



Forging a future, together

2024-2034

Part 2 LONG TERM PLAN

Contents

Infrastructure Strategy 3

Financial Strategy..... 72

Policies 93

Audit Report 153

Infrastructure strategy





Race Course Road Water Treatment Plant, Amberley

INFRASTRUCTURE STRATEGY 2024-2054

Contents

1	Introduction	6
2	Statutory Context	6
3	Terminology	7
4	Hurunui District Council's Strategy	7
4.1	Linkage with Other Documents	8
4.2	Activity Management Plans	9
4.3	Linkage with the Financial Strategy	9
5	Context	11
5.1	About the District	11
5.2	Population and Demographics	12
6	Overview of Infrastructure Assets	14
6.1	Roading and Footpaths	14
6.2	Water	14
6.3	Wastewater	16
6.4	Stormwater	17
6.5	Waste Management and Minimisation	17
6.6	Green spaces	18
6.7	Property	18
6.8	Information Services	19
6.9	Hanmer Springs Thermal Pools and Spa	19
7	Infrastructure Challenges and Emerging Issues	20
7.1	Overview of Key Issues	20
7.2	Population and Demographics	22
7.3	Regulatory obligations and regulatory change	24
7.3.1	National Policy Statement on Freshwater Management	24
7.3.2	National Environmental Standards for Freshwater	24
7.3.3	Canterbury Water Management Strategy (CWMS)	25
7.3.4	Taumata Arowai – Water Services Regulator Act 2020	25
7.3.5	Government Policy Statement on Land Transport 2024	25
7.3.6	National Policy Statement on Urban Development	25
7.3.7	Regulations established under the Waste Management Act 2008	25
7.3.8	Resource Management Act 1991 (RMA) reforms	25
7.3.9	Three Waters Reforms	25
7.4	Affordability	26
7.4.1	Cost pressures	26

LTP Part 2

7.4.2	Funding constraints	27
7.4.3	Historic issues	27
7.4.4	Affordability challenge	28
7.5	Climate Change	28
7.6	Natural Hazards	31
7.7	Age and condition of infrastructure	32
7.7.1	Roading	32
7.7.2	Water Services	34
7.7.3	Wastewater infrastructure	36
7.7.4	Community Infrastructure	36
8	Capital Works Programme	38
8.1	Roading Capital Works Programme	38
8.2	Water Supply Capital Works Programme	40
8.2.1	Water Safety and Compliance	41
8.2.2	Water Network Resilience	42
8.2.3	Growth	44
8.2.4	Climate change	45
8.3	Wastewater Capital Works Programme	45
8.3.1	Minimising adverse environmental effects	45
8.3.2	Regulatory change, including impacts for consent management and compliance	47
8.3.3	Climate change	48
8.3.4	Growth	48
8.4	Stormwater Capital Works Programme	48
8.4.1	Risks of flooding to habitable floors or damage to Council infrastructure	49
8.4.2	Regulatory compliance	50
8.4.3	Climate change	50
8.5	Waste Management and Minimisation Capital Works Programme	50
8.5.1	Regulatory and technological change	50
8.5.2	Customer expectations regarding levels of service	52
8.5.3	Growth	53
8.5.4	Compliance regarding closed landfills	53
8.6	Green Spaces Capital Works Programme	54
8.6.1	Growth	54
8.6.2	Cemetery capacity	54
8.7	Information Services Capital Works Programme	55
8.8	Property Capital Works Programme	56
8.8.1	Ensuring the right community facilities in the right place	56
8.8.2	Levels of service for property maintenance	57

8.8.3	Climate change	58
8.8.4	Property development	58
8.9	Climate change adaptation	59
9	Financial Estimates	61
9.1	First 10 years (2024-2034)	61
9.2	Years 1-30	65
10	General Assumptions	68
11	Useful Lives of Assets	76
11.1	Water	76
11.2	Wastewater	76
11.3	Stormwater	76
11.4	Roading	77
11.5	Property	77
11.6	Green Spaces	78
11.7	Waste and Recycling	78
11.8	Information Services	79
12	Renewals and replacements	80
12.1	Roading	80
12.2	Water and wastewater	80
12.3	Stormwater (excluding roading stormwater assets which are managed as part of roading)	82
12.4	Property	82
12.5	Green Spaces	83
12.6	Waste and Recycling	83
12.7	Information Services	84
13	Growth in services reliant on infrastructure assets	85
13.1	Roading	85
13.2	Water	85
13.3	Wastewater	85
13.4	Stormwater (excluding roading)	86
13.5	Property	86
13.6	Greenspaces	87
13.7	Waste and Recycling	87
13.8	Information Services	88
14	Increases or decreases in levels of service	89
14.1	Roading	89
14.2	Water Services	89
14.3	Wastewater	90
14.4	Stormwater	91

LTP Part 2

14.5	Property	91
14.6	Green Spaces.....	92
14.7	Waste Management and Recycling.....	92
14.8	Information Services	93
15	Maintaining and improving public health and mitigating adverse environmental outcomes	94
15.1	Roading	94
15.2	Water services.....	94
15.3	Wastewater.....	94
15.4	Stormwater	95
15.5	Property	95
15.6	Green Spaces.....	95
15.7	Waste Management and Minimisation.....	96
15.8	Information Services	96
16	Resilience of Council infrastructure assets.....	96
16.1	Assessing the risk of significant damage to infrastructure from adverse events.....	96
16.2	Reducing the risk of significant damage to infrastructure	97
16.3	Infrastructure redundancy or alternatives.....	97
16.4	Planning for adverse events	97
16.5	Financial protection	97
Appendix: Criticality Assessment.....		98
Roading.....		98
Water		98
Wastewater		99
Stormwater		101
Property.....		101
Green spaces		101

1 Introduction

This strategy contains information about the key aspects about the Council's infrastructure assets. It identifies key issues likely to impact infrastructure during the planning horizon and outlines how the Council intends to respond to those issues to meet targeted Levels of Service (LoS).

Infrastructure is categorised as either core infrastructure or community infrastructure. Core infrastructure comprises roading, water, wastewater and stormwater infrastructure. Community infrastructure comprises waste management, green spaces, property, and library infrastructure.

In developing the strategy, the Council has identified the key issues affecting infrastructure planning as including:

- Population/demographic and land use changes
- Regulatory obligations and regulatory change
- Affordability
- Climate change
- Natural Hazards
- Age and condition of infrastructure

The Council has also considered:

- Community Outcomes
- Customer needs and expectations
- Council's strategy
- Fit for purpose services

Inevitably, the development of the Infrastructure Strategy involves a balancing exercise between developing and maintaining appropriate infrastructure and ensuring affordability.

This strategy is not intended to serve as a budgetary statement but provides an estimate of what the significant works may cost. It includes many assumptions and risks that may or may not be realised. The accuracy of the forecasting inevitably decreases as the planning horizon or timelines increase.

Activity Management Plans (AMP) are in place for both core and community infrastructure related activities. They provide information about the intended levels of service and asset management programmes for maintenance and project work.

2 Statutory Context

Under section 101B of the Local Government Act 2002, the Council is required to have an Infrastructure Strategy which covers a period of at least 30 years. The purpose of the strategy is to identify significant infrastructure issues over the period covered by the strategy and to identify the options for managing those options, including the implications of those options.

The infrastructure strategy must outline how the local authority intends to manage its infrastructure assets, taking into account the need to:

- renew or replace existing assets;
- respond to growth or decline in the demand for services reliant on those assets;
- allow for planned increases or decreases in levels of service provided through those assets;
- maintain or improve public health and environmental outcomes or mitigate adverse effects on them; and
- provide for the resilience of infrastructure assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks.

3 Terminology

Activity Management Plan (AMP)	A plan to describe the activities required to deliver a set of services. It develops the current and future view of how the services will be delivered and contemplates the risks and issues that will be encountered and how the activities will be delivered with associated costings.
Core infrastructure	Infrastructure used for the provision of roading, water, wastewater and/or stormwater services.
Community infrastructure	Other infrastructure which is used to support achievement of the four community wellbeings. In some cases it is managed by community members and/or groups.
Levels of service/service levels	The amount or quality of a service or activity that is provided to the community.
Long term plan (LTP)	Is the key planning tool for the Council. It describes the Council's activities and the community outcomes it aims to achieve. Provides integrated decision-making and coordination of the resources, as set out in section 93 (6)(c) of the Act.
Maintenance	The work carried out on equipment to avoid its breakdown or malfunction. It is a regular and routine action taken on equipment but can also mean the action taken to remediate an unplanned breakdown.
Renewal	Replacement of an existing asset at the end of its useful economic life.

