972 Allocations 774 Rural Water	373	121	-	-	-	-	-	-	-	-	-
11973 Allocations 775 Residential Wa	990,047	904,894	1,031,240	1,151,155	1,242,502	1,316,530	1,386,040	1,460,677	1,552,104	1,664,047	1,793,839
	990,420	**905,015**	**1,031,240**	**1,151,155**	**1,242,502**	**1,316,530**	**1,386,040**	**1,460,677**	**1,552,104**	**1,664,047**	**1,793,839**
Total of Operations and Maintenance	**2,706,854**	**2,736,556**	**3,005,603**	**3,187,182**	**3,426,320**	**3,564,269**	**3,698,361**	**3,846,688**	**4,009,619**	**4,197,675**	**4,408,537**
Asset Programme											

Water Supply

	Current Budget	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Asset Programme											
Renewals											
23561 Water Supply Matuku	-	-	15,450	-	-	16,850	-	-	-	12,729	-
24360 Water Supply Lumsden	1,572	1,333	42,741	1,411	1,450	1,497	57,370	1,595	1,644	1,697	1,753
24560 Water Supply Lumsden/Balfour	3,750	41,250	176,659	7,147	7,340	30,048	30,920	8,075	32,995	8,592	8,876
24760 Water Supply Manapouri	-	54,500	60,255	67,872	4,893	5,055	5,202	58,023	5,550	5,728	98,782
25160 Water Supply Mossburn	-	4,500	4,635	95,481	4,893	5,055	5,202	5,384	16,747	5,728	5,917
25760 Water Supply Ohai/Nightcaps	35,000	49,250	9,270	67,766	27,295	16,569	10,403	16,270	2,456,129	30,550	2,168,968
26360 Water Supply Riverton	-	9,000	9,270	9,530	9,787	16,569	10,403	10,767	11,101	11,456	11,834
26860 Water Supply Te Anau	-	11,250	11,588	24,089	12,234	12,637	13,004	13,459	13,876	14,320	146,047
26961 Water Supply Ramparts	-	4,500	75,705	4,765	4,893	25,021	5,202	5,384	5,550	5,728	5,917
26962 Water Supply Mount York	-	2,250	17,768	2,382	68,726	2,527	2,601	2,692	2,775	2,864	2,959
26963 Water Supply Takitimu	-	31,000	17,768	2,382	2,447	2,527	2,601	2,692	2,775	2,864	2,959
26964 Water Supply Kakapo	7,000	44,750	20,085	4,765	4,893	200,894	5,202	5,384	41,862	5,728	5,917
26965 Water Supply Homestead	2,000	4,550	17,768	56,552	2,447	220,001	2,601	2,692	2,775	2,864	2,959
26966 Water Supply Princhester	-	-	71,070	-	-	10,334	-	-	-	-	13,149
26967 Water Supply - Duncraigen	-	-	15,450	-	-	19,823	-	-	-	19,094	-
28060 Water Supply Tuatapere	-	179,550	175,049	224,805	7,340	7,582	207,540	8,075	8,326	228,550	8,876
28161 Water Supply - Eastern Bush	149,723	2,250	2,318	309,996	25,174	235,457	2,601	14,483	113,698	2,864	8,219
28162 Water Supply Otahu Flat	222,893	2,250	2,318	2,382	25,174	313,101	227,306	14,483	113,698	2,864	8,219
28960 Water Supply Otautau	-	55,925	123,961	144,823	7,340	147,743	7,802	175,294	8,326	8,592	172,944
29460 Water Supply Winton	-	904,133	351,488	1,574,648	7,340	950,095	43,900	853,649	8,326	1,442,895	8,876
	421,938	**1,402,241**	**1,220,616**	**2,600,796**	**223,666**	**2,239,385**	**639,860**	**1,198,401**	**2,846,153**	**1,815,707**	**2,683,171**

Water Supply

	Current Budget	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Asset Programme											
Acquisition-Level of Service											
22560 Water Supply - Browns	-	502,000	-	-	-	-	-	-	-	-	-
23360 Water Supply Edendale	1,533,755	-	-	-	-	-	-	-	-	-	-
23560 Water Supply Five Rivers	-	-	-	-	-	-	-	-	-	12,729	-
23561 Water Supply Matuku	-	-	-	-	36,973	-	-	-	-	-	-
24360 Water Supply Lumsden	140,000	728,270	-	1,059	-	-	-	-	-	-	-
24560 Water Supply Lumsden/Balfour	431,250	1,065,980	-	3,177	-	-	-	-	-	-	-
24760 Water Supply Manapouri	-	11,500	10,300	259,416	-	162,970	-	-	-	-	-
25160 Water Supply Mossburn	75,880	10,000	127,926	213,092	-	-	-	-	-	-	-
25760 Water Supply Ohai/Nightcaps	820,000	1,585,000	403,760	5,294	-	-	-	-	-	-	-
26160 Water Supply - Riversdale	-	-	-	1,266,055	-	-	-	-	-	-	-
26360 Water Supply Riverton	278,928	13,000	1,133,000	5,294	-	-	83,026	-	-	-	106,153
26860 Water Supply Te Anau	5,000	83,250	260,590	-	-	-	-	-	-	-	-
26962 Water Supply Mount York	-	-	-	-	6,253	-	-	-	-	-	-
26963 Water Supply Takitimu	-	-	-	-	93,791	-	-	-	-	-	-
28060 Water Supply Tuatapere	1,641,515	205,750	478,950	5,294	-	-	-	-	-	-	-
28160 Water Supply Orawia	-	-	-	-	38,332	-	-	-	-	-	-
28161 Water Supply - Eastern Bush	-	1,575	-	-	252,204	-	-	-	-	-	-
28162 Water Supply Otahu Flat	-	1,575	-	-	292,847	-	-	-	-	-	-
28660 Water Supply Waikaia	-	15,000	-	1,107,182	-	-	-	-	-	-	-
28960 Water Supply Otautau	-	10,000	88,838	-	-	-	-	-	-	-	-
29460 Water Supply Winton	-	25,000	571,908	-	-	-	-	-	-	-	-
29961 Water Supply Scheme Wyndham	1,563,550	-	-	-	-	-	-	-	-	-	-
29962 Water Supply Edendale/ Wyndham	-	-	3,090	-	5,437	-	-	-	-	-	-
29963 Water Supply Scheme Eden/Wyn	-	738,500	-	-	-	-	-	-	-	-	-
	6,489,878	**4,996,400**	**3,078,362**	**2,865,863**	**725,837**	**162,970**	**83,026**	**-**	**-**	**12,729**	**106,153**
Acquisition-Demand											
24560 Water Supply Lumsden/Balfour	-	-	-	105,884	-	112,331	-	119,635	-	-	-
24760 Water Supply Manapouri	-	-	-	-	-	162,970	-	-	-	-	-
26360 Water Supply Riverton	-	-	-	-	-	-	-	963,059	-	-	1,058,501
26860 Water Supply Te Anau	-	-	-	24,353	-	103,345	-	-	-	2,181,182	325,440
28161 Water Supply - Eastern Bush	-	1,000	-	-	-	-	-	-	-	-	-
28162 Water Supply Otahu Flat	-	1,000	-	-	-	-	-	-	-	-	-
	-	**2,000**	**-**	**130,237**	**-**	**378,646**	**-**	**1,082,694**	**-**	**2,181,182**	**1,383,941**

Water Supply

	Current Budget	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Asset Programme											
Vested Assets											
11973 Allocations 775 Residential Wa	249,754	173,119	-	-	-	-	-	-	-	-	-
	249,754	**173,119**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total of Asset Programme	**7,161,570**	**6,573,760**	**4,298,978**	**5,596,896**	**949,503**	**2,781,001**	**722,886**	**2,281,095**	**2,846,153**	**4,009,618**	**4,173,265**
Funding Programme											

Water Supply

	Current Budget	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Funding Programme											
Rates											
23360 Water Supply Edendale	(13,573)	-	-	-	-	-	-	-	-	-	-
23561 Water Supply Matuku	(18,436)	(19,534)	(20,697)	(21,930)	(23,236)	(24,620)	(26,086)	(27,638)	(29,284)	(31,027)	(32,874)
24360 Water Supply Lumsden	(82,700)	(89,157)	(96,119)	(103,624)	(111,715)	(120,438)	(129,842)	(139,981)	(150,911)	(162,694)	(175,398)
24361 Water Supply Loan Lumsden	(3,176)	(16,283)	(16,283)	(16,283)	(16,283)	(16,283)	(16,283)	(16,283)	(16,283)	(16,283)	(16,283)
24560 Water Supply Lumsden/Balfour	(141,128)	(149,835)	(159,081)	(168,894)	(179,314)	(190,377)	(202,123)	(214,593)	(227,833)	(241,889)	(256,813)
24561 Water Supply Loan Lums/Balfour	(95,461)	(115,327)	(115,327)	(115,327)	(115,327)	(115,327)	(115,327)	(115,327)	(115,327)	(115,327)	(115,327)
24562 Water Supply Loan-Residential	-	(12,383)	(12,382)	(12,382)	(12,382)	(12,382)	(12,382)	(12,382)	(12,382)	(12,382)	(12,382)
24760 Water Supply Manapouri	(55,418)	(61,323)	(67,857)	(75,087)	(83,087)	(91,940)	(101,736)	(112,576)	(124,570)	(137,843)	(152,530)
25160 Water Supply Mossburn	(23,790)	(25,597)	(27,541)	(29,633)	(31,884)	(34,305)	(36,911)	(39,714)	(42,731)	(45,976)	(49,468)
25760 Water Supply Ohai/Nightcaps	(140,153)	(159,368)	(181,221)	(206,066)	(234,318)	(266,442)	(302,972)	(344,511)	(391,743)	(445,453)	(506,529)
26160 Water Supply - Riversdale	-	-	-	-	(45,984)	(47,286)	(48,587)	(50,077)	(51,522)	(53,060)	(54,700)
26360 Water Supply Riverton	(259,199)	(276,730)	(295,447)	(315,430)	(336,765)	(359,542)	(383,860)	(409,823)	(437,542)	(467,136)	(498,731)
26860 Water Supply Te Anau	(186,684)	(193,722)	(201,024)	(208,602)	(216,466)	(224,627)	(233,094)	(241,882)	(251,000)	(260,462)	(270,281)
26960 Water Supply Overheads	(70,292)	23,862	157,971	(22,753)	72,790	352,439	(130,142)	(150,097)	(136,106)	(177,279)	(208,953)
26961 Water Supply Ramparts	(44,980)	(53,292)	(125,802)	(56,185)	(57,765)	(79,461)	(61,292)	(63,310)	(65,283)	(67,387)	(69,623)
26962 Water Supply Mount York	(27,527)	(30,585)	(46,890)	(32,275)	(105,700)	(34,162)	(35,168)	(36,320)	(37,433)	(38,619)	(39,880)
26963 Water Supply Takitimu	(43,385)	(80,860)	(68,995)	(54,980)	(150,306)	(58,239)	(59,987)	(61,984)	(63,916)	(65,973)	(68,160)
26964 Water Supply Kakapo	(46,897)	(98,126)	(74,941)	(61,084)	(62,778)	(260,526)	(66,609)	(68,814)	(107,253)	(73,206)	(75,617)
26965 Water Supply Homestead	(22,924)	(27,851)	(41,701)	(81,121)	(27,705)	(246,013)	(29,396)	(30,364)	(31,306)	(32,308)	(33,378)
26966 Water Supply Princhester	(12,826)	(14,414)	(85,895)	(15,220)	(15,636)	(26,437)	(16,568)	(17,103)	(17,620)	(18,170)	(31,905)
26967 Water Supply - Duncraigen	(3,141)	(10,049)	(25,780)	(10,607)	(10,899)	(31,054)	(11,561)	(11,942)	(12,309)	(31,793)	(13,117)
28060 Water Supply Tuatapere	(87,640)	(99,784)	(113,613)	(129,355)	(147,280)	(167,688)	(190,925)	(217,382)	(247,505)	(281,802)	(320,851)
28160 Water Supply Orawia	(4,417)	(5,163)	(6,038)	(7,057)	(8,249)	(9,641)	(11,271)	(13,176)	(15,401)	(18,004)	(21,045)
28161 Water Supply - Eastern Bush	(30,794)	(37,513)	(45,697)	(55,668)	(67,814)	(82,609)	(100,633)	(122,590)	(149,337)	(181,919)	(221,611)
28162 Water Supply Otahu Flat	(29,476)	(37,190)	(46,923)	(59,202)	(74,697)	(94,244)	(118,907)	(150,023)	(189,286)	(238,824)	(301,323)
28660 Water Supply Waikaia	-	-	-	-	(45,984)	(47,286)	(48,587)	(50,077)	(51,522)	(53,060)	(54,700)
28960 Water Supply Otautau	(82,020)	(91,358)	(101,760)	(113,344)	(126,249)	(140,622)	(156,632)	(174,465)	(194,328)	(216,452)	(241,095)
29460 Water Supply Winton	(324,480)	(351,478)	(380,724)	(412,400)	(446,714)	(483,882)	(524,144)	(567,755)	(614,994)	(666,164)	(721,592)
29962 Water Supply Edendale/ Wyndham	-	(76,198)	(171,722)	(178,013)	(188,799)	(188,914)	(194,777)	(201,216)	(207,655)	(214,500)	(221,806)
29991 Eden Water Loan (lump & 2yrs)	-	(7,745)	(7,745)	-	-	-	-	-	-	-	-
29992 Eden Water Loan (4 yrs)	-	(8,859)	(8,859)	(8,859)	(8,859)	-	-	-	-	-	-
29993 Eden Water Loan (10 yrs)	-	(4,886)	(4,885)	(4,885)	(4,885)	(4,885)	(4,885)	(4,885)	(4,886)	(4,885)	(4,885)
29994 Eden Water Loan (15 yrs)	-	(1,209)	(1,209)	(1,209)	(1,209)	(1,209)	(1,209)	(1,209)	(1,208)	(1,209)	(1,209)
29995 Eden Water Loan (25 yrs)	-	(24,706)	(24,705)	(24,706)	(24,706)	(24,706)	(24,706)	(24,706)	(24,706)	(24,705)	(24,706)
	(1,850,517)	**(2,156,663)**	**(2,418,892)**	**(2,602,181)**	**(2,910,205)**	**(3,132,708)**	**(3,396,602)**	**(3,692,205)**	**(4,023,182)**	**(4,395,791)**	**(4,816,772)**