4 Hurunui District Council's Strategy

The Vision of the Hurunui District Council is that:

Hurunui is a thriving, dynamic and resilient district shaped by our rich and diverse heritage. We relentlessly pursue social and economic prosperity for all, creating a future where our residents and communities enjoy a high quality of life in harmony with our environment and each other.

To move towards that vision, the Council's mission is that:

We act boldly and innovatively, to enable communities to achieve their social, economic, cultural and environmental goals, supported by sustainable, resilient infrastructure.

This Infrastructure Strategy serves as a key enabler for delivering on that vision and mission.

The Council has identified five strategic objectives for Council activities. It has also identified drivers which will support the achievement of the strategic objectives. Those most relevant to the Infrastructure Strategy are as follows:

Strategic objective	Key drivers identified by Council
<i>Deliver good quality services supported by sustainable, resilient infrastructure</i>	Roading: - Improve levels of service delivered by roading network. - Improve resilience of roading network. Three Waters: - Continue to advocate for community ownership of three waters assets - Ensure any centralisation of three waters services continues to deliver good levels of service to the Hurunui district - Meet quality standards for water services

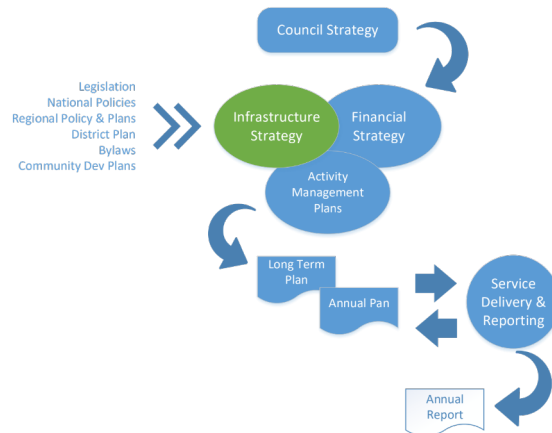
Strategic objective	Key drivers identified by Council
	- Ensure sufficient volumes and quality to support growth Built Environment: - Ensure community facilities are safe and fit for purpose Waste: - Deliver district-wide waste services that meet community needs.
<i>Support and facilitate appropriate economic development</i>	Supply of affordable housing is critical for our economic development.
<i>Support communities to develop and shape their own direction</i>	- Work with communities to ensure key community infrastructure is appropriate for the future - Deliver key services where funding is available and the services meet the needs of the communities
<i>Respect the foundations of our shared history as we build the future</i>	- Forge strong and respectful relationships with Ngāti Kuri and Ngāi Tūāhuriri as tangata whenua. - Respect the natural environment and work to facilitate good environmental outcomes
<i>Focus on ensuring financial decisions result in tangible outcomes for residents and ratepayers</i>	Deliver value for money outcomes on time, to specification and in budget

4.1 Linkage with Other Documents

Under the Local Government Act 2002, the Council is required to adopt various plans and documents. In addition, it has adopted the Council Strategy.

- The Council Strategy sets the path and the vision for the Council. The applicable aspects of that strategy relating to infrastructure are the key considerations when compiling the Infrastructure Strategy.
- The Council's Long Term Plan details its planned work programme and budget for a 10-year period. The Long Term Plan incorporates the Infrastructure Strategy and the Financial Strategy, along with financial projections and specified policies.
- The Infrastructure Strategy identifies significant infrastructure issues and the options for managing those issues. It includes projections for capital and operating expenditure over a 10-year period.
- The Financial Strategy ensures that the Infrastructure Strategy is affordable and can be delivered within financial limits and generally accepted accounting principles.
- Activity Management Plans (AMPs) are created for each activity. These plans provide detail regarding the targeted level of service and how the service will be delivered.

In adopting strategies and plans, the Council endeavours to balance customer/stakeholder needs and expectations and affordability. Given the limited financial and other resources available and the extent and diversity of stakeholder needs and expectations, this is an ongoing challenge.



The Local Government Act 2002 does not require the Financial Strategy to cover the period from 2034/35 to 2053/54. Nevertheless, the following matters are noted:

- It is likely that infrastructure-related costs will continue to increase beyond the 10-year period, and that the value of assets will increase over time. Both factors are expected to continue to place pressure on rates beyond 10 years, increasing concerns regarding affordability. Hence, efforts to manage costs will continue to be a focus.
- In the context of roading, the scale of the work programme is likely to continue to be dependent on external funding (Waka Kotahi). The 30-year Infrastructure Strategy includes provision for some significant bridge replacement work beyond year 10. However, the cost of this work is significant and this will not be possible without external funding.
- The Council will continue to use debt to fund long-term infrastructure assets. In order to facilitate this, it is possible that the Council may seek a credit rating.
- It is expected that the Queen Mary South development will generate positive returns, helping to reduce the Council's year 10 debt. While it is too soon to know what opportunities may present themselves beyond 10 years, the Council will remain open to future opportunities.
- The potential impact of the current government's Local Water Done Well initiative is not yet known, so while this could have an impact on the Council's infrastructure-related activities beyond 10 years and the Council's financial position, this has not yet been incorporated into the Infrastructure Strategy.

4.2 Activity Management Plans

Underpinning and delivering the Infrastructure Strategy is a series of Activity Management Plans (AMPs). AMPs provide the detail for each service within the Core and Community infrastructure suites.

Core infrastructure is made up of drinking water, wastewater, stormwater, and roading (which includes footpaths). While rural water schemes are considered drinking water, they have a very important role in delivering stock drinking water. On many schemes, as much as 80% of water pumped is for stock use rather than human consumption.

Community infrastructure comprises waste management, property, green spaces, and information services. Green spaces includes parks and reserves, playgrounds, cemeteries, and town amenities such as garden beds and landscaping. Information services includes customer services, customer advocacy and library services. Property activities cover the management of all Council-owned properties, including office buildings, depots, swimming pools (other than the Hanmer Springs Thermal Pool and Spa, which is operated as a separate business unit) and libraries.

AMPs are updated every three years to coincide with the Long Term Plans and provide the detail as to how each discipline will deliver the Infrastructure Strategy. As well as this, the purpose of the AMPs is to detail how the services will be delivered, how the assets will provide for delivery of services and what the associated costs over the next 10 years are likely to be.

As was the case in 2021, most of the Council's AMPs are written with a focus on the activity/service being provided. However, the roading AMP is prepared in an asset-centric manner to conform to Waka Kotahi NZ Transport Agency's format and specifications. The roading AMP uses a three-year period as the focus, as it is used as the vehicle for securing the funding subsidy from Waka Kotahi.

4.3 Linkage with the Financial Strategy

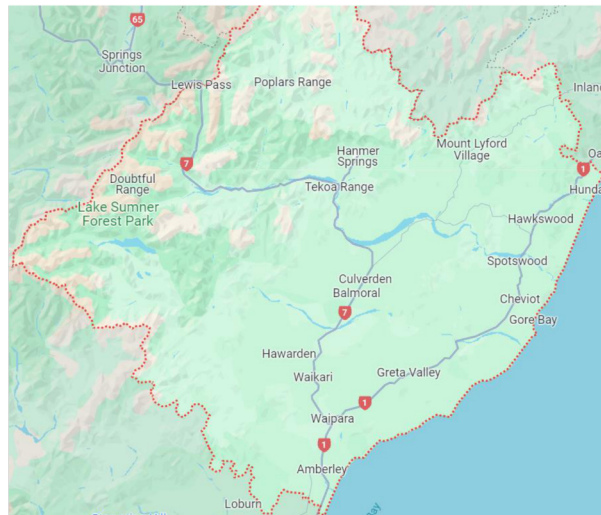
The Council has prepared a 10-year Financial Strategy covering the period 2024-2034. The Financial Strategy is aligned to the first 10 years of the Infrastructure Strategy. For example, the matters in this Infrastructure Strategy for the first 10 years are consistent with the level of capital expenditure, operating expenditure, debt and rates in the Financial Strategy.

5 Context

5.1 About the district

The land area of the Hurunui District is 8,646 km², making it one of the largest districts in the country. The Hurunui District extends from Leithfield Beach to beyond the Conway River. It is bordered on the west by the Southern Alps and on the east by the coast of the Pacific Ocean.

The district is predominantly rural. The largest urban areas are Amberley and Hanmer Springs. The district also has a number of smaller urban areas, villages and beach settlements.