Water Supply

	Current Budget	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Funding Programme											
Transfers to Reserves											
23561 Water Supply Matuku	2,122	2,843	-	4,281	-	-	6,914	7,854	8,921	-	11,239
24360 Water Supply Lumsden	71,919	20,627	-	-	3,249	9,620	-	24,158	32,516	41,565	51,355
24560 Water Supply Lumsden/Balfour	234,936	-	-	1,350	10,452	-	175	30,042	13,062	45,881	54,512
24760 Water Supply Manapouri	11,331	10,313	15,332	21,202	-	2,786	-	-	9,109	20,362	-
25160 Water Supply Mossburn	8,696	4,378	-	-	4,051	5,781	7,636	9,636	639	14,210	16,774
25760 Water Supply Ohai/Nightcaps	-	-	20,603	65,630	90,154	118,343	150,840	187,837	219,518	26,954	-
26360 Water Supply Riverton	-	10,542	21,672	34,537	48,241	62,802	48,170	84,364	102,450	121,780	36,296
26860 Water Supply Te Anau	119,255	-	-	7,790	22,671	25,459	28,230	30,747	33,641	36,474	-
26960 Water Supply Overheads	67,061	-	-	19,339	-	-	126,494	146,365	132,288	173,369	204,946
28060 Water Supply Tuatapere	-	-	-	166,130	15,775	33,028	52,981	57,639	84,152	114,610	129,588
28160 Water Supply Orawia	3,459	-	303	1,171	-	3,422	4,884	6,587	8,623	11,026	13,852
28161 Water Supply - Eastern Bush	-	-	6,624	-	-	-	-	-	21,745	47,355	80,258
28162 Water Supply Otahu Flat	-	-	-	204,428	-	-	-	-	39,900	76,980	132,623
28960 Water Supply Otautau	-	-	1,412	18	582	11,664	8,522	4,628	21,886	40,146	60,675
29460 Water Supply Winton	68,815	89,326	64,584	65,537	-	-	-	-	-	-	-
	587,594	**138,029**	**130,530**	**591,413**	**195,175**	**272,905**	**434,846**	**589,857**	**728,450**	**770,712**	**792,118**
Transfers from Reserves											
23561 Water Supply Matuku	-	-	(11,944)	-	(31,855)	(10,885)	-	-	-	(2,683)	-
24360 Water Supply Lumsden	-	(2,166)	(49,710)	(3,856)	-	-	(39,109)	-	-	-	-
24560 Water Supply Lumsden/Balfour	(15,000)	(40,392)	(170,772)	(2,083)	-	(5,903)	-	-	-	-	-
24760 Water Supply Manapouri	-	(66,000)	(70,555)	(4,765)	(8,980)	(25,907)	(9,854)	(53,628)	-	-	(59,969)
25160 Water Supply Mossburn	-	(14,500)	(35,181)	(96,221)	-	-	-	-	-	-	-
25760 Water Supply Ohai/Nightcaps	(117,868)	(37,905)	(9,270)	(73,060)	(27,295)	(16,569)	(10,403)	(16,270)	-	-	(1,130,432)
26360 Water Supply Riverton	(43,811)	(22,000)	(161,092)	(14,824)	(9,787)	(16,569)	(62,921)	(16,352)	-	-	-
26860 Water Supply Te Anau	(2,168)	(68,435)	(243,480)	-	-	-	-	-	-	-	(92,025)
26960 Water Supply Overheads	-	(27,093)	(161,309)	-	(76,286)	(356,009)	-	-	-	-	-
26967 Water Supply - Duncraigen	(6,767)	-	-	-	-	-	-	-	-	-	-
28060 Water Supply Tuatapere	(31,357)	(211,459)	(81,750)	-	-	-	-	-	-	-	-
28160 Water Supply Orawia	(3,661)	(400)	-	-	(36,123)	-	-	-	-	-	-
28161 Water Supply - Eastern Bush	(2,296)	(2,027)	-	(25,231)	(2,460)	(13,070)	(19,262)	(10,510)	-	-	-
28162 Water Supply Otahu Flat	(21,052)	(22,727)	(12,595)	-	(7,375)	(20,311)	(252,286)	(9,744)	-	-	-
28960 Water Supply Otautau	(2,620)	(65,365)	(6,862)	-	-	-	-	-	-	-	-
29460 Water Supply Winton	-	(78,731)	-	-	(47,151)	(15,076)	(101,664)	(27,828)	(63,085)	(17,976)	(99,278)
	(246,600)	**(659,200)**	**(1,014,520)**	**(220,040)**	**(247,312)**	**(480,299)**	**(495,499)**	**(134,332)**	**(63,085)**	**(20,659)**	**(1,381,704)**

Water Supply

	Current Budget	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Funding Programme											
Loans Repaid											
24360 Water Supply Lumsden	46,583	-	10,330	11,154	12,044	13,005	14,042	15,163	16,372	17,678	19,089
24361 Water Supply Loan Lumsden	1,076	5,300	5,723	6,180	6,673	7,205	7,780	8,401	9,071	9,795	10,576
24560 Water Supply Lumsden/Balfour	44,436	-	-	-	-	-	-	-	-	-	-
24561 Water Supply Loan Lums/Balfour	32,347	37,540	40,535	43,769	47,261	51,032	55,103	59,499	64,246	69,372	74,906
24562 Water Supply Loan-Residential	-	4,031	4,352	4,699	5,074	5,479	5,916	6,388	6,898	7,448	8,042
24760 Water Supply Manapouri	-	-	-	-	7,065	7,629	11,807	12,749	13,766	14,864	16,050
25760 Water Supply Ohai/Nightcaps	-	-	-	-	-	-	-	-	-	33,556	36,229
28060 Water Supply Tuatapere	854	-	-	-	2,511	2,711	2,927	5,902	6,373	6,881	10,448
28161 Water Supply - Eastern Bush	-	-	-	-	5,845	12,274	18,356	19,819	21,401	25,431	27,460
28162 Water Supply Otahu Flat	-	6,087	6,573	7,097	12,172	20,057	28,459	30,730	33,182	38,259	41,311
28960 Water Supply Otautau	-	-	-	-	4,874	5,263	10,854	11,720	18,162	19,611	21,175
29460 Water Supply Winton	15,882	13,345	25,643	31,671	55,708	60,153	77,886	84,100	102,412	110,583	139,088
29991 Eden Water Loan (lump & 2yrs)	-	6,838	7,384	-	-	-	-	-	-	-	-
29992 Eden Water Loan (4 yrs)	-	6,709	7,244	7,822	8,446	-	-	-	-	-	-
29993 Eden Water Loan (10 yrs)	-	2,335	2,520	2,721	2,938	3,173	3,426	3,699	3,995	4,313	4,657
29994 Eden Water Loan (15 yrs)	-	394	425	459	495	535	578	624	673	727	785
29995 Eden Water Loan (25 yrs)	-	3,733	4,030	4,352	4,699	5,074	5,479	5,916	6,388	6,897	7,448
	141,178	**86,312**	**114,759**	**119,924**	**175,805**	**193,590**	**242,613**	**264,710**	**302,939**	**365,415**	**417,264**
Loans Raised											
22560 Water Supply - Browns	-	(83,683)	-	-	-	-	-	-	-	-	-
23360 Water Supply Edendale	(255,626)	-	-	-	-	-	-	-	-	-	-
24360 Water Supply Lumsden	(28,509)	(381,740)	-	-	-	-	-	-	-	-	-
24560 Water Supply Lumsden/Balfour	(856,844)	(802,473)	-	-	-	-	-	-	-	-	-
24760 Water Supply Manapouri	-	-	-	(322,523)	-	(162,970)	-	-	-	-	-
25160 Water Supply Mossburn	(37,940)	-	(21,321)	(47,692)	-	-	-	-	-	-	-
25760 Water Supply Ohai/Nightcaps	(136,667)	(269,791)	(65,314)	-	-	-	-	-	(2,445,028)	-	(925,000)
26160 Water Supply - Riversdale	-	-	-	(210,165)	-	-	-	-	-	-	-
26360 Water Supply Riverton	(46,655)	-	(188,078)	-	-	-	-	-	-	-	-
28060 Water Supply Tuatapere	(601,033)	(33,340)	(107,841)	(219,244)	-	-	(199,738)	-	-	(219,958)	-
28161 Water Supply - Eastern Bush	(146,340)	-	-	(266,828)	(272,213)	(232,930)	-	-	(105,989)	-	-
28162 Water Supply Otahu Flat	(219,510)	-	-	(205,838)	(315,574)	(310,574)	-	-	(110,923)	-	-
28660 Water Supply Waikaia	-	(2,490)	-	(183,792)	-	-	-	-	-	-	-
28960 Water Supply Otautau	-	-	(34,308)	(132,117)	-	(140,161)	-	(149,274)	-	-	(164,068)
29460 Water Supply Winton	-	(818,652)	(697,259)	(1,567,501)	-	(942,513)	-	(845,574)	-	(1,434,303)	-
29961 Water Supply Scheme Wyndham	(260,592)	-	-	-	-	-	-	-	-	-	-
29963 Water Supply Scheme Eden/Wyn	-	(123,083)	-	-	-	-	-	-	-	-	-
	(2,589,716)	**(2,515,252)**	**(1,114,121)**	**(3,155,700)**	**(587,787)**	**(1,789,148)**	**(199,738)**	**(994,848)**	**(2,661,940)**	**(1,654,261)**	**(1,089,068)**