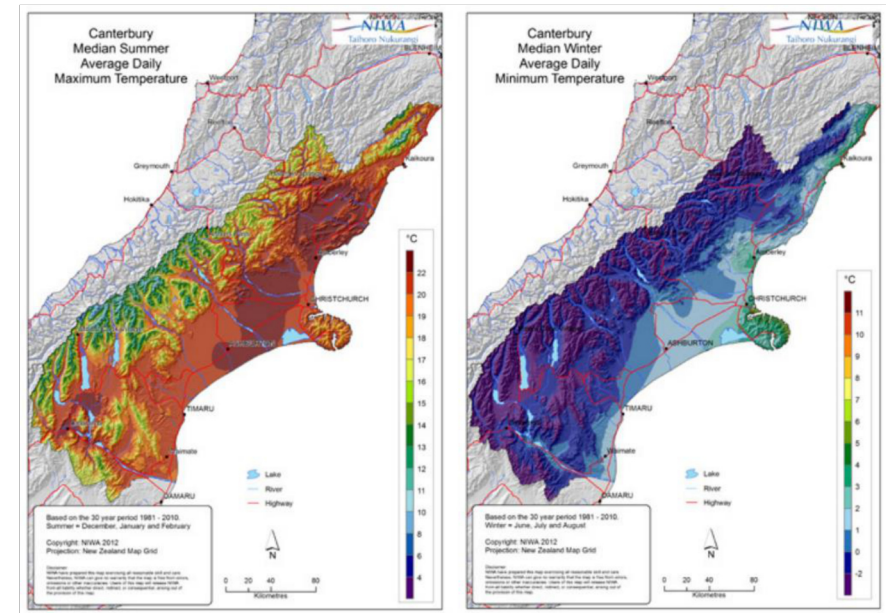


Source: Googlemaps

The district has a small rating base of over 8,800 rateable properties. This contributes to the ongoing challenge of funding quality services and facilities.

The district offers lifestyle, adventure, and a chance to experience the rich history and culture of rural New Zealand. Its small towns offer a window into the rural heartland.

Weather patterns vary between locations within the District, reflecting location and proximity to geographical features and terrain. For example, temperature variation between summer and winter is greater inland than for the coastal communities.

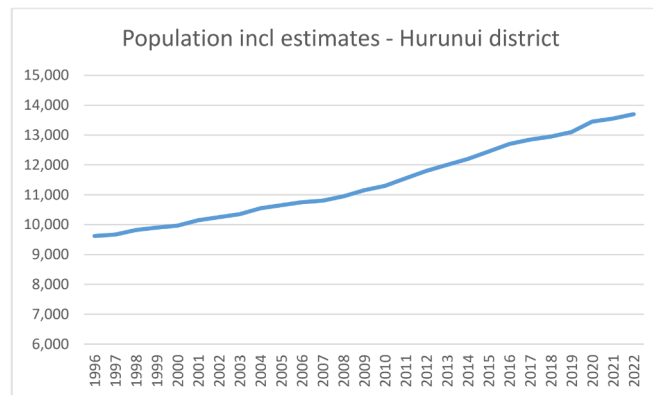


Source: NIWA: The Climate and Weather of Canterbury (2016)

5.2 Population and Demographics

Statistics New Zealand estimates for the population of the Hurunui District vary slightly over time. As at 4 January 2024, Statistics New Zealand estimated the district had a population of 13,800 in 2023. While a census was carried out in 2023, the results were not available at the time of writing.

The following chart shows population growth over the past 25 years. It is expected that population growth will continue during the period covered by this Infrastructure Strategy, with Amberley and Hanmer Springs experiencing higher rates of growth than the rest of the district.



The following table provides the Council's estimates of growth over the 10-year period to 30 June 2034 and the 30-year period to 30 June 2054 respectively:

	Estimate 1 July 2024	Estimate 30 June 2034	Estimate 30 June 2054	10 yr growth	30 yr growth%
Hanmer Springs	1,188	1,504	2,413	2.39%	2.39%
Amuri/Hanmer Range	2,844	3,320	4,525	1.56%	1.56%
Parnassus	1,360	1,392	1,457	0.23%	0.23%
Omihi/Hurunui	2,873	3,020	3,337	0.50%	0.50%
Amberley	2,989	4,056	7,325	3.10%	3.03%
Balcairn/Ashley Forest	3,480	4,213	6,175	1.93%	1.93%
TOTAL	14,734	17,505	25,232	1.74%	1.81%

This indicates that the population of the district is expected to increase by almost 19% over the next year 10 years and 72% over the next 30 years. The urban areas are expected to experience the fastest rates of growth over the next 30 years, while some of the rural districts are expected to have little or no growth.

Statistics New Zealand estimated the average age of district residents in 2023 at 45.7 years, compared with the national average of 38 years. It is expected that the average age of residents will increase in future years. Of the 2023 population of 13,800, Statistics New Zealand reported that 3,200 were at least 65 years old, compared with 2,550 in 2018. The growth in the number of people aged at least 65 years old has been taken into consideration in preparing the AMPS and this strategy.

6 Overview of Infrastructure Assets

6.1 Roading and Footpaths

Asset overview:

Description	Quantity
Sealed pavement	622.8km
Unsealed pavement	827.9
Culverts, sumps, catch pits and soak pits	5,577
Kerb and channel	4.06km
Footpaths	70.16km
Bridges and major culverts	282
Retaining walls	204
Sight and guard rails, barriers, and hand rails	141
Signs	7,715
Street lights	1,004

The following table summarises the district's sealed and unsealed roading network based on the One Network Framework. It excludes state highways, as these are not managed by Council.

Urban/Rural	ONF Category	Total Length (km)	Total Length (%)	Sealed (km)	Unsealed (km)	Lane (km)	Vehicle Journeys (m vkt)
Urban	Urban connectors	4.4	0.3	4.4	0	8.8	2.5
	Activity Streets	2.2	0.2	2.2	0	4.4	1.3
	Local Streets	68.6	4.7	66.1	2.6	136	8.1
	Total Urban Network	75.2	5.2	72.6	2.6	149.1	11.9
Rural	Rural Connector	318.5	22	310.3	8.2	636.2	59.4
	Peri-urban Roads	5	0.3	4.8	0.2	9.8	0.4
	Rural Roads	1035.6	71.4	231.1	804.5	1994.8	28.2
	Total Rural Network	1359.1	93.7	546.2	812.9	2640.7	88.1
Unclassified	Unclassified	16.5	1.1	4	12.5	32	0.4
TOTAL NETWORK		1450.8	100	622.8	827.9	2821.9	100.4

6.2 Water

Most urban properties are on an on-demand water supply, i.e. water is usually provided to properties directly from pipes in a road. Most rural properties are on a restricted supply, which means water is trickle fed to the customer's privately owned storage tank(s). Properties use water for a range of reasons including drinking, stock water and horticulture.

LTP Part 2

As at January 2024, there were 16 water supplies and a water tanker (which is deemed to be a water supply):

Type of scheme	Scheme
Large schemes	Amberley, Amuri, Ashley Rural, Cheviot, Hanmer, Hurunui #1, Waikari Basin
Medium schemes	Balmoral, Culverden, Kaiwara, Lower Waitohi, Parnassus, Waiau Town, Waiau Rural, Waipara
Small schemes	Blythe

There are 25 water sources supplying water to these supplies.

Scheme	Source(s)	Treatment	Reserv-oir sites	Pump stations (includes intakes)	Total number of pumps in scheme	Break-pressure tanks
Amberley (incorporates rural areas to north and east of the township)	Racecourse Rd bores Kowai River Rd bore Leithfield Beach bore SH1 (emergency) bore	Chlorination U.V.	6	9	25	6
Amuri	Mouse Point wells	Filtration U.V Chlorination	1	2	5	0
Ashley Rural	Ashley bores Leithfield Beach bore	Filtration U.V Chlorination	4	10	21	4
Balmoral	Awatui Stream Pahau River gallery	Chlorination	2	2	4	0
Blythe	Hurunui River bore for Blythe	Cartridge Filtration Chlorination	2	2	4	2
Cheviot	Waiau River bores	Chlorination	8	6	12	6
Culverden	Culverden bore	Filtration U.V Chlorination	1	2	3	0
Hanmer Springs	Dillons Creek Rogerson River	Coagulation Media filtration U.V Chlorination	3	2	5	0
Hurunui #1	Hurunui River gallery for Hurunui #1	Chlorination	13	12	26	35
Kaiwara	Hurunui River gallery for Kaiwara	Chlorination	10	6	13	9
Lower Waitohi	Lower Waitohi bore	Chlorination	8	6	15	9
Parnassus	Parnassus well	MIOX	6	5	9	6