Water Supply

	Current Budget	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Funding Programme											
Non Cash Expenditure											
11972 Allocations 774 Rural Water	(373)	(121)	-	-	-	-	-	-	-	-	-
11973 Allocations 775 Residential Wa	(990,047)	(904,894)	(1,031,240)	(1,151,155)	(1,242,502)	(1,316,530)	(1,386,040)	(1,460,677)	(1,552,104)	(1,664,047)	(1,793,839)
	(990,420)	**(905,015)**	**(1,031,240)**	**(1,151,155)**	**(1,242,502)**	**(1,316,530)**	**(1,386,040)**	**(1,460,677)**	**(1,552,104)**	**(1,664,047)**	**(1,793,839)**
Activity Revenue											
22560 Water Supply - Browns	-	(167,317)	-	-	-	-	-	-	-	-	-
23360 Water Supply Edendale	(511,252)	-	-	-	-	-	-	-	-	-	-
23560 Water Supply Five Rivers	(147)	(150)	(155)	(159)	(163)	(167)	(169)	(175)	(180)	(12,913)	(190)
24760 Water Supply Manapouri	-	(3,445)	(3,548)	(3,648)	(3,746)	(3,870)	(3,982)	(4,121)	(4,249)	(4,385)	(4,530)
25160 Water Supply Mossburn	(24,103)	(22,000)	(22,660)	(23,294)	(23,923)	(24,713)	(25,430)	(26,320)	(27,136)	(28,004)	(28,928)
25760 Water Supply Ohai/Nightcaps	(36,679)	(45,000)	(46,350)	(47,648)	(48,934)	(50,549)	(52,015)	(53,836)	(55,504)	(57,281)	(59,171)
26160 Water Supply - Riversdale	-	-	-	(549,468)	-	-	-	-	-	-	-
26360 Water Supply Riverton	(10,480)	(10,725)	(11,047)	(11,356)	(11,663)	(12,048)	(12,397)	(12,831)	(13,229)	(13,652)	(14,102)
26860 Water Supply Te Anau	(20,959)	(69,541)	(71,627)	(73,633)	(75,621)	(78,116)	(80,382)	(83,195)	(85,774)	(88,519)	(91,440)
28060 Water Supply Tuatapere	(10,480)	(31,889)	(32,846)	(33,765)	(34,677)	(35,821)	(36,860)	(38,150)	(39,333)	(40,592)	(41,931)
28660 Water Supply Waikaia	-	(5,010)	-	(369,799)	-	-	-	-	-	-	-
28960 Water Supply Otautau	(4,716)	(9,558)	(9,845)	(10,120)	(10,394)	(10,737)	(11,048)	(11,435)	(11,789)	(12,166)	(12,568)
29460 Water Supply Winton	(14,671)	(34,165)	(35,190)	(36,175)	(37,152)	(38,378)	(39,491)	(40,873)	(42,140)	(43,489)	(44,924)
29961 Water Supply Scheme Wyndham	(521,183)	-	-	-	-	-	-	-	-	-	-
29963 Water Supply Scheme Eden/Wyn	-	(172,317)	-	-	-	-	-	-	-	-	-
	(1,154,670)	**(571,117)**	**(233,268)**	**(1,159,065)**	**(246,273)**	**(254,399)**	**(261,774)**	**(270,936)**	**(279,334)**	**(301,001)**	**(297,784)**
Development & Financial Cont											
24560 Water Supply Lumsden/Balfour	-	-	-	(103,801)	-	(112,331)	-	(119,635)	-	-	-
24760 Water Supply Manapouri	-	-	-	-	-	(141,698)	-	-	-	-	-
26360 Water Supply Riverton	-	-	-	-	-	-	-	(946,708)	-	-	(1,058,501)
26860 Water Supply Te Anau	-	-	-	(24,353)	-	(103,345)	-	-	-	(2,181,182)	(325,440)
28161 Water Supply - Eastern Bush	-	(1,000)	-	-	-	-	-	-	-	-	-
28162 Water Supply Otahu Flat	-	(1,000)	-	-	-	-	-	-	-	-	-
	-	**(2,000)**	**-**	**(128,154)**	**-**	**(357,374)**	**-**	**(1,066,343)**	**-**	**(2,181,182)**	**(1,383,941)**

Water Supply

	Current Budget	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Funding Programme											
Grants and Donations											
11973 Allocations 775 Residential Wa	(249,754)	(173,119)	-	-	-	-	-	-	-	-	-
22560 Water Supply - Browns	-	(251,000)	-	-	-	-	-	-	-	-	-
23360 Water Supply Edendale	(766,878)	-	-	-	-	-	-	-	-	-	-
24360 Water Supply Lumsden	(221,696)	(346,530)	-	-	-	-	-	-	-	-	-
24560 Water Supply Lumsden/Balfour	173,799	(263,507)	-	-	-	-	-	-	-	-	-
25160 Water Supply Mossburn	(37,940)	-	(70,359)	(157,384)	-	-	-	-	-	-	-
25760 Water Supply Ohai/Nightcaps	(577,976)	(1,300,200)	(314,768)	-	-	-	-	-	-	-	-
26160 Water Supply - Riversdale	-	-	-	(506,422)	-	-	-	-	-	-	-
26360 Water Supply Riverton	(166,195)	-	(793,100)	-	-	-	-	-	-	-	-
26860 Water Supply Te Anau	(108,400)	-	-	-	-	-	-	-	-	-	-
28060 Water Supply Tuatapere	(1,028,458)	(140,000)	(452,932)	(152,361)	-	-	-	-	-	-	-
28660 Water Supply Waikaia	-	(7,500)	-	(553,591)	-	-	-	-	-	-	-
28960 Water Supply Otautau	-	-	(164,676)	-	-	-	-	-	-	-	-
29460 Water Supply Winton	-	-	(219,184)	-	-	-	-	-	-	-	-
29961 Water Supply Scheme Wyndham	(781,775)	-	-	-	-	-	-	-	-	-	-
29963 Water Supply Scheme Eden/Wyn	-	(443,100)	-	-	-	-	-	-	-	-	-
	(3,765,273)	**(2,924,956)**	**(2,015,019)**	**(1,369,758)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total of Funding Programme	**(9,868,424)**	**(9,509,862)**	**(7,581,771)**	**(9,074,716)**	**(4,863,099)**	**(6,863,963)**	**(5,062,194)**	**(6,764,774)**	**(7,548,256)**	**(9,080,814)**	**(9,553,726)**

nance Costs

Water Supply

	Current Budget	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
nance Costs											
nance Costs											
24360 Water Supply Lumsden	-	-	21,405	20,580	19,691	18,730	17,692	16,572	15,362	14,056	12,646
24361 Water Supply Loan Lumsden	-	10,983	10,560	10,103	9,610	9,078	8,503	7,882	7,212	6,488	5,707
24561 Water Supply Loan Lums/Balfour	-	77,787	74,792	71,558	68,066	64,295	60,224	55,828	51,081	45,955	40,421
24562 Water Supply Loan-Residential	-	8,352	8,030	7,683	7,308	6,903	6,466	5,994	5,484	4,934	4,340
24760 Water Supply Manapouri	-	-	-	-	24,793	24,229	36,148	35,206	34,189	33,091	31,905
25760 Water Supply Ohai/Nightcaps	-	-	-	-	-	-	-	-	-	188,530	185,853
28060 Water Supply Tuatapere	-	-	-	-	14,108	13,908	13,692	28,859	28,389	27,880	44,292
28161 Water Supply - Eastern Bush	-	-	-	-	20,512	40,972	57,898	56,434	54,853	61,294	59,264
28162 Water Supply Otahu Flat	-	12,613	12,128	11,603	26,861	50,149	72,424	70,153	67,701	73,581	70,528
28960 Water Supply Otautau	-	-	-	-	10,100	9,711	20,006	19,140	29,616	28,167	26,602
29460 Water Supply Winton	-	62,415	124,475	144,806	263,146	258,700	326,577	320,362	378,853	370,683	472,456
29991 Eden Water Loan (lump & 2yrs)	-	907	361	-	-	-	-	-	-	-	-
29992 Eden Water Loan (4 yrs)	-	2,150	1,615	1,037	413	-	-	-	-	-	-
29993 Eden Water Loan (10 yrs)	-	2,551	2,365	2,164	1,947	1,712	1,459	1,186	891	572	228
29994 Eden Water Loan (15 yrs)	-	815	784	750	714	674	631	585	535	482	424
29995 Eden Water Loan (25 yrs)	-	20,973	20,675	20,354	20,007	19,632	19,227	18,790	18,318	17,808	17,258
	-	**199,546**	**277,190**	**290,638**	**487,276**	**518,693**	**640,947**	**636,991**	**692,484**	**873,521**	**971,924**
Total of nance Costs	**-**	**199,546**	**277,190**	**290,638**	**487,276**	**518,693**	**640,947**	**636,991**	**692,484**	**873,521**	**971,924**
Summary of Water Supply	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

6.4 Funding the Water Supply Activity

Activity Description
Provision of potable (drinking) water for urban water supplies, and untreated water supplies for rural use (stock and irrigation). This includes capital works, and maintenance of systems.

Community Outcomes
The water supply activity contributes to healthy people through the provision of safe drinking water as well as water to clean with. It also contributes to a diverse economy, where water supply infrastructure in urban areas provides reliable water in sufficient capacity to meet domestic, commercial and industrial needs and in rural areas, provide untreated water for stock. Public water supplies also assist in creating safe places by providing water for fire fighting which helps protect communities and visitors. It also contributes to making Southland a great place, with a choice of quality places to go and things to do, where reticulated water is used for recreational activities (swimming pools etc).

Who Benefits / Whose acts create a need
Benefits are distributed to the community as a whole. Residents have access to a safe water supply that they do not have to maintain themselves. The local economy benefits through tourism (safe water supply encourages tourists), industry and agriculture (water supply certainty).

Once established, there is a legislative requirement to maintain water supplies under the Local Government Act 2002 and the Health Act 1956.

Period of benefit - The life of the water supply assets varies, maintenance is crucial and the life of individual components varies. On average water plant/treatment assets last for 36 years, and water reticulation assets for 65 years.

Funding Sources
Operating funding is 100% local rate funded, via a targeted rate based on household equivalent use and/or metering.

Capital works for urban schemes are funded through Ministry of Health subsidy (where available), up to 16.67% district contribution (funded from the Waste Management rate, which is a uniform annual charge per rateable unit), development or financial contributions (where applicable) and local contributions from those connecting or able to be connected (Sewerage Schemes Funding Policy refers). Smaller projects not eligible for subsidy may be funded through loans.

Rural water supply capital works are funded solely through local contributions and loans.

Rationale - There is a high degree of private benefit in water supplies, therefore a level of user pays is appropriate. Consistent with a user pays approach, this activity is rated for distinctly. It also enhances transparency about the service ratepayers are receiving and paying for.

However there is also an element of public good for drinking water supplies, through public health and to a lesser extent, economic spinoffs, therefore the district as a whole makes a contribution to urban supply capital works, and operational costs for all urban schemes are shared across all urban users (i.e. users pay a rate based on the cost of the service provided to the district, not just the cost of their local scheme).