Scheme	Source(s)	Treatment	Reserv-oir sites	Pump stations (includes intakes)	Total number of pumps in scheme	Break-pressure tanks
Waiau Rural	Waiau Home Stream	Chlorination	6	10	18	3
Waiau Town	Waiau River gallery	Media filtration Ultra-filtration Chlorination U.V.	1	1	6	0
Waikari Basin (incorporates Hawarden-Waikari, Peaks & Upper Waitohi)	Bishells Rd bores	U.V Chlorination	8	6	1	4
Waipara	Waipara bore	U.V Chlorination	1	1	3	0

Asset overview:

Description	Quantity	Non-Depreciated replacement cost	Depreciated replacement cost
Water intakes	23	5,998,509	3,417,709
Wells	34	1,488,469	1,106,984
Water treatment plants	18	7,515,429	6,723,214
Pump stations (excluding water treatment plants)	62	5,519,445	2,027,682
Reticulation (Km)	2,214	104,700,240	60,388,367
Reservoirs (excluding those located at intakes/pump sheds)	78	4,434,806	2,319,651
Water meters (for on demand connections)	3914	456,988	149,571
Hydrants	838	2,406,610	1,163,601

6.3 Wastewater

Asset overview:

Description	Quantity	Non-Depreciated Replacement Cost	Depreciated Replacement Cost
Wastewater treatment plants	7	10,763,291	8,473,919
Pump stations	15	783,265	289,727
Reticulation (Km)	152	34,436,385	19,841,303

The seven sewerage schemes are as follows:

LTP Part 2

Wastewater	Address of treatment plant
Amberley (servicing Amberley, Leithfield and the associated beach areas)	Newcombes Road, Amberley
Cheviot	91 Seddon Road/Mina Rd, Cheviot
Hanmer Springs	219 Hanmer Springs Road, Hanmer Springs (Irrigation field in River Road)
Hawarden	High Street, Hawarden
Motunau Beach	1667 Happy Valley Road, Motunau Beach
Greta valley	102 Scargill Valley Road, Greta Valley
Waikari	161 Karaka Road, Waikari

These schemes are primarily gravity fed with some low lying areas being pumped for short sections. As at 2023, there were 17 discharge consents associated with the wastewater activity.

Other areas within the district are managed via septic systems.

In most, but not all cases, wastewater is discharged to land. However, some treatment plants have secondary pathways to water. Where treated wastewater is discharged to water, alternative treatment options are likely to be required prior to the expiry of current consents.

6.4 Stormwater

Asset overview:

Description	Quantity	Non-Depreciated Replacement Cost	Depreciated Replacement Cost
Reticulation (Km)	20	10,982,492	7,909,184
Stormwater Treatment Ponds	19	469,807	467,793

The stormwater network is largely within township boundaries only and is primarily an open-channel system. However, there are some pipes, most of which are located in Hanmer Springs and under roads.

Amberley and Hanmer Springs each have a global discharge consent. This means that, as long as work meets the consent activities, these can be controlled by the Council, without the need for Regional Council intervention. At the time of writing this Infrastructure Strategy, the Council is engaging with Environment Canterbury regarding a new global consent for 13 other urban areas (Amberley Beach, Leithfield, Leithfield Beach, Cheviot, Motunau Beach, Gore Bay, Greta Valley, Waipara, Waikari, Hawarden, Culverden, Waiau, Rotherham).

In the past, the following towns have had a serviced stormwater network: Amberley, Hanmer Springs, Hawarden, Waikari, Culverden, Cheviot, Gore Bay, Waiau and Motunau Beach. Some urban areas which are likely to be included in the new global consent, which have not previously received Council stormwater services, including Greta Valley, Rotherham and Waipara.

6.5 Waste Management and Minimisation

Asset overview:

Description	Quantity	Locations
Transfer stations	5	Amberley, Cheviot, Culverden, Hanmer Springs, Waiau
Clean fill site	1	Amberley
Consented closed landfills	6	Cheviot, Culverden, Hanmer Springs, Waiau, Waikari, Waipara

The Council provides a weekly kerbside refuse and recycling collection service (household and commercial) in 18 urban areas using a single truck and trailer. People living in rural areas are also able to buy official Council refuse and recycling bags and leave the filled bags at designated locations for collection. Residents may also take waste, including Council refuse and recycling bags, to transfer stations.

6.6 Green spaces

The assets listed below are collectively referred to as "green spaces".

Asset overview:

Description	Quantity
Parks and recreation reserves	67
Playgrounds	24
Cemeteries	9
Township amenities, e.g. garden beds or landscaped areas of road reserve	In 10 urban areas

The Council runs a mixed operating model for maintenance. The Council contracts out large-scale repeatable work, such as mowing. For smaller and/or specialised work, an in-house team operates out of Amberley and Hanmer Springs, covering the whole district. Many volunteers contribute to keeping the reserves in good condition.

6.7 Property

The Council owns, operates, and manages a range of properties throughout the district.

Asset overview:

Description	Quantity
Halls/pavilions	16
Community buildings	17
Public toilets	30
Council owned officers, libraries, and service centres	4
Depots (used for three waters and green spaces)	7
Dog pound	1
Medical centres	4
Social housing units	34 at 7 sites
Residential houses	5
Commercial properties	6
Local purpose reserves	76
Recreation reserves	50

Camp grounds	11
Swimming pools	3
Car parks	7
Unformed legal roads	

The Council has recently conducted a review of the condition of Council-owned buildings, and has identified maintenance requirements for each property. The Council is establishing a way forward for earthquake prone buildings.

A key function is ensuring that all Council properties meet compliance obligations. The Property team also enters into and manages leases of the Council’s properties.

6.8 Information Services

Information Services activities include Customer Services, Customer Advocacy and Library Services.



Customer Services provides a first point of contact for customers engaging with the Council. The Customer Advocacy function seeks to promote positive customer experiences. The team monitor service requests and customer complaints, helping to achieve effective resolution of outstanding matters. They also recommend and provide input into system and process improvements.

Libraries contribute to social, economic, environmental, and cultural community wellbeing outcomes, by providing a collective resource that is greater than families or individuals might otherwise afford. Physical resources (books, magazines, DVDs, talking books etc) are rotated around the library network. The Council provides online access to e-books and e-audio books, comics and magazines. In some communities, volunteers provide a library book home delivery service. Some libraries offer meeting spaces for public use.

Location	Service information
Amberley Service Centre	Customer services and customer advocacy
Amberley (Hurunui Memorial Library)	Library and public space
Amuri (in Culverden)	Library and service centre
Cheviot	Library and service centre
Greta Valley (based at Greta Valley School)	Community library
Hanmer Springs	Library and service centre
Hawarden (based at Hurunui College)	Community library
Leithfield	Community library
Omihi (based at Omihi School)	Community library
Waiau	Community library

6.9 Hanmer Springs Thermal Pools and Spa

One of New Zealand’s premier tourist attractions, Hanmer Springs Thermal Pools and Spa (HSTPS) attracts more than 500,000 customers each year.

HSTPS was vested in the Council by the Crown and became a recreational reserve in 1990. In 2010 additional reserve land was added to the original footprint as HSTPS expanded its offering to cope with customer demand.

The HSTPS complex includes 22 pools, including thermal pools, private pools and a 25 metre freshwater pool. There are also two steam rooms, two sauna rooms, a children’s aqua play area, three water slides, a day spa, a tea kiosk, café and grill, and supporting facilities.

HSTPS provides a substantial revenue stream to the Council and has made an important financial contribution toward the funding of other reserves in the district through the profits generated.

HSTPS has its own strategic management which sits outside of this strategy. This is primarily due to commercial sensitivities and the importance of maintaining its competitive edge.

7 Infrastructure Challenges and Emerging Issues

7.1 Overview of Key Issues

Some of the key issues relating to the management of infrastructure over the next 30 years include:

Population Growth and Demographics

The population of Hurunui District is expected to increase by almost 19% over the next 10 years and 72% over the next 30 years. The fastest rates of growth are expected to occur in the South Ward.

- The Council’s responses to this issue include:
- The Council is currently engaging with the community regarding spatial planning in the South Ward that will influence future infrastructure strategies.
 - Ongoing monitoring and modelling will help ensure that infrastructure is able to meet the needs of the growing population.
 - Some of the infrastructure developments included in the Long Term Plan seek to prepare and respond to growth. For example, it is expected that there will be a need to access more water for the Amberley area. A number of pipe upgrades are planned for the next 10 years.
 - It is proposed to establish some new reserves in the Amberley area and to further develop existing reserves.
 - The plan includes provision for transfer station development in Amberley and Cheviot to support the processing of multiple waste recycling streams and to provide for growth (\$2.5m).
 - There is provision for the expansion of the Amberley library in 2033/34 (\$2.4m).

Regulatory obligations and regulatory change

Many aspects of local government activities are authorised and/or regulated by legislation and other regulatory instruments. There is inevitably some uncertainty regarding future regulatory change, and the ability to adapt to the changing regulatory context is important.