Fees and Charges

	2008/2009	2009/2010
Reserve and Development Contributions		
Development contributions for water and sewerage (GST exclusive)		
For Te Anau only, per lot charges (plus GST): - Water	$1,241.63	$2,889
Headworks contribution for rural water supplies (per unit) (GST exclusive)		
For any new connection (or request for additional units) to the following supplies:		
Te Anau Rural	$2,185.81	$3,089.90
Eastern Bush	$2,259.12	$3,683.09
Otahu Flat	$2,144.61	$3,864.76
Matuku Unit	$496.33	$697.67
Matuku Trough	$248.17	$348.84
Lumsden Balfour - 1 unit	$3,533.89	$3,737.71
- 2 unit	$6,714.39	$7,101.65
- 3 unit	$9,541.50	$10,091.82
- 4 unit	$12,015.23	$12,708.21
- 5 unit	$14,135.56	$14,950.84
- 6 unit	$15,902.51	$16,819.69
- 7 unit	$17,316.06	$18,314.78
- 8 unit	$18,376.23	$19,436.09
- 9 unit	$19,083.01	$20,183.63
- Per additional one unit after 9	$353.39	$373.77
Financial contributions for water supplies (GST exclusive)		
For any new connection per household equivalent to the following supplies:		
Edendale	$3,169.11	$2,388.57
Manapouri	$3,280.49	$2,225.07
Mossburn	$4,727.37	$3,338.92
Ohai/Nightcaps	$4,305.79	$2,151.74
Riverton	$2,816.76	$1,995.72
Tuatapere	$3,441.98	$2,782.31
Otautau	$2,008.61	$1,356.05
Winton	$2,157.33	$2,046.36
Trade waste charges		
Category B : Tankered trade waste discharge charges		
Application fee for tankered water permit	$270.00	$270.00
Annual administration fee for existing permit holder	$227.50	$227.50
Tanker and backflow prevention inspection fee	$112.50	$112.50
Additional tanker inspections (each)	$15.00	$15.00
Supervision by Council Contractor when drawing water (per hour)	$56.25	$56.25
Charges for supply of water (per cubic metre)		
Manapouri	$1.20	$1.20
Mossburn	$1.28	$1.28
Ohai/Nightcaps/Wairio	$1.60	$1.60
Otautau	$0.84	$0.84
Riverton	$1.40	$1.40
Te Anau	$0.72	$0.72
Tuatapere	$1.14	$1.14
Winton	$1.62	$1.62

6.5 Valuations

6.5.1 Asset Valuations

Statutory financial reporting requirements require SDC to revalue its fixed assets triennially. Water supply infrastructure assets were last valued as at 30 June 2008 in accordance with New Zealand Accounting Standard 16 (NZIAS-16).

All assets have been valued at the component level (maintenance managed item-MMI) where appropriate. A summary of the 2008Valuations is shown in Table 103.

Detail of the valuation assumptions is provided in 6.5.2

Table 103 - Water supply Asset Valuation Summary 2008

(Asset) Name	Adopted Base Life	Sum of (Asset) 0708 Qty	Unit	Sum of (Asset) 0708 Replacement C
100mm Rural Water Main	40-100	44,793	m	$2,320,
100mm Urban Water Main	60-100	93,951	m	$9,113,
110mm Rural Water Main	80	4,196	m	$217,
150mm Rural Water Main	60-100	18,476	m	$1,354,
150mm Urban Water Main	80-100	53,720	m	$7,520,
15mm Rural Water Main	80-100	4,019	m	$22,
15mm Urban Water Main	80	54	m	$3,
200 mm Urban Water Main	60-100	8,311	m	$1,412,
200mm Rural Water Main	100	5,820	m	$820,
20mm Rural Water Main	60-100	52,694	m	$347,
20mm Urban Water Main	60-80	8,506	m	$595,
25mm Rural Water Main	80-100	53,520	m	$385,
25mm Urban Water Main	80-100	5,637	m	$225,
300mm Urban Water Main	0-100	3,446	m	$792,
32mm Rural Water Main	40-100	66,134	m	$608,
32mm Urban Water Main	60-100	4,359	m	$196,
40mm Rural Water Main	80-100	46,370	m	$491,
40mm Urban Water Main	40-100	8,854	m	$433,
50mm Rural Water Main	40-100	68,703	m	$941,
50mm Urban Water Main	40-100	16,360	m	$899,
63mm Rural Water Main	80-100	4,530	m	$65,
65mm Urban Water Mains	100	709	m	$43,
75mm Rural Water Main	100	563	m	$13,
75mm Urban Water Mains	60	211	m	$15,
80mm Rural Water Main	80-100	48,310	m	$1,323,
80mm Urban Water Main	40-100	8,891	m	$666,
AERATOR	20	4	no	$20,
ALUM DOSING PUMP	20	2	no	$12,
ALUM MONITORING	0	1	no	$20,
BACKWASH PUMP	30	19	no	$17,
BATTERY BANK	10	34	no	$4,
BUILDING/GROUNDS	80	629	no	$1,371,
CABINET	30	8	no	$11,
CHAIN BLOCK	40	12	no	$2,
CHLORINATOR	25	12	no	$114,
CHLORINE MONITORING	25	8	no	$67,
CHLORINE PUMP	20	5	no	$21,
CONTACT TANK	80	955	no	$267,

(Asset) Name	Adopted Base Life	Sum of (Asset) 0708 Qty	Unit	Sum of (Asset) 0708 Replacement C
DESIGN AND CONSTRUCTION COSTS	30	248	no	$1,137,
FILTER	50	88	no	$369,
FLASHMIXER	0	2	no	$8,
LAUNDERS	40	1	no	$7,
OTHER PLANT & EQUIPMENT	40	1,036	no	$207,
PH EQUIPMENT/MONITORING	25	2	no	$8,
PIPEWORK	60	591	no	$295,
POLYELECTROLYTE DOSING PUMP	20	1	no	$6,
POWER LINE (SUPPLY)	40	105	no	$314,
PROGRAMMABLE LOGIC CONTROLLER	20	10	no	$70,
RADIO/AERIAL	20	41	no	$82,
REMOTE SENSORS	20	55	no	$41,
Rural Water Main (Unknown Diameter)	60-80	721	no	$18,
SCADA	20	33	no	$264,
SCREEN	50	5	no	$10,
SEDIMENT TANK	80	540	no	$162,
SETTLING TANKS	80	47	no	$52,
SLUDGE DRYING	80	8	no	$2,
SODA ASH/LIME DOSING PUMP	20	3	no	$18,
STANDBY GENERATOR	40	1	no	$8,
STRUCTURE	80	11,776	no	$3,297,
SWITCH BOARD	30	96	no	$691,
TURBIDITY MONITORING	20	3	no	$24,
Urban Water Main (unknown diameter)	60-80	375	no	$26,
VALVES	60	581	no	$145,
Water Hydrants	50	1,075	no	$1,558,
Water Meter	35	328	no	$278,
WATER PUMP	30	1,012	no	$800,
Water Valves	50	1,346	no	$619,
Water Supply Total				**$43,285,**

Source: Fulcrum Cube 0708

6.5.2 Valuation Assumptions

The following assumptions have been made in the preparation of the 2007/08 Valuations

1) That all asset data has been reviewed and updated.
2) That all valuations are based on the “Modern Equivalent Replacement Cost” (MERC) basis.
3) Where new technology is available or where present assets do not require full replacement, adjustments have been made.
4) That the rates for urban water mains have been set at systematic renewal costs rather than short length replacement costs.
5) That previously the rural water main rates were set based on competitive rates from large replacement contracts recently constructed outside of the district. The 2007/08 rates have been set at replacement rates similar to recent contract rates associated with a rural main replacement contract in the Southland District.
6) That water laterals have not been included in the valuation.
7) That plant and equipment costs have been reviewed due to price increases in electrical items.
8) The asset lives have been reviewed.

6.5.3 Valuations Forecast

The revaluation of infrastructure assets have been completed at a district level. This takes into account asset additions for each community, vested assets, inflation and depreciation.

Because the projects indicated in this plan have yet to be designed, information to complete a revaluation at a component level do not exist so a number of assumptions have been made to arrive at the annual infrastructure revaluation and these are detailed below.

- The actual 2007/2008 revaluation has been used as the base revaluation for assets held at 30 June 2008.
- Annual asset additions are calculated from totalling all projects planned in each community for any given year.
- Depreciation is deducted annually.
  - For existing assets at the 30 June 2008, actual depreciation calculated for 2007/2008 has been used annually, adjusted for inflation.
  - For new additions planned, depreciation is calculated for six months in the year of acquisition. Depreciation is calculated on these assets on a straight line basis over an average estimated life of 54 years i.e.: annual depreciation of 1/54 (approx 1.85%).
- It is assumed that the renewal projects planned are replacing those assets indicated to be at the end of their economic life.

To calculate the revaluation at the end of any year the revaluation at the end of the previous year is used and to this inflation is added at the rates indicated in the assumptions section of this document under **Price Level Changes** (page 278). For the purposes of establishing the valuation for 2008/2009, inflation has been added at the rate of 8.9%, this rate was determined by BERL. Annual asset additions and depreciation, as described above, are then added/deducted to arrive at the revaluation.

The table below outlines the asset revaluation for each of the 10 years.

Year		Water Revaluation
2007/2008	Actual	$23,114,107
2008/2009	Budget	$28,818,843
2009/2010	Forecast	$35,496,113
2010/2011	Forecast	$39,739,292
2011/2012	Forecast	$45,205,792
2012/2013	Forecast	$46,038,925
2013/2014	Forecast	$48,925,144
2014/2015	Forecast	$49,580,447
2015/2016	Forecast	$52,032,296
2016/2017	Forecast	$54,832,246
2017/2018	Forecast	$58,821,919
2018/2019	Forecast	$63,028,288

6.6 Assumptions

6.6.1 Activity specific assumptions

The following assumptions have been made in the preparation of this Activity Plan:

1) That information held in the HANSEN IMS asset register is accurate.
2) That all communities strive for the LoS set out in Section 2.8.2
3) That the options for addressing issues identified during the course of the AcMP process should be assessed and that the respective community would prefer the most economically efficient option to be shortlisted against the “do nothing” option. The most economically efficient option was therefore included in the financial programmes.
4) That there will be no material price increases or price increases due to any other industry demands.
5) That the DWS will be enforced.
6) That funding will be available from the Ministry of Health Drinking Water Assistance Programme.
7) That legislation will not change during the planning period.
8) That general O&M costs for monitoring, maintenance (routine), maintenance (unplanned contract), backflow prevention, and chemicals be subject to a 7% increase for next year (2009/10) followed by standard inflation rates applied.
9) That electricity be subject to a 12% increase for next year followed by standard inflation rates applied.
10) That maintenance (Unplanned - Extra) generally has been assessed according to the current operating expenditure. The increases vary for each scheme to reflect their current operational spend. Standard inflation rates have been applied after 2009/10.
11) That scheme management and resource consent fees are subject to a 3% increase next year followed by standard inflation rates applied.
12) That the insurances and rates be subject to a 6.1% increase next year and followed by standard inflation rates applied.

6.6.2 Corporate Assumptions

This section explains the significant assumptions and the risks associated with those assumptions which have been made by the Council in its forecasting for the 10 year period. The assumptions are based on the information available to Council in November 2008. While every effort has been made to ensure the forecasts are the Council's best estimates for the future, the actual results for each reporting period are likely to vary from the information presented, and the variations may be material. Where there is a high level of uncertainty about the assumptions, Council must state the reason for that level of uncertainty and assess the potential impact of this on the financial statements. Please note that this information has been prepared for the Council's budgeting and financial planning and it may not be appropriate to be used for any other purpose. The assumptions detailed here have been applied across the Council. Some activities have activity specific assumptions which are detailed in the relevant Activity Plan.