In recent years, some key areas of regulatory change which will have a continuing impact on infrastructure activities relate to drinking water treatment and wastewater disposal.

- Some of the activities planned over the next 10 years which relate to regulatory compliance include:
- Enhancements to reduce the risk of three waters consent breaches, such as the increasing use of remote monitoring of infrastructure to ensure that it is operating as expected and that there are rapid responses to changing conditions.
 - It is planned to upgrade the Balmoral water treatment plant to comply with regulatory obligations relating to protozoa protection (\$0.9m).

LTP Part 2

- It is expected that once current resource consents expire, it will no longer be possible for treated wastewater to be discharged to waterways. The 10-year plan includes provision for major developments relating to the disposal of treated wastewater for Cheviot, Greta Valley, Motunau Beach, Hawarden, and Waikari (\$13.9m).
- The budgets include a provision for activities and infrastructure development which may be required in relation to a new stormwater consent that will affect 13 urban areas in the district. As the consent conditions are not yet known, actual activities may vary.
- The Council is/will be required to establish a new kerbside glass collection service and a food scrap collection service from 2027.

Affordability

The Council is facing increasing challenges in ensuring that services can be provided to the community in an affordable manner. These reflect both increasing cost pressures and funding constraints. Some factors contributing to cost pressures include national economic conditions, regulatory change and changing customer expectations. Also, following significant recent infrastructure developments, external interest costs are a significant consideration.

Rates increases are always unwelcome and the Council seeks to keep these to a minimum. However, increasing costs mean that it is necessary to fund additional costs through a mix of operating revenue (including rates) and debt.

To meet its lending covenants, it is not possible for the Council to borrow more than 175% of total revenue. Hence, it has been necessary to defer some projects in order to ensure that this cap is not exceeded.

Some of the Council's responses to this issue include:

- The Council endeavours to manage infrastructure assets and operations in an efficient and effective manner. For example: Construction of a new Sequencing Biological Reactor at the Amberley wastewater treatment plant will reduce the need for future pond desludging (\$3.3m).
- The installation of smart water meters will reduce the cost of reading meters, enabling meters to be read more frequently. This will also assist water users and assist in identifying water leaks in a timely manner (\$2.4m).
- In reviewing funding mechanisms for infrastructure, the Council has considered the beneficiaries of services, those who contribute to the need for the infrastructure and intergenerational equity.
- In some cases, it will be necessary to limit or defer some desired developments.
- While efforts are made to keep rates increases low, the above cost pressures and limited alternative sources of revenue mean that some rates increases will be necessary.

Climate change

Some anticipated effects of climate change in the Hurunui District include more hot days (over 25 degrees), increased risk of drought, and more severe rainfall events. We foresee these factors contributing to increased demand for water and pressure on stormwater and wastewater networks. Increased frequency of strong winds may impact community infrastructure.

A report by Jacobs New Zealand commissioned in 2020 assessed the risks of coastal erosion, coastal inundation and rising groundwater for six coastal communities in the district. Different communities are likely to be impacted in different ways. For example, coastal erosion has already had visible impacts in Motunau Beach and Claverley.

The Council has been engaging with affected communities to assist them in identifying possible future directions. Some have developed Coastal Adaptation Plans that set out some triggers for further conversations and some options for adaptation. However, at this stage, the coastal communities are not committed to specific actions within designated timelines. Some of the Council's responses to the infrastructure-related impacts of climate change include:

- Land use planning and infrastructure development and maintenance continue to take into account anticipated changes in climate.
- Council will continue to engage with coastal communities regarding their preferred options for the future.
- Provision has been made in the Long Term Plan 2024-2034 for the acquisition of a block of land for the possible proactive relocation of the Amberley Beach community, and for community funding of that acquisition.

- It is expected that rising groundwater will become an increasing issue over time. It is proposed to implement stormwater improvements in Leithfield Beach including upgrading culvert sizes, addressing Penfold Square issues, possibly developing a river stop bank and planning for the future of the outfall (\$2.5m).

Natural hazards

The Hurunui District is potentially at risk from a number of possible natural hazards, including earthquakes, flooding, snow events, windstorms, drought and tsunamis. Some of the Council's responses to some of the infrastructure-related risks include:

- Taking known natural hazards into account in land use planning and infrastructure development.
- Seeking access to additional water sources, particularly in the South Ward.
- Developing and implementing a plan in respect of identified vulnerable roads.
- Monitoring of water and wastewater activities remotely to help timely identification and rectification of any issues associated with natural events.
- For reasons of affordability, at this time, it is proposed that large-scale emergency works arising from natural hazards will be debt funded in the first instance.

Age and condition of infrastructure

Both age and performance-based renewals have been provided for as part of the Long Term Plan 2024-2034 period.

For reasons of affordability, in recent years it has not been possible to renew some assets at the rate desired. For example, the average depth of road re-metalling has not been sufficient to keep up with gravel loss. The annual length of road resealing is also less than is desirable based on the length of the sealed network and average surface life.

Several bridges are expected to reach the end of their lives during the 30-year planning period. In particular, the Conway Bridge, which suffered significant damage in the 2016 earthquake, is due to be renewed during the planning period. This is a significant project and will be dependent on funding, particularly Waka Kotahi subsidies.

Some of the Council's responses to this issue include:

- Continuing to seek additional Waka Kotahi subsidy funding to support roading renewals and maintenance at a more sustainable level, recognising the associated requirement for rates co-funding.
- Continuing implementation of a renewals and maintenance programme for three waters infrastructure based on age and/or performance (depending on criticality of assets).
- Development of a new sports pavilion in Hanmer Springs (provision of \$0.5m of amenity rates funding, but additional funding will be required).
- Rationalising some community buildings.
- Gradually implementing a scheduled maintenance programme for Council properties (subject to affordability).

7.2 Population and Demographics

The population of the Hurunui District grew by 3,340 (35 %) between 1996 and the 2018 census. The rate of growth since 2006 has been higher than in the preceding years.

Period	End of period population	Average per annum growth
1996-2001	9,885	0.54%
2001-2006	10,476	1.17%
2006-2013	11,529	1.38%
2013-2018	12,960	2.37%

The Council estimates that growth over the 10-year period to 30 June 2034 and the 30 year period to 30 June 2054 will be as follows:

	Estimate 1 July 2024	Estimate 30 June 2034	Estimate 30 June 2054	10 yr growth	30 yr growth%
Hanmer Springs	1,188	1,504	2,413	2.39%	2.39%
Amuri/Hanmer Range	2,844	3,320	4,525	1.56%	1.56%
Parnassus	1,360	1,392	1,457	0.23%	0.23%
Omihuri/Hurunui	2,873	3,020	3,337	0.50%	0.50%
Amberley	2,989	4,056	7,325	3.10%	3.03%
Balcairn/Ashley Forest	3,480	4,213	6,175	1.93%	1.93%
TOTAL	14,734	17,505	25,232	1.74%	1.81%

This indicates that the population of the district is expected to increase by almost 19% over the next 10 years and 72% over the next 30 years. The urban areas are expected to experience the fastest rates of growth over the next 30 years, while some of the rural districts are expected to have little or no growth.

Factors which support these projections:

- The district has seen significant development over the past three years, particularly in Amberley, and to a lesser extent in Hanmer Springs. The Council projections also reflect information currently known about short-term growth.
- The growth estimates used in preparing the 2021-2031 Activity Management Plans were higher than the Statistics NZ projections. Nevertheless, the growth projections for the district in the intervening period were still understated.
- The population in Waimakariri District has increased dramatically over the past 10 years. It is expected that there will continue to be some flow-on impacts to the Hurunui District, particularly in the South Ward.

Based on projected growth, the Council anticipates various core infrastructure developments over the next 30 years, particularly in Amberley and Hanmer Springs. For example, it is anticipated that additional water will need to be sourced in the Amberley area to accommodate growth. Some mains, including those in Amberley, Ashley and Lower Waitohi, are likely to require upgrades. More water storage is planned in Hanmer Springs. District growth is also a factor in the planned implementation of AMD/SBR wastewater treatment systems in some locations. Higher traffic volumes on some roads may also contribute to the need for development.

Growth in visitor numbers also has an impact on the need for infrastructure in some parts of the district, most notably Hanmer Springs.

Changing demographics can contribute to changing expectations regarding levels of service. For example, those moving into the area from urban or peri-urban areas may be used to higher levels of service. Also, expectations can arise from information shared online. Given the small population of the district, and existing pressure on services, it is necessary for the Council to regularly consider requests for changes in levels of service taking into account affordability. Due to limited resources, it is not feasible to meet all customer expectations all the time. In such circumstances, it is important that the Council communicates with customers regarding the level of service which it expects to provide.