Assumption	Risk Description	Likelihood	Consequence		Overall Uncertainty (Risk)	Reason and Financial Effect of Uncertainty
			General	Direct Fin. Materiality		
POPULATION, DEMOGRAPHICS AND DWELLING ASSUMPTIONS Total population projections were derived from a baseline scenario of economic growth[36] developed by Infometrics Ltd for Venture Southland in August 2008. The baseline scenario was selected after taking into account the risks and likelihood of the various economic scenarios modelled as well as Statistics New Zealand recently released area unit projections of population, age, sex and private occupied dwellings. Household (occupied dwellings) projections were derived using the population projections and estimates for the average number of persons per dwelling which are expected to increase in Southland with migration patterns. Dwelling numbers were also adjusted to take into account non-private dwellings. Peak population figures were derived from the Infometrics Ltd data, previous forecasts and estimates of visitor numbers and visitor travelling trends in Southland. The Infometrics Ltd projections were used in favour of the Statistics New Zealand projections for the district as Statistics New Zealand's are based primarily on historical births, deaths and migration, while the Infometrics Ltd projections are linked to Southland's future economic prospects which are strongly linked to Southland's ability to attract workers to the region and retain its own workers. Township projections were also developed from the Infometrics Ltd total projections, using previous forecasts, Statistics New Zealand's area unit forecasts for comparison and also taking into account knowledge of current activity and issues in various townships.						
Population Using the baseline scenario, the district's population is expected to grow slightly overall (1.3%) from 28,440 in 2006 to 28,800 in 2026 with a peak in 2021 of 29,600. The rural-urban split is expected to remain relatively stable over time, with 54% of the population living in rural areas and 46% living in urban areas throughout the forecast period. There will be different rates of population change in each township (see Figure 1). Townships where a significant level of population growth is projected include Te Anau, Winton, Manapouri, and	Population growth is higher than projected, putting increased pressure on Council to provide additional infrastructure and services.	Possible (3)	Minor (10)	Minor (10)	MODERATE	Small increases in population can be included within the present level of infrastructure. While there is a national trend towards urbanisation, in Southland it is predicted that there will continue to be a relatively stable mix of people living in rural/urban areas as much of the economic growth is expected to be in the rural sector. Growth is generally caused by an increase in dwellings (caused by total population growth and fewer people per dwelling). If this occurs, Council would have to extend infrastructure into new housing areas. In addition, any significant increase will place greater demands on some

[36] The baseline scenario is a business as usual scenario in which the Southland economy is expected to grow by 2.0% per annum between 2007 and 2031, compared with 2.3% per annum growth at the national level. Analysis of historical data shows that there is a close relationship between economic growth and population growth in the Southland region. The baseline scenario takes into account currently confirmed projects including the economic impact of likely wind farm developments, the expansion of the Edendale milk processing plant, oil and gas exploration and a new dairy factory to be built in the Gore district. In this scenario employment growth is restricted by below national level economic growth and the absence of growth of the national labour force from 2021 onwards. In this scenario total employment is projected to increase from 15,580 in 2006 to 15,870 in 2026.

<table>
<tr><th rowspan="2">Assumption</th><th rowspan="2">Risk Description</th><th rowspan="2">Likelihood</th><th colspan="2">Consequence</th><th rowspan="2">Overall Uncertainty (Risk)</th><th rowspan="2">Reason and Financial Effect of Uncertainty</th></tr>
<tr><th>General</th><th>Direct Fin. Materiality</th></tr>
<tr><td>Edendale. Population decline is projected for Lumsden, Woodlands, Ohai and Nightcaps. Other townships are likely to experience varying levels of growth over the period, with initial growth resulting from construction projects or other investments, with some tailing off in outyears.</td><td></td><td></td><td></td><td></td><td></td><td>Council services such as libraries and solid waste. Where growth will require infrastructure, Council will require financial/development contributions for this work. Costs over this amount will result in extra capital expenditure which will need to be funded from loans. Where growth results in additional demand for services not requiring infrastructure, levels of operating expenditure may increase or user charges may be introduced to support demand.</td></tr>
<tr><td></td><td>Population growth is lower than projected, putting increased pressure on Council to maintain existing infrastructure and services.</td><td>Possible (3)</td><td>Medium (40)</td><td>Medium (40)</td><td>HIGH</td><td>A consistent decline in population would adversely affect the ability of Council to set rates at a level that is affordable to the community. Council may have to adjust operating expenditure in certain activities to avoid levels of service reducing or look at different ways of addressing affordability issues through the rates system (general or targeted). Alternatively Council may review the levels of service or planned investment in infrastructure.</td></tr>
<tr><td>Seasonal Population Fluctuations
Southland has a number of communities (Stewart Island, Te Anau, Riverton, Manapouri, Waikaia and Waikawa/Curio Bay) which have higher peak populations at certain times of the year. Estimates of the peak population for these are detailed below:
<table>
<tr><th>Township (2006 Est)</th><th>2011</th><th>2016</th><th>2021</th><th>2026</th></tr>
<tr><td>Manapouri (940)</td><td>1,073</td><td>1,162</td><td>1,246</td><td>1,329</td></tr>
<tr><td>Riverton (3,664)</td><td>4,122</td><td>4,232</td><td>4,350</td><td>4,443</td></tr>
<tr><td>Stewart Island (2,115)</td><td>2,483</td><td>2,568</td><td>2,668</td><td>2,757</td></tr>
<tr><td>Te Anau (7,584)</td><td>8,779</td><td>9,638</td><td>10,354</td><td>11,078</td></tr>
<tr><td>Waikaia (1,378)</td><td>1,655</td><td>1,715</td><td>1,786</td><td>1,860</td></tr>
<tr><td>Waikawa/CBay (523)</td><td>618</td><td>643</td><td>667</td><td>682</td></tr>
</table>
</td><td>Seasonal population fluctuations become more or less severe over time, or the period of peak population lengthens.</td><td>Likely (4)</td><td>Minor (10)</td><td>Minor (10)</td><td>MODERATE</td><td>Council takes into account peak population in its current infrastructure and services. However, changes in the economic climate and credit crunch may affect the number of people who have second homes in Southland, or the number of people visiting Southland. Conversely Southland continues to be a relatively affordable area of New Zealand for property and contains a number of iconic and internationally renowned tourist attractions which may mean that peak population will remain steady in these areas.
Additional pressures may affect procedures for certain services such as increased/seasonal variations in solid waste collections, altered operation of water supply and wastewater disposal</td></tr>
</table>

Assumption	Risk Description	Likelihood	Consequence		Overall Uncertainty (Risk)	Reason and Financial Effect of Uncertainty
			General	Direct Fin. Materiality		
						systems, public conveniences (number and location) as well as changes to operating expenditure to service additional demand during these times.
Age Demographics The usually resident population will continue to age. The proportion of the population that are aged 65 years and above is expected to increase over the next twenty years from 12% in 2006 to 21% in 2026.	Proportion of the population over 65 of age varies from the prediction. Population of young and young family age groups rise significantly as a proportion of resident population.	Possible (3)	Minor (10)	Minor (10)	MODERATE	With Venture Southland aiming to increase the working age population by attracting new migrants and retaining the current workforce, if highly successful, the proportion of the population that are over 65 years will not grow as quickly as forecast. In addition, there has been a steady increase in the birth rate for Southland District since 2001 with a significant jump (10% increase) recorded between 2006 and 2007 when the number of births increased from 386 to 425. This was the highest number of births in a single year since 1995 and is consistent with national trends. If the Council directs spending to meet a given population age profile on services such as footpaths, parks and reserves, libraries, and halls, any significant variation to that age profile may result in certain sectors of the community experiencing lower than expected levels of service. As a result Council may need to redirect funding to particular activities for a younger population e.g. cycleways, playgrounds, skateparks.
Cultural Diversity Southland will gradually become more culturally diverse with an increase in the number of residents of Asian[37] descent. In 2006, 79.4% of the population of the Southland District identified themselves as being of European descent. 9.4%	Southland's cultural diversity either remains unchanged or changes more rapidly than predicted with a diverse population putting pressure on the	Unlikely (2)	Minor (10)	Minor (10)	LOW	With the Infometrics baseline scenario including projections of attracting migrants to the region (particularly for dairying), it is expected that there will be a slight increase in the number of residents of Asian descent to support this industry development. If other scenarios of economic

[37] 'Asian' as defined by Statistics NZ includes: South East Asian (Filipino, Burmese, Vietnamese, Indonesian etc), Chinese, Indian, Other Asian (Sri Lankan, Tibetan, Afghani, Bangladeshi, Pakistani, etc)

Assumption	Risk Description	Likelihood	Consequence		Overall Uncertainty (Risk)	Reason and Financial Effect of Uncertainty
			General	Direct Fin. Materiality		
identified themselves as belonging to the Māori ethnic group with 1.1% as Asian, 0.6% as Pacific Peoples, 0.2% as Middle Eastern/Latin American/African and 17% as Other (New Zealander).	way Council provides services and communicates.					development are realised it is likely that there will be an increase of other overseas migrants to support these industries which may affect the cultural mix of the district either in the short term or longer term. If the Council directs spending to meet a given ethnicity profile on services such as communication and libraries, any significant variation to that profile may result in certain sectors of the community experiencing lower than expected levels of service. As a result Council may need to reassess its communications strategies and funding priorities to activities which support any significant change in cultural mix.
Volunteer Community Several of Council's activities (cemeteries, halls, parks, beautification, representation) rely on the volunteer sector. This includes volunteer labour for maintenance work, operation of local halls or fundraising. It is assumed that volunteers will continue to make themselves available to support these activities as they have done in the past.	Volunteers no longer provide their assistance or significantly reduce the amount of assistance.	Possible (3)	Minor (10)	Minor (10)	MODERATE	Southland communities, because of the geographic spread and local nature, tend to have a strong volunteer ethic. While there has been a national trend of reducing volunteer numbers this trend has not been fully realised in Southland as yet with the Council overall continuing to receive high levels of support/involvement from volunteer elected members and other committees. This may be related to the local representation structures and level of delegation provided to these local committees. If the volunteers reduced or were not available, Council would have to provide rate funding to undertake the activities that local volunteers have provided. These costs are not expected to be significant overall as the voluntary work is used in certain activities and any impact is more likely to be noticed at the local community level.
Dwelling Growth A portion of the Council's capital works programme is growth related. Therefore the location, amount	Dwelling growth across the district and townships occurs at higher or lower	Possible (3)	Medium (40)	Medium (40)	HIGH	Economic conditions could cause variations from year to year or the number of people per dwelling could reduce. Council monitors dwelling growth

Assumption	Risk Description	Likelihood	Consequence		Overall Uncertainty (Risk)	Reason and Financial Effect of Uncertainty
			General	Direct Fin. Materiality		
and timing of growth is a key assumption for Council both for its infrastructure planning and its funding mechanisms. The dwelling assumptions are based on Infometrics Ltd's baseline scenario. The number of dwellings in the district is expected to reduce slightly (1.9%) from 11,091 in 2006 to 10,880 in 2026 with more people expected to live per dwelling. There will be different rates of growth in dwellings in each township (see Figure 1). Townships where a significant level of dwelling growth is projected include Manapouri, Te Anau, Winton, and Limehills. Notable dwelling decline is projected for Ohai and Nightcaps. Other townships are likely to experience varying levels of dwelling change over the period.	rates than assumed. Dwelling growth occurs in rural areas rather than in townships.					rates based upon infrastructure capacity and is aware of areas where infrastructure has or does not have capacity to cope with growth. Currently the Council's District Plan is generally permissive and has few restrictions on where residential development can occur (rural areas versus townships). With the upcoming review of the District Plan Council may consider restricting the extent to which it will allow residential development in rural areas or the extent of development in townships. If Council directs funding accordingly and dwelling growth rates differ from those assumed, it will find that the levels of service needs are different in each area. In addition if dwelling growth is lower than expected, revenues through rates and financial/development contributions for major infrastructure may not materialise. In these instances Council may find itself funding growth related expenditure in townships or deciding not to proceed with growth related capital works or funding capital and operating expenditure for the unused capacity. Generally Council allows for some additional capacity in it is infrastructure developments for cost efficiency reasons. In addition, Council is able to make adjustments to its infrastructure programme as a result of changing trends in dwelling numbers.
GENERAL ASSUMPTIONS						
Land Use Change Land use is predicted to change over time. The amount of land used for dairy farming is projected	Land use changes differ from those predicted and/or unforseen land use	Unlikely (2)	Medium (40)	Medium (40)	HIGH	Land use is not entirely within the Council's control. While it has some effect under its District Plan rules, the global economic situation is the main driver of

Assumption	Risk Description	Likelihood	Consequence		Overall Uncertainty (Risk)	Reason and Financial Effect of Uncertainty
			General	Direct Fin. Materiality		
to rise from about 120,000 hectares in 2007 to 255,000 hectares in 2026 due to the ongoing conversion of sheep farms to dairy. The number of dairy conversions is estimated to be 100 per annum until 2013, 20 per annum until 2018, 10 per annum until 2023 and five per annum for the rest of the forecast period. Conversions are expected to average 175 hectares each with herds of between 500 and 600 cows. The amount of land used for forestry is projected to decrease slightly in line with estimates from the 2007 Deforestation Survey. While most high country and marginal lands are likely to stay under forest, some areas of flat land and Eucalypt forest are expected to be converted to dairy following harvesting. Total land utilised for forestry is projected to change from 87,400 hectares in 2007 to around 86,500 hectares in 2026. The growth in dairy farm land will occur largely at the expense of sheep and beef farming land. Sheep farming land is projected to decrease from about 794,000 hectares to 673,000 hectares and beef farming land from 95,000 hectares to 81,000 hectares.	that has potential significant effects occurs.					land use change. Lending costs and commodity prices will influence the continuing rate of dairy conversion. However there is evidence that a significant area of non-dairy land is being used for run-off, feed lots and supplementary feed production possibly up to 5% of arable farmland) and while this has not been quantified, it may to some extent offset the effect of reduced conversion rates. In addition, whilst demand for dairy conversion may change over time, it is expected that the economy may see other land use changes occur which will offset the effects of a drop-off in dairy conversion. Where possible, where the change has impacts on demand for services, Council has some ability to charge financial contributions for the development or fees for works related to the land use change. As such changes in land use may affect Council's user charges, rates revenue and financial/development contributions.

Assumption	Risk Description	Likelihood	Consequence		Overall Uncertainty (Risk)	Reason and Financial Effect of Uncertainty
			General	Direct Fin. Materiality		
Tourist and Visitor Growth Tourists and visitors will continue to be a major element of the economy and continue to grow in numbers over time, with fluctuations over the period. Based on material produced by Infometrics Ltd, the number of tourism visits to Southland is expected to increase from around 2.2 million in 2006, to 3.2 million in 2026. A significant portion of these visits are expected to be to Fiordland (with 950,000 visits in 2006 increasing to 1.5 million in 2026).	Tourist and visitor numbers reach high levels so facilities they use cannot cope and pressures on the environment increase. Visitor numbers fall to levels that undermine the local economy.	Possible (3)	Medium (40)	Medium (40)	HIGH	The forecasts draw on Ministry of Tourism's forecasts for 2007-2013. Growth in the number of domestic visitors to Southland will partly be driven by economic expansion of the region as a sizeable proportion of visits are business related. Increased international visitors to New Zealand are expected to flow through to Southland with an increase in overseas visitors to Fiordland in particular. Changes to the global economic situation may have the effect of reducing the number of people travelling to New Zealand. In addition the increase in cost of fuel may also affect the number of people travelling to Southland. Changes to visitor numbers may affect demand for Council activities directly such as public toilets, parks and harbours/jetties. Changes to visitor numbers may also affect Council indirectly through the economy of businesses and facilities which service visitors. This may affect Council's user charges, rates revenue and financial/development contributions.
Climate Change – Adaptation The Stern Review suggests that all development policy will be required to adapt to and take account of climate change and it is expected that there will directive from Government for local government to play its part in climate change mitigation. The Emissions Trading Scheme is a specific directive which is discussed separately below. An assumption has been made that planning for climate change will become a normal aspect of all Council planning and operations, for example in the location and design of infrastructure and location and protection of sensitive land uses.	Council is unable to accurately determine and provide resources to fulfil the requirements or meet them at the expected pace.	Possible (3)	Medium (40)	Medium (40)	HIGH	While global warming is accepted to be occurring, debate continues about the rate of change and the likely effects with several scenarios being presented. District Plan rules will increasingly need to address flooding, extreme weather events and sea level rise situations. There will be potential for litigation costs where damage occurs from storm events. Planning may also require changes to levels of service (which may not yet be anticipated) as well as changes to the planning and design of stormwater, water supplies, wastewater, roading and other infrastructure. This may result in increased costs for construction and operation.

Assumption	Risk Description	Likelihood	Consequence		Overall Uncertainty (Risk)	Reason and Financial Effect of Uncertainty
			General	Direct Fin. Materiality		
Climate Change – Effects The Ministry for the Environment's *Preparing For Climate Change - A guide to Local Government in New Zealand* states that the effects of climate change over 100 years in Southland will include increases in temperature and rainfall, along with more extreme rainfall events which may lead to more floods. Other projections for other climate changes affecting Southland include decreased frost risk, higher snow lines and possible reduced snow coverage and a slight increase in average sea level.	That the period of time that climate change scenarios are projected to come into effect are much greater or less than what was provided for or that the effects of climate change are greater or less than what was projected.	Very Unlikely (1)	Medium (40)	Medium (40)	MODERATE	While global warming is accepted to be occurring, debate continues about the rate of change and the likely effects with several scenarios being presented. The Ministry for the Environment's report will be used in Council planning. Because effects in Southland are not expected to be as extreme as other parts of the world or country (with some local effects relatively favourable), the Council will take into account climate change predications when developing infrastructure and the location of that infrastructure, but there is not expected to be significant financial impacts of the change.
Climate Change – Emissions Trading Scheme Any financial impacts of the Emissions Trade Scheme on Council's activities will be met within existing budgets including price level changes/inflationary pressures (excluding permanent deforestation of Council's Forestry plantations which is not expected to occur during the planning period). The New Zealand Emissions Trading Scheme (ETS) became law on 26 September 2008. The scheme requires those undertaking activities that fall within the scheme to monitor and report on the level of emissions and to acquire one New Zealand Unit (NZU or unit) for each tonne of CO_2 emitted. The sectors covered by the scheme are forestry, stationary energy, industrial processes, liquid fossil fuels, agriculture and solid waste. It is likely that the plan will be impacted by the scheme in two ways with the Council having the requirement to participate in the scheme through its involvement in forestry (with associated reporting and monitoring costs) and the other indirect impact	That the dates for compliance with the Emissions Trading Scheme change (Forestry - Jan 2008; Stationary Energy / Industrial / Liquid Fossil Fuels - Jan 2010; Agriculture / Solid Waste - Jan 2010) or that the obligations of the scheme reduce or increase. That the price of carbon is higher or lower than $50 per tonne. That the Council chooses to permanently deforest its forestry plantations resulting in emission liabilities or is able to claim credits for its forestry	Likely (4) Almost Certain (5) Unlikely (2)	Medium (40) Medium (40) Medium (40)	Medium (40) Medium (40) Medium (40)	VERY HIGH VERY HIGH HIGH	There continues to be some uncertainty around the scheme and how it will operate. With dates regarding reporting and surrender of units varying for various sectors, the Council will continue to assess the scheme and its impacts. There is likely to be changes to the scheme dates and obligations, particularly given the result of recent national elections. However as the changes are not going to be known for some time, Council must consider compliance with the existing legislation. As there is no history on the pricing of carbon in New Zealand, the Council's best information is to accept the guidance provided by SOLGM/LGNZ and BERL. In this plan, Council is not intending to permanently deforest any of its forestry areas. As such no liabilities have been included for CO_2 emissions related to forestry. The scheme may have an effect on the valuation of forestry assets, but this has not been assessed in this plan as the full effects of the scheme on forestry are still being considered. If a change of land use is considered for forestry

Assumption	Risk Description	Likelihood	Consequence		Overall Uncertainty (Risk)	Reason and Financial Effect of Uncertainty
			General	Direct Fin. Materiality		
will be felt as the providers of goods and services adjust their prices to pass on the cost of their obligations under the scheme, particularly for liquid fossil fuels and solid waste. Initial estimates suggest that Council's CO_2 emissions would total between 5,000 and 8,500 tonnes[38] per annum. At an estimated $50 per tonne of emission[39] (SOLGM/LGNZ) this would equate to approximately $250,000 to $425,000 in additional operating costs.	plantations.					plantations, the cost/benefit analysis for the change will also need to take into account the carbon liability. With liquid fossil fuels, providers of goods and services may pass on costs to Council. An initial assessment of Council's CO_2 emissions are estimated to be as follows: General operations (excluding waste production) produce around 1,700 tonnes of CO_2 from energy and fuel use equating to approximately $85,000 in additional operating costs. Stewart Island Electricity Supply Authority produces around 1,200 tonnes of CO_2 emissions from fuel/diesel use, equating to approximately $60,000 in additional operating costs. In addition, if the use of wind/solar electricity generation increases, this may reduce the use of fossil fuels and therefore CO_2 emissions. With solid waste obligations, operators of solid waste disposal facilities (such as landfills) are liable for methane emissions. While there is some uncertainty in this area, it is possible that Council will be affected indirectly by increased disposal charges for waste from the private landfill operator as the Council does not operate any active landfills. Early estimates of the impact of this range between $110,000 to $280,000[4]. This calculation depends on the tonnes of waste disposed of and how emissions for these will be calculated as well as

[38] Calculated using information from the Council's Communities for Climate Change Milestone 1 Report, estimates of waste to landfill and diesel use for electricity generation. The estimates do not include CO2 emitted from permanent deforestation, via fossil fuel consumption in the providing the roading activity which is too difficult to assess at this time (bitumen use, waste oil etc, contractors consumption of fuels) or corporate solid waste tonnages (which is expected to be minimal).

[39] SOLGM / Local Government New Zealand (2008) *Not Just Hot Air: The Emissions Trading Scheme and the 2009-2019 LTCCP's.*

Assumption	Risk Description	Likelihood	Consequence		Overall Uncertainty (Risk)	Reason and Financial Effect of Uncertainty
			General	Direct Fin. Materiality		
						whether the Council introduces a three bin kerbside waste collection system which will reduce amount of waste going to landfill). Again, this area is subject to review with the Solid Waste Minimisation Bill recently passed which includes targets and incentives for waste reduction and which may override the scheme requirements.
Natural Disasters There will be no natural disaster requiring emergency work that cannot be funded out of existing budgets.	There will be a natural disaster events(s) requiring emergency work that cannot be funded out of normal budgetary provisions.	Unlikely (2)	Major (70)	Major (70)	VERY HIGH	History shows that that generally every 20 years Southland has a natural disaster of some description and statistically Southland is due for some sort of event. The Council is currently undertaking a Lifelines programme which will identify various natural disaster hazards, their likelihood, and put in place planning to ensure that key lifelines are not affected over an extended period of time. This programme should mitigate the risk to an extent. The potential effect of a natural disaster on Council's financial position is dependant on the scale, duration and location of the event. Central government assistance and insurance contracts would reduce some of the Council's financial risk.
Resource Consents It is assumed that conditions of resource consents currently held by Council will not be significantly altered. It is anticipated that there will be heightened level of controls on stormwater discharged (Environment Southland's Regional Fresh Water Plan). This may result in the need to consent discharges in some areas. No allowance has been made in the estimates of any costs resulting from consent conditions.	Conditions of consents are altered significantly or that work is not performed in accordance with consent conditions.	Likely (4)	Medium (40)	Medium (40)	VERY HIGH	Council works closely with Environment Southland and other agencies to understand and stay abreast of changing standards. Council will use these standards when planning projects and undertaking monitoring. Compliance monitoring ensures that work is in accordance with conditions. Where requirements change or work is required for consent conditions Council would have to provide rate funding to meet the requirements or request a change of consent conditions.