Summary of Council's strategic response to this issue:

- The Council will continue to monitor growth and review growth projections based on available information to ensure that infrastructure is able to meet the needs of the growing population.
- Spatial planning, including community engagement, will continue to inform infrastructure planning and development.

- With projected and actual growth rates exceeding those previously anticipated, some growth-related projects have been brought forward in the Long Term Plan 2024-2034.

7.3 Regulatory obligations and regulatory change

Many aspects of local government activities are authorised and/or regulated by legislation and other regulatory instruments. Impacts may be either direct or indirect (such as where legislative changes impact funding sources).

Some other key legislation and other documents which play an important role in the Council's management of core infrastructure include:

7.3.1 National Policy Statement on Freshwater Management

The National Policy Statement for Freshwater Management 2020 provides local authorities with updated direction on how they should manage freshwater under the Resource Management Act 1991. Requirements of the Freshwater Management NPS include:

- Managing freshwater in a way that gives effect to Te Mana o te Wai:
 - through involving tangata whenua
 - working with tangata whenua and communities to set out long-term visions in the regional policy statement
 - prioritising the health and wellbeing of water bodies, then the essential needs of people, followed by other uses.
- Improving degraded water bodies, and maintain or improve all others using bottom lines defined in the Freshwater NPS.
- Establishing an expanded national objectives framework:
 - two additional values - threatened species and mahinga kai - join ecosystem health and human health for recreation, as compulsory values
 - councils must develop plan objectives that describe the environmental outcome sought for all values
 - new attributes, aimed specifically at providing for ecosystem health, include fish index of biotic integrity (IBI), sediment, macroinvertebrates (MCI and QMCI), dissolved oxygen, ecosystem metabolism and submerged plants in lakes; councils will have to develop action plans and/or set limits on resource use to achieve these attributes
 - tougher national bottom lines for ammonia and nitrate toxicity attributes to protect 95% of species from toxic effects (up from 80%).
- Avoiding any further loss or degradation of wetlands and streams, map existing wetlands and encourage their restoration.
- Identifying and working towards target outcomes for fish abundance, diversity and passage and address in-stream barriers to fish passage over time.
- Setting an aquatic life objective for fish and address in-stream barriers to fish passage over time.
- Monitoring and reporting annually on freshwater (including the data used); publish a synthesis report every five years containing a single ecosystem health score and respond to any deterioration.

7.3.2 National Environmental Standards for Freshwater

The Resource Management (National Environmental Standards for Freshwater) Regulations 2020 (Freshwater NES) regulates activities that pose risks to the health of freshwater and freshwater ecosystems. The Freshwater NES set requirements for carrying out certain activities that pose risks to freshwater and freshwater ecosystems.

The standards are designed to:

- Protect existing inland and coastal wetlands.

- Protect urban and rural streams from in-filling.
- Ensure connectivity of fish habitat (fish passage).
- Set minimum requirements for feedlots and other stockholding areas.
- Improve poor practice intensive winter grazing of forage crops.
- Restrict further agricultural intensification until the end of 2024.
- Limit the discharge of synthetic nitrogen fertiliser to land and require reporting of fertiliser use.

7.3.3 Canterbury Water Management Strategy (CWMS)

This Environment Canterbury strategy seeks to 'to gain the greatest cultural, economic, environmental, recreational and social benefits from our water resources within a sustainable framework both now and for future generations'. It seeks to manage the flows and levels in water bodies and control the taking, use, damming and diversion of water and the allocation of water and control of discharges. The CWMS may impact existing consents for water use.

7.3.4 Taumata Arowai – Water Services Regulator Act 2020

The Taumata Arowai – Water Services Regulator Act 2020 established Taumata Arowai as the regulator of the three waters services (drinking water, wastewater and stormwater). Its role is to:

- Oversee and administer an expanded and strengthened drinking-water regulatory system, to ensure all New Zealand communities have access to safe drinking water. That includes holding suppliers to account if need be.
- Oversee from a national perspective the environmental performance of wastewater and stormwater networks. (Regional councils will remain the primary regulators of wastewater and stormwater.)

7.3.5 Government Policy Statement on Land Transport 2024

The Government Policy Statement on Land Transport (GPS) sets out how money from the National Land Transport Fund is allocated towards achieving the Government's transport priorities. The GPS is a 10-year strategy which is reviewed every three years. The GPS 2024 is currently out for consultation. Changes to the GPS directly impact the level of funding and the range of activities available to the Council to undertake its roading activities.

7.3.6 National Policy Statement on Urban Development

Urban areas in New Zealand are growing quickly. To support productive and well-functioning towns and cities, it's important there are adequate opportunities for land to be developed to meet community business and housing needs. Within the Hurunui District, growth is not so much of a factor over the period of the Long Term Plan. As and when the forecast shows a period of growth outside of the norm, the Council will investigate and address constraints in our planning system to ensure our system enables growth and supports well-functioning urban environments.

7.3.7 Regulations established under the Waste Management Act 2008

A Gazette notice issued under section 48 of the Waste Minimisation Act 2008 provides that Hurunui District Council is required to add glass to its dry recycling collection for Amberley by 1 January 2027. It is also expected that the Council will be required to provide a food scrap collection service for Amberley.

Following the change in government in October 2023, the incoming government announced a number of expected regulatory changes, some of which would reverse legislative reforms introduced by the previous government. These changes demonstrate the importance of a nimble approach.

7.3.8 Resource Management Act 1991 (RMA) reforms

During December 2023, the Natural and Built Environment Act 2023 was repealed. The Act had been expected to be the first of a set of new legislation which would eventually replace the RMA.

7.3.9 Three Waters Reforms

During early 2024, the incoming coalition government repealed the Water Services Entities Act 2022 and subsequent amendments, in favour of an alternative approach to three waters reforms – Local Water Done Well. Further investigation is needed into options for the way forward. While it seems likely there will be further changes over time,

at this stage it has been assumed that the Hurunui District Council will continue to be responsible for the ownership and management of three waters assets throughout the 10-year planning period.

Summary of the Council's strategic response to this issue:

- Enhancements to both infrastructure and operations will reduce the risk of three waters consent breaches.
- For sites where treated wastewater is currently discharged to waterways, the Council will investigate and implement alternative approaches to the discharge of treated wastewater.
- A feasibility study will investigate options for kerbside collection of various classes of waste. While the future direction is not yet known, it will incorporate requirements arising under the Waste Management Act 2008.
- The Council will continue to monitor regulatory developments.

7.4 Affordability

The Council is facing increasing challenges in ensuring that services are able to be provided to the community in an affordable manner. These reflect both increasing cost pressures and funding constraints.

7.4.1 Cost pressures

Some factors contributing to increasing cost pressures include:

- The large geographic area of the Hurunui District means that a significant length of assets (pipes and roads) is needed to service the population's demands and needs. Separate water and wastewater schemes are required to service widely dispersed communities. Similarly, the Council seeks to provide community infrastructure that is reasonably accessible to as many residents as possible. This means that the Council owns and/or manages a significant number of libraries/customer service centres, green spaces and other properties given the relatively small population.
- The past three years have seen significant cost escalations due to the national inflationary context. In some cases, the expiry of contracts for service provision and the subsequent re-tendering for those services has resulted in significant cost increases, e.g. roading, mowing green spaces, etc.
- As indicated above, there are both regulatory pressures and changing customer expectations which contribute to pressure for further infrastructure development. An example of the impact of regulatory change has been the recent introduction of infrastructure to provide protozoa protection for each of the water schemes. It is expected that all but one of the Council's water schemes will be protozoa compliant (or close to it) by 30 June 2024.
- One impact of the significant investment in three waters assets over the past three years has been that the Council is now in a net debt position. Hence the Council is incurring external interest expense on this debt, and is also required to repay the debt over time. Notwithstanding the Council partially hedges its exposure to interest rate movements, increasing interest rates between 2021 and 2023 have also contributed to cost pressures.

At the time that the Council commenced the significant upgrades to three waters assets, it was expected that both the assets and the associated debt would transfer to water services entities on 1 July 2024. In addition to the regulatory requirements underpinning the work, the Council recognised that it was in the best

LTP Part 2

interests of the community to ensure that three waters assets were in a good condition on transition to the water services entities.

- Financial pressures have been ongoing for many years. In some cases, it has not been possible to maintain some infrastructure to the extent required to maintain their existing condition.
 - As a result of additional central government funding (e.g. Covid-19 stimulus funding), over the past three years there has been significant progress in addressing the backlog of pipeline renewals for water services. However, further work is required.
 - During 2023, the Council assessed maintenance needs for many of its buildings. While it is not possible to proceed with the programme as quickly as desired for reasons of affordability, provision has been made for maintenance requirements which would otherwise impact safety or weathertightness.