Assumption	Risk Description	Likelihood	Consequence		Overall Uncertainty (Risk)	Reason and Financial Effect of Uncertainty
			General	Direct Fin. Materiality		
FINANCIAL ASSUMPTIONS						
Contracts There will be no significant variations in the price of re-tendering operating and maintenance contracts and service level agreements other than variations identified in Activity Management Plans.	There is a significant variation on price from re-tendering contracts and renewal of service level agreements above the level allowed for in price level changes (below).	Almost Certain (5)	Medium (40)	Medium (40)	VERY HIGH	Previously a buoyant economy has led to surplus work for contractors leading to less competition between tenderers, in turn leading to higher prices. Recent uncertainty in the global economic situation has led to a downturn in construction. This may offset contract price increases as more contractors compete for the same work. If contract prices were to increase significantly the Council would review the amount of work programmed and undertaken. This may have an affect on the level of service, in particular for roading, water, wastewater and stormwater activities.
Capital Works Costs On average, costs of major capital works will not vary significantly from costs estimated in this plan. The recent introduction of the Environment Southland's Regional Fresh Water Plan will require Council to more actively manage the Stormwater activity, and in particular will require resource consents for many township stormwater discharges. These resource consents are required to be lodged within six months of the plan becoming operative. At this stage, it is unclear what conditions/requirements will need to be met. This is expected to be better understood once resource consents are granted. As such, additional funding has been included in the plan for likely monitoring costs and management fees of stormwater schemes in relation to these consents	That project costs are greater than estimates, resulting in increased debt levels. That Council is required to undertake significant capital works in relation to stormwater discharge consents.	Almost Certain (5)	Medium (40)	Medium (40)	VERY HIGH	Council has a higher level of confidence regarding capital project costs in the short term (one-two years) but less certainty in the longer term due to possible fluctuations in the economy, growth patterns, consent conditions etc. Any increase in costs may result in higher debt levels and a possible increase in rates to cover repayments. This may have an affect on the level of service.

<table>
<tr><th>Assumption</th><th>Risk Description</th><th>Likelihood</th><th colspan="2">Consequence</th><th>Overall Uncertainty (Risk)</th><th>Reason and Financial Effect of Uncertainty</th></tr>
<tr><th></th><th></th><th></th><th>General</th><th>Direct Fin. Materiality</th><th></th><th></th></tr>
<tr><td>but no capital works have been included for any consent conditions which may result.</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Price Level Changes
Price level changes have been calculated using projections prepared by Business and Economic Research Limited (BERL). The following table depicts the annual price levels change as indicated by BERL which are based upon June 2008 values.
<table>
<tr><th></th><th>Roading</th><th>Property</th><th>Water</th><th>Energy</th><th>Staff</th><th>Other</th></tr>
<tr><td>09/10</td><td>3.3%</td><td>2.7%</td><td>3.8%</td><td>2.1%</td><td>2.6%</td><td>3.5%</td></tr>
<tr><td>10/11</td><td>2.9%</td><td>3.1%</td><td>3.0%</td><td>2.3%</td><td>2.7%</td><td>3.3%</td></tr>
<tr><td>11/12</td><td>2.9%</td><td>2.6%</td><td>2.8%</td><td>2.6%</td><td>2.7%</td><td>2.3%</td></tr>
<tr><td>12/13</td><td>2.4%</td><td>2.8%</td><td>2.7%</td><td>3.0%</td><td>2.5%</td><td>2.4%</td></tr>
<tr><td>13/14</td><td>2.3%</td><td>2.8%</td><td>3.3%</td><td>2.9%</td><td>2.5%</td><td>2.1%</td></tr>
<tr><td>14/15</td><td>2.2%</td><td>2.9%</td><td>2.9%</td><td>3.3%</td><td>2.5%</td><td>2.2%</td></tr>
<tr><td>15/16</td><td>2.3%</td><td>3.0%</td><td>3.5%</td><td>3.3%</td><td>2.6%</td><td>2.3%</td></tr>
<tr><td>16/17</td><td>2.4%</td><td>2.6%</td><td>3.1%</td><td>3.3%</td><td>3.2%</td><td>2.3%</td></tr>
<tr><td>17/18</td><td>2.4%</td><td>2.2%</td><td>3.2%</td><td>3.4%</td><td>2.7%</td><td>2.4%</td></tr>
<tr><td>18/19</td><td>2.2%</td><td>2.3%</td><td>3.3%</td><td>3.5%</td><td>3.1%</td><td>2.5%</td></tr>
</table></td><td>That actual inflation increases will vary from those used.</td><td>Almost Certain (5)</td><td>Medium (40)</td><td>Medium (40)</td><td>VERY HIGH</td><td>Inflation is affected by external economic factors. While individual cost indices will at times vary from what has been included in this plan the Council has relied on the Reserve Bank use of monetary controls to keep inflation within its projected 4% per annum. The result of any variation up, or down, will result in a higher or lower rates requirement which may also impact on the levels of service, in particular for roading, water, wastewater and stormwater activities.</td></tr>
<tr><td>Useful Lives of Significant Assets
The useful lives of all assets will be in accordance with the depreciation rates as set out in the accounting policies of Council. Estimated remaining life of assets are recorded in Activity Management Plans.</td><td>That some assets may wear out and fail sooner, or later, than estimated.</td><td>Likely (4)</td><td>Major (70)</td><td>Major (70)</td><td>VERY HIGH</td><td>There is no certainty that asset components will last exactly their design lives. Capital projects could be brought forward in the event of early deterioration of assets affecting interest costs. This may be partially offset by other assets lasting longer than estimated.</td></tr>
<tr><td>Ministry of Health Subsidies
Where a water project would be eligible for Ministry of Health subsidies, the project funding will be based on a mixture of SDC share, estimated Ministry of Health subsidy and local share. The Ministry of Heath subsidy will be determined using set criteria which takes into account factors such as the risk to health and the wealth of the community.</td><td>That the proposed water project will not meet the criteria for funding set by the Ministry of Health and/or the actual financial assistance from the Ministry of Health will be different than that provided</td><td>Likely (4)</td><td>Medium (40)</td><td>Medium (40)</td><td>VERY HIGH</td><td>Council is aware that a number of communities have applied to the Government for subsidies. The Government has set aside a fixed amount for these works. It is unknown if further monies will be available if the demand still exists once all current funding has been allocated. If no subsidies are available, or if the criteria change and communities were no longer eligible, this would have a significant</td></tr>
</table>

Assumption	Risk Description	Likelihood	Consequence		Overall Uncertainty (Risk)	Reason and Financial Effect of Uncertainty
			General	Direct Fin. Materiality		
The SDC share will be up to a maximum of 16.67% which will be funded by all ratepayers as part of the Waste Management Rate. If the project has been approved and it is a new scheme, the local share will be funded from those connecting. If it is an existing scheme, the local share will be funded from a loan drawn down by the applicable Community Board or Community Development Area. This will be repaid by those connected as part of their annual water rate. Where the project has not yet been approved, the balance of any funding will be shown as a loan from the applicable Community Board or CDA with no repayments allowed for until the project is approved.	for in this plan.					impact on the cost of providing schemes for local communities. If financial assistance is not available for the projects identified in this plan, the Council will have to review the proposed works. This may result in them being deferred, deleted, reduced in scale, or a greater level of rate input being provided.
New Zealand Transport Agency (NZTA) Subsidies for Roading The base and construction subsidy for the first three years of the plan has been approved by NZTA at 54% and 64% retrospectively. For the remaining seven years it is assumed that the amount of subsidy received will increase in proportion to increased costs and that the percentage of subsidy to cost, in each category, will not change.	That financial assistance from the New Zealand Transport Agency will not be available to the extent, at the subsidy rate, and at the times, forecasted in this plan. There is no risk of a change in subsidy rate in 2009/10, 2010/11 and 2011/12.	Likely (4)	Medium (40)	Medium (40)	VERY HIGH	As roading makes up the major component of expenditure, any changes in subsidy rates will affect the amount of local funding required to fund the roading programme. If financial assistance is not available to the extent that has been indicated in this plan and when required, the Council will have to review the programme – and this may result in certain proposed works being either deferred or deleted, or a greater level of rate input being decided to offset the higher than projected cost increase. Conversely, the New Zealand Transport Agency may offer a greater level of financial assistance to enable the Council to do more work – but only if there is a greater level of rate input as well. In those circumstances, the Council will have to decide whether to charge more rates or to decline the offer.
Revaluation of Infrastructure and Forestry Assets Revaluations of infrastructure and forestry assets	Actual price level changes vary to those stated.	Likely (4)	Medium (40)	Medium (40)	VERY HIGH	If price level changes are greater or lesser, depreciation could be under or overstated.

Assumption	Risk Description	Likelihood	Consequence		Overall Uncertainty (Risk)	Reason and Financial Effect of Uncertainty
			General	Direct Fin. Materiality		
have been included annually to reflect the projected change in asset valuations. Revaluations take into account asset acquisitions included in the plan, vested assets and inflation.	Capital construction and/or harvesting/planting will not meet projected timeframes.	Likely (4)	Minor (10)	Minor (10)	MODERATE	If capital construction falls behind, depreciation may be overstated.
It is assumed for water, stormwater and wastewater that the renewal projects planned are replacing those assets indicated to be at the end of their economic life.	That water, wastewater and stormwater renewal projects are replacing assets other than those that are at the end of their economic lives.	Possible (3)	Minor (10)	Minor (10)	MODERATE	Depreciation on these assets are not funded so the financial impact is minimal.
Interest Rates on Investments Interest on financial investments has been calculated at 6.40% for funds invested externally, and 7.75% for funds invested internally for the term of the plan.	Interest rates vary from those used in the calculations.	Almost Certain (5)	Minor (10)	Minor (10)	MODERATE	Council has calculated the average interest rate based upon the 10-year history of interest rates for six month bank deposits as recorded by the Reserve Bank. Interest rate forecasting is very uncertain and amounts to little more than guesswork. Using the weighted average interest rate for the past 10 years is a reasonable methodology for mitigating the risks of over or under-estimation, while providing the figures with historical rigour and credibility. Approximately $11.7 million of Council funds is invested in internal loans. Council has control over the interest rate received. Interest earned on $10 million of Council reserves is used to offset rates.
Interest Rates on Borrowing Interest on existing and new external borrowings is allowed for at 7.75% per annum over the term of the borrowing. Interest on internal borrowings has been calculated at 7.75% (as stated above for Investments).	The actual interest rates will vary over the 10-year period.	Almost Certain (5)	Medium (40)	Medium (40)	VERY HIGH	Council has calculated the average interest rate based upon the 10 year history of interest rates for 90 day bank bill rates as recorded by the Reserve Bank. Recent global uncertainty in the economic situation has increased the uncertainty regarding interest rates and may also impact on the ease of accessing external borrowings for certain sectors (generally higher risk areas than Council).

Assumption	Risk Description	Likelihood	Consequence		Overall Uncertainty (Risk)	Reason and Financial Effect of Uncertainty
			General	Direct Fin. Materiality		
						An increase in interest rates would require Council to collect more rates to cover the additional interest repayments.

<table>
<tr><th>Assumption</th><th>Risk Description</th><th>Likelihood</th><th colspan="2">Consequence</th><th>Overall Uncertainty (Risk)</th><th>Reason and Financial Effect of Uncertainty</th></tr>
<tr><th></th><th></th><th></th><th>General</th><th>Direct Fin. Materiality</th><th></th><th></th></tr>
<tr>
<td>Depreciation Rates - Planned Asset Acquisitions
Depreciation on infrastructure assets has been calculated in two parts; for assets owned at 30 June 2008, the total amount of depreciation calculated at 30 June 2008 has been used as the base depreciation for these assets for each of the 10 years and inflated annually. Depreciation on asset additions over the 10 years has been calculated in accordance with the table below and inflated annually, with the first year of any assets life being depreciated for six months.
<table>
<tr><td>Water</td><td>1.85%</td></tr>
<tr><td>Sewerage</td><td>1.59%</td></tr>
<tr><td>Stormwater</td><td>1.56%</td></tr>
<tr><td>Water</td><td>1.85%</td></tr>
<tr><td>Roading</td><td>Refer to LTCCP Accounting Policies.</td></tr>
</table>
Depreciation on non-infrastructure assets has been calculated in accordance with normal accounting practices. The following average depreciation rates have been used for planned asset acquisitions, with depreciation calculated for a full year in the year of acquisition.
<table>
<tr><td>Improvements</td><td>10.0% SL</td></tr>
<tr><td>Buildings</td><td>2.5% SL</td></tr>
<tr><td>Furniture & Fittings</td><td>13.5% SL</td></tr>
<tr><td>Office Equipment</td><td>13.5% SL</td></tr>
<tr><td>Other Equipment</td><td>9.09% SL</td></tr>
<tr><td>Computer Hardware</td><td>18.0% SL</td></tr>
<tr><td>Computer Software</td><td>40.0% SL</td></tr>
<tr><td>Library Books</td><td>10.0% SL</td></tr>
<tr><td>Streetlights</td><td>6.67% SL</td></tr>
<tr><td>Marine</td><td>3.85% SL</td></tr>
<tr><td>Runways</td><td>10.0% SL</td></tr>
<tr><td>Vehicles</td><td>9% to 20% SL</td></tr>
</table>
</td>
<td>Depreciation may be under or overstated. The method of calculation of depreciation on planned asset acquisitions differs from rates of depreciation in the accounting policies.</td>
<td>Almost Certain (5)</td>
<td>Medium (40)</td>
<td>Medium (40)</td>
<td>VERY HIGH</td>
<td>Council has an Activity Management Plan and upgrade programme in place. Asset capacity and condition is monitored, with replacement works being planned in accordance with standard asset management and professional practices.
Depreciation is calculated in accordance with normal accounting and asset management practices.
Depreciation on all assets except vehicles is not funded so the financial impact is minimal.</td>
</tr>
</table>

Assumption	Risk Description	Likelihood	Consequence		Overall Uncertainty (Risk)	Reason and Financial Effect of Uncertainty
			General	Direct Fin. Materiality		
Vested Assets The plan includes an estimate of the assets to be vested in Council from subdivisions currently in the resource consent process. No allowance has been made for any vested assets that may occur as a result of future resource consent requests.	That the value of vested assets will vary from that included in the plan.	Likely (4)	Medium (40)	Medium (40)	VERY HIGH	Council has only included an estimate of the assets that could be vested as a result of current resource consents. A strong property market in the future may result in further subdivisions and higher levels of vested assets. A weaker property market may result in a number of the subdivisions in process not proceeding and hence less vested assets to Council than planned. Overall any additional financial cost is considered minimal for the term of this plan although additional assets vested in Council would require more maintenance this is not deemed significant. Council has also included in its capital programme allowance for additional capacity that may be required.
Lump Sum Options Lump sum options are budgeted for a 41% take-up with the remaining 59% choosing repayment options varying from two years to 25 years in length.	Acceptance of lump sum offers will vary from budget.	Possible (3)	Minor (10)	Minor (10)	MODERATE	The take-up of options varies from year to year. If levels of acceptance are over budget, then debt will be lower, and the converse applies if levels of acceptance are lower than budget.
Exchange Rates The Council's liability management policy states that borrowing in foreign currency is not permitted and this has not been included in this plan. Council also has no overseas investment. Exchange rates may have an affect on internal interest rates (see above).	Some components of works in the LTCCP have to be sourced from overseas. Foreign currency fluctuations affect prices/interest rates.	Unlikely (2)	Minor (10)	Minor (10)	LOW	It is not possible to determine (until project tender stage) that certain inputs will need to be sourced from outside New Zealand and will be subject to currency fluctuations. The likelihood is that all components can be sourced locally. No provision is made to mitigate this risk.
Development and Financial Contributions Growth related projects will be fully funded from development and financial contributions as specific in the Development and Financial Contributions Policy.	That revenue from development and financial contributions is over or under-stated.	Likely (4)	Medium (40)	Medium (40)	VERY HIGH	If funding is not received as planned, additional debt or alternative funding will be required and/or the project may be reassessed. If debt is used this will result in additional rates required for interest and principal repayments.
Tax No tax will be payable on Council's electricity activity (Stewart Island Electricity Supply Authority - SIESA)	That SIESA will be required to pay tax.	Unlikely (2)	Minor (10)	Minor (10)	LOW	The tax status of SIESA is still subject to determination from the IRD. If they determine that tax must be paid it will reduce cashflow.
Other Funding That user charges and fees are achievable.	That some user charges and fees are not realised as budgeted.	Almost Certain (5)	Minor (10)	Minor (10)	MODERATE	Most charges have been set at similar levels to those previously achieved. Where users charges are less than anticipated other sources of funding will be used such as reserves and/or rates.

Figure 1: Projections for Southland communities

	Estimated Usually Resident Population								Estimated Number of Dwellings						
	Census Actual			Forecast Period				% change	Census Actual			Forecast Period			
Township	**1996**	**2001**	**2006**	**2011**	**2016**	**2021**	**2026**	**2006-26**	**1996**	**2001**	**2006**	**2011**	**2016**	**2021**	**2026**
Athol	66	54	72	76	74	72	70	65	33	36	51	51	51	51	49
Balfour	138	135	138	138	130	125	125	120	51	57	57	56	56	55	54
Browns	96	108	99	98	98	95	90	85	39	39	36	35	35	34	33
Colac Bay	177	150	135	138	140	140	140	140	66	57	54	54	54	54	54
Dipton	156	156	147	143	135	130	125	120	57	54	54	52	51	50	49
Edendale	567	570	495	535	535	520	510	500	237	222	222	232	232	228	225
Fortrose	63	54	57	56	54	51	45	45	30	24	24	23	23	22	20
Garston	93	66	102	100	100	100	95	95	30	27	33	33	33	33	32
Gorge Road	195	159	168	168	168	168	160	150	69	63	63	61	61	61	58
Limehills/Centre Bush	204	225	258	265	270	275	275	275	81	81	84	84	87	88	88
Lumsden	564	516	474	450	430	410	370	340	216	207	210	202	198	193	180
Manapouri	213	243	306	320	330	340	340	330	96	105	102	104	109	111	111
Mossburn	273	246	237	235	235	235	210	180	96	90	93	92	92	92	85
Nightcaps	396	336	303	255	215	190	180	160	171	144	135	122	112	105	98
Ohai	504	399	351	295	245	200	170	150	171	144	135	120	108	97	84
Orepuki	102	81	78	78	75	70	70	70	39	33	30	30	29	28	28
Otautau	801	729	753	755	770	785	770	750	309	288	294	294	298	301	293
Riversdale	411	414	456	465	470	470	460	440	162	162	180	185	186	186	182
Riverton	1839	1659	1527	1530	1540	1530	1510	1480	729	711	663	663	666	664	655
Stewart Island	417	387	405	410	415	420	410	400	234	234	258	258	259	259	253
Te Anau	1779	1851	1878	2005	2150	2,200	2,175	2,155	717	750	795	822	858	871	860
Thornbury	87	72	75	75	75	75	70	60	27	27	27	27	27	27	24
Tokanui	168	174	162	166	170	170	170	170	63	60	60	60	61	61	61
Tuatapere	741	681	582	580	595	610	595	585	261	255	240	240	244	248	241
Waikawa/Curio Bay	96	96	96	100	105	105	95	95	45	51	54	54	55	55	53
Waikaia	75	87	96	100	100	100	95	90	42	45	57	57	57	57	54
Wallacetown	708	660	636	638	640	640	620	610	231	231	237	237	238	238	231
Winton	2373	2271	2310	2370	2490	2630	2585	2570	957	960	1011	1016	1046	1081	1063
Woodlands	282	264	237	240	250	250	240	240	105	102	108	107	108	107	102
Wyndham	639	573	516	520	530	520	488	466	243	237	225	225	228	226	218
Total District	**30,561**	**28,719**	**28,440**	**28,900**	**29,400**	**29,600**	**28,800**	**1.3%**	**11,016**	**10,941**	**11,091**	**11,080**	**11,210**	**11,210**	**10,880**
Total Rural	16,338	15,303	15,291	15,596	15,866	15,974	15,542	1.6%	5,409	5,445	5,499	5484	5548	5527	5342
	53.5%	*53.3%*	*53.8%*	*54.0%*	*54.0%*	*54.0%*	*54.0%*		*49%*	*50%*	*50%*	*49%*	*49%*	*49%*	*49%*
Total Urban	14,223	13,416	13,149	13,304	13,534	13,626	13,258	0.8%	5,607	5,496	5,592	5596	5662	5683	5538
	46.5%	*46.7%*	*46.2%*	*46.0%*	*46.0%*	*46.0%*	*46.0%*		*51%*	*50%*	*50%*	*51%*	*51%*	*51%*	*51%*

6.7 Sensitivity and Confidence

The uncertainty in project estimates is due to sensitivity to the assumptions above. Over the past three year period SDC has experienced huge variations in rates from contractors which, combined with price increased in many materials (especially PVC pipe), and some estimates being many years out of date, has lead to some budgets being insufficient by up to an order of magnitude. SDC has reviewed the project estimates in detail for the first three years and applied a broad brush approach to projects in the latter years where there is better information about projects. Where no new information is to hand the budgets from the previous AM Plan has been used until the project falls into the three year horizon.

As discussed in Section 5.1.6 projects within the first three years (09/10, 10/11, 11/12) should be expected to have an uncertainty of up to ±20% with projects in the outer years up to ± 50%. The philosophy with projects towards the end of the 10-year period are that they are flags that work is likely to be needed but it is very much at the concept phase.

Projects have been prioritised based primarily on risk exposure. This means that projects to reduce a higher exposure should come before a project to reduce a lower risk exposure. Sometimes projects have been moved to link with related work in other schemes or where it makes economic sense to do it at the same time as another project.

These programmes are subject to change as risk exposure changes, i.e. as the consequence or the likelihood of a risk event changes. Any proposed change to the timing of a project will be discussed in the first instance with the respective water supply committee, community board, or community development area.

No capital work will be carried out without a recommendation from the respective community board or community development area to proceed.

6.8 Accounting Policies

Local authorities are required by the Local Government Act 2002 to manage their financial dealings prudently. This implies compliance with generally accepted accounting practice. The Local Government Act requires user pays and intergenerational equity issues to be taken into account when determining how different activities will be funded.

In funding the water supply activity SDC applies the policies as outlined in the Long-Term Council Community Plan.

Financial practices are in accordance with generally accepted accounting practice (GAAP) and more specifically with NZ IAS 16.