7.4.2 Funding constraints

Because the Council does not have a credit rating, under its agreement with the New Zealand Local Government Funding Agency, the Council is restricted to borrowing no more than 175% of its annual rates revenue. In addition, in the past, the Hurunui District Council treasury policy limited net debt to no more than 125% of annual rates revenue. Hence, an increase in rates revenue will result in a corresponding increase in the debt cap.

Where possible, Council accesses other funding sources, such as subsidies and grants. In the past, the Council has assessed some Special Purpose Roads (SPR) funding from Waka Kotahi. In situations where this subsidy was available, the Council was funded for the full cost of designated work on the roads. The Council has been advised that SPR funding will not be available for the next three years. The Council is hoping to access Ministry for the Environment funding to enable a feasibility study into how the new mandatory recycling activities will be delivered.

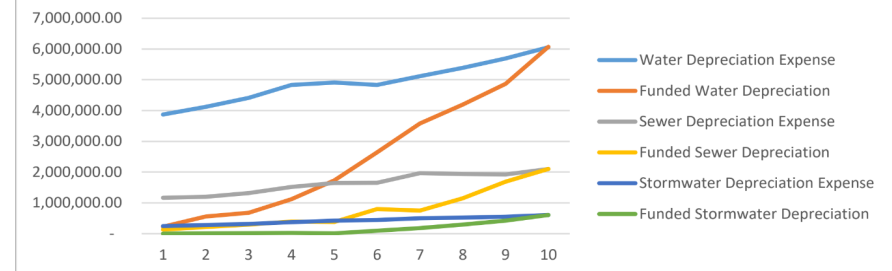
Rates increases are always unwelcome and the Council seeks to keep these to a minimum. However, increasing costs mean that it is necessary to fund additional costs through a mix of operating revenue (including rates) and debt.

7.4.3 Historic issues

In an effort keep rates as low as possible, in recent years some activities have not been funded to the extent necessary to avoid additional costs in the future. For example:

- To date, infrastructure depreciation has not been fully funded for three waters activities. In 2015, the Council indicated its intention to move towards fully funding depreciation over a 10-year period. However, the impact of the 2016 Waiau earthquake was such that this was not feasible without causing considerable hardship to communities which were already facing challenging times. It is the Council's current intention to implement its earlier intention of fully funding depreciation over the 2024-2034 period. Funding depreciation is important, both to ensure intergenerational equity and to ensure funds are available to repay debt associated with asset acquisition.

Staging of Depreciation Funding for Three Waters (Years 1-10)

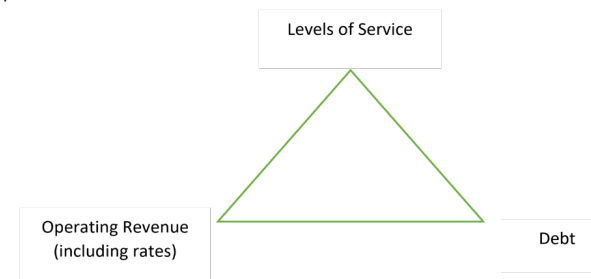


- In 2023-24, water services operated at a small deficit. The shortfall was required to be debt funded. It is intended that water services will be fully funded (other than depreciation) effective from 2024/25, and that depreciation is fully funded by 2034.
- Some years ago, the Council moved from a system whereby rubbish bags were funded by rates revenue to one for which rubbish bags were purchased by users. As some households had supplies of rubbish bags already on hand, the sale of rubbish bags in the first year of the new system was much lower than expected, resulting in a deficit for waste services which was debt funded. To date, that debt has not been repaid and hence has incurred interest expense. The Long Term Plan 2024-34 includes provision for the repayment of that debt.

While these measures have helped limit rate increases, they are not sustainable in the long term. Accordingly, the Council is taking steps to move towards more financially sustainable approaches. In some cases that is likely to present increased challenges for affordability.

7.4.4 Affordability challenge

The above factors mean that the preparation of the Council's Infrastructure Strategy and Long Term Plan 2024-2034 has required difficult choices.



It is not possible to meet all expectations regarding levels of service (including those arising from the changing regulatory context) while maintaining low levels of rate increases and operating within the mandatory debt cap. Therefore, it is necessary to make choices. In some cases, this means that work will still be programmed, but will not be carried out as soon as desired. In other cases, some work may not be feasible.

Summary of the Council's strategic response to this issue:

- The Council endeavours to manage infrastructure and operations in an efficient and effective manner.
- Funding mechanisms take into account intergenerational equity.
- In order to balance the budget the Council adopts a combination of approaches:
 - Limiting or delaying some desired increases in levels of service
 - The debt cap is reviewed as part of the review of the Financial Strategy and Treasury Policy
 - While efforts are made to keep rates increases low, the above cost pressures and limited alternative sources of revenue mean that some rates increases will be necessary.

7.5 Climate Change

The global climate has been changing in recent decades. While some variation occurs naturally (e.g. due to the El Niño Southern Oscillation), much of the change has been attributed to the effects of rising greenhouse gas emissions. There are high levels of agreement regarding the nature of many climate change impacts, and for some impacts there is reasonable agreement about the extent of the impact for specified greenhouse gas emissions levels. Based on six models, NIWA estimates that, under the RCP8.5 global emissions scenario, the following effects are expected to be observed in Canterbury region (Macara et.al. (2020)):

	Average 2031-2050	Average 2081-2100
Annual mean temperature change	+0.5 - 1.5°C	+1.5 - 3.5°C
Additional hot days	10 – 40	20 – 60
Additional dry days	(5) – 10	(15) – 20
Increased winter rainfall	≤ 15%	15 – 40%
Fewer frost days	≤ 20	≤ 70
Mean sea level (MSL) rise	0.3 m	0.8 m

There is reasonable unanimity regarding the 2031-2050 projections, but as could be expected there is more variability among the longer-term projections. The effects are expected to vary for different parts of the region, with the greatest annual mean and maximum temperature changes being expected to the west of the region.

It is expected that there will be more extreme weather events as the planet warms. At warmer temperatures, the atmosphere can hold more water vapour. NIWA projects that, in fifty years, one degree of warming in New Zealand (as a whole) may result in an average 13.5 per cent increase in rainfall per hour (MfE 2018, p.100).

Based on these projections, it is anticipated that climate change will present various challenges for the district, including:

- Increased frequency and severity of severe rainfall events will increase the risk of inundation and flooding to housing.
- Increased severity of severe rainfall events will put pressure on Council infrastructure (e.g. increase inflow and inundation of the wastewater system).
- Increased drought conditions and low flows in the district's rivers will lead to decreased water quality and quantity, increased algal blooms and will put pressure on ecosystems.
- Consecutive drought years are likely to place financial pressure on some primary producers.
- Prolonged drought conditions contribute to pipe breakages and reduce the expected life of pipes.
- The district's unique biodiversity may struggle to adapt to new conditions.
- Strong wind events may result in damage to trees and, possibly, some Council infrastructure.
- The combined impact of hotter temperatures and strong wind events could result in significant damage

from wildfires.

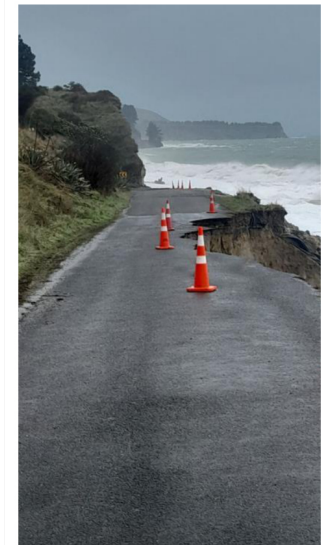
- Sea level rise is expected to contribute to coastal inundation, coastal erosion and rising groundwater for some coastal communities. In some cases, these effects may put selected Council infrastructure at risk.
- Higher temperatures and more frequent hot days may increase the incidence of heat stress, illness and potentially even death, especially among vulnerable people such as the elderly and outdoor workers.

In 2020, the Council commissioned a report from Jacobs New Zealand regarding the expected impacts of climate change on six coastal communities (Amberley Beach, Claverley, Conway Flat, Gore Bay, Leithfield Beach and Motunau Beach). The report focused on the impacts of coastal erosion, coastal inundation and rising groundwater on these communities. The nature and extent of those impacts varies between the six communities.

Since that time, the Council has been engaging with the communities and, in some cases, the Council has supported the community to develop a Coastal Adaptation Plan (CAP). The CAPs include options for future actions, and triggers which may spark decisions regarding the future direction for those communities. However, the CAPs do not bind those communities to specific actions at any point in time. The current expectation is that the communities will fund any infrastructure required to provide flood protection.

Some events which may have been caused through climate change have already impacted some coastal communities:

- Coastal erosion, exacerbated by a storm event, resulted in damage to a segment of Claverley Road in 2023. While repairs have been carried out, a risk of further damage to the road in future events is recognised.
- A segment of the cliff at Motunau Beach collapsed during 2023, resulting in two houses being assessed as unsafe for occupation. Depending on where it occurs, further major cliff collapse could impact Council infrastructure.
- There have been several instances in which Golf Links Road, Amberley, has been inundated by sea water. The Council has been engaging with the Amberley Golf Club and others regarding the way forward.



Damage at Claverley Road 2023

These examples demonstrate that while the nature and timing of climate change impacts may not be known, the potential impacts on levels of service and costs may be significant.

Summary of the Council's strategic response to this issue:

- Land use planning and infrastructure development and maintenance take into account anticipated changes in climate.
- For reasons of affordability, at this time it is expected that large-scale emergency works arising from climate change related events will be debt funded in the first instance.
- The Council will continue to engage with coastal communities regarding their preferred options for the future.
- Provision has been made in the Long Term Plan 2024-2034 for the acquisition of a block of land for the possible relocation of the Amberley Beach community, and for community funding of that acquisition.

7.6 Natural Hazards

Natural hazards, other than those associated with climate change, which could adversely impact district infrastructure include:

- **Earthquakes** – The 2016 Waiiau earthquake caused significant damage to infrastructure in disrupted services in Hurunui District. An Alpine Fault magnitude 8 earthquake (AF8), or an earthquake involving the Hope Fault or the Hikurangi subduction zone could have a massive effect on the district. The AF8 website states there is a 75% chance of an AF8 event in the next 50 years. Therefore, it's important the Council takes appropriate measures to promote resilience in the event of a major earthquake.
- **Flooding** – While some flooding may be linked to climate change, there have been major flooding events in the past, most notably the 2008 floods. A number of components of the Infrastructure Strategy and Long Term Plan 2024-2034 seek to reduce the risk and impacts of major flooding events, e.g., work relating to the Leithfield stormwater outfall, modelling to ensure we have appropriately sized infrastructure, and infiltration and inundation work which will reduce the risk of sewage overflows in major rainfall events.
- **Wind storm** – Some parts of the district are prone to wind storms. The resulting damage to trees can result in loss of power due to damage to lines. While generators have been acquired for some critical infrastructure, there are other areas where power disruption may result in loss of pumping capacity. Falling trees may also cause damage to buildings and other assets. In addition, there is the potential for some water storage tanks to be dislodged.
- **Drought** – Some parts of the district are prone to drought in the event of extended period of hot weather and minimal precipitation. In terms of water supplies, droughts are likely to have a more significant impact on shallower wells. Hot weather may also contribute to the deterioration of roads due to bitumen bleeding.
- **Tsunami** – While the risk of a major tsunami affecting infrastructure along the Hurunui coastline is low, the coastline is shown as an area of possible risk on the Environment Canterbury hazard maps.

Various steps have already been taken to support the continuity of Council services in the event of a natural disaster event. Asset redundancy and resilience is considered in designing and developing changes to infrastructure networks. For example, in the context of three waters, some developments in recent years have included:

- Installation of generators at some critical sites.
- Maintaining spares of critical supplies and entering into agreements with some suppliers.
- Increasing the rate of reticulation renewals (made possible due to receipt of Covid stimulus funding) to reduce the risk of pipe breakage and leaks.
- Developing an additional water source for Amberley.
- Water intake protection engineering to reduce the risk of damage from flood debris.
- Relocating the lower Waitohi treatment plant outside flood prone areas.
- Pruning of trees around key infrastructure to reduce the risk of damage and power outages in severe wind events.

In the context of roading, the Council has previously developed a list of “vulnerable roads” in the district. To date, it has not been possible to take action to reduce the vulnerability of these roads.

Summary of the Council’s strategic response to this issue:

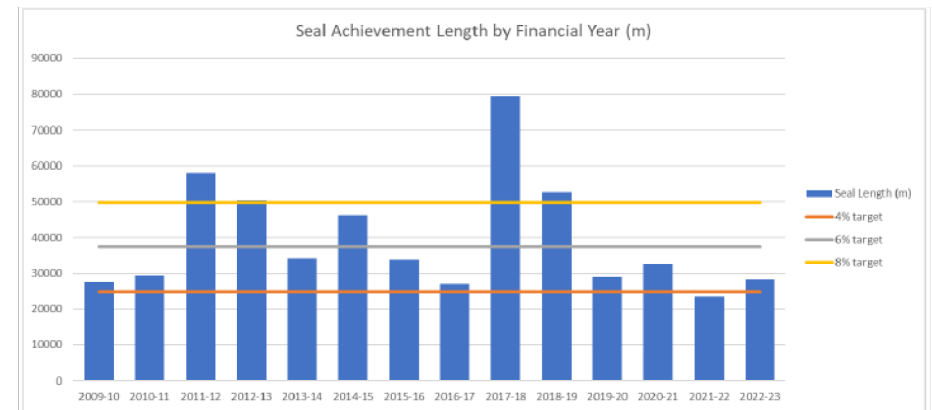
- Land use planning and infrastructure developments consider known natural hazards.
- Further work is undertaken relating to increasing access to water sources.
- Enhancing the resilience of infrastructure, such as through acquisition of additional generators and spare pumps.
- Remote monitoring of water and wastewater activities to ensure early identification and rectification of any malfunctions associated with natural hazards.
- Develop and implement a plan (subject to finance) in respect of vulnerable roads.
- Provision of civil defence services.

7.7 Age and condition of infrastructure

Some core and community infrastructure are coming to the end of life. Both age and performance based renewals have been provided for as part of the Long Term Plan 2024-2034 period. However, due to reasons of affordability, it is not possible to renew some assets as quickly as could be desired.

7.7.1 Roading

Over the past four years, around 4% of the sealed network has been resealed each year. However, the rate of resealing required based on the expected average seal life would be around 6%. At 6%, each sealed road would be surfaced on average at least once in 16.7 years. If the current low rate of resealing of roads were to continue, this will impact the future waterproofness of roads and maintenance costs.



Hurunui District Council resealing rates since 2009

The high level of resealing in 2017/18 reflected the sealing of the Inland Kaikoura Road in 2017, which was funded by NZTA following the road’s previous use as an alternative to State Highway 1 following the North Canterbury Earthquakes.

LTP Part 2

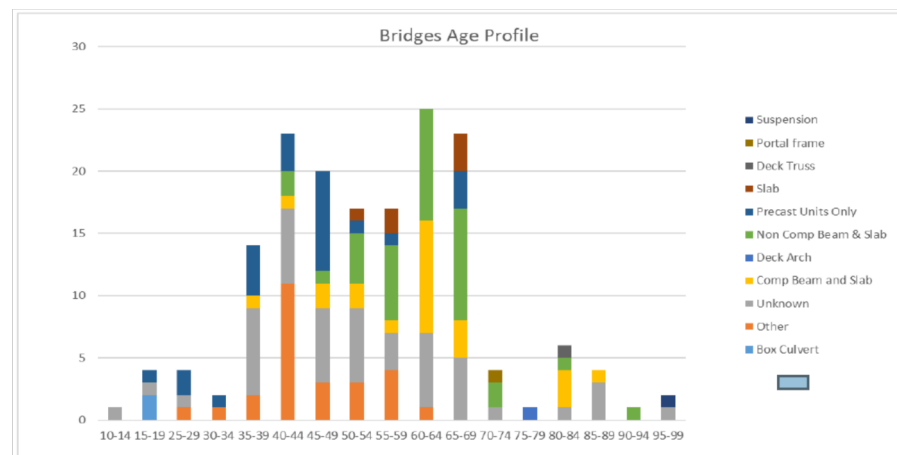
As at 2023, 92% of road sealed area was less than 15 years old. There is currently a backlog of 134 km of chipseal length. This represents 22% of the chipseal network. Generally a 10-20% backlog is considered acceptable. Partly for this reason, during 2023, the Council applied to Waka Kotahi for a significant increase in funding for the roading programme, with the intention that this would be match funded by ratepayer funding, to address this backlog. While there was a small increase in the approved subsidised roading programme, much of the increase will be absorbed by recent cost increases.

Having regard for the outcome of consultation with the community, the Council has decided that it will increase the rates investment in roading as previously proposed in the LTP Consultation Document released on 27 March 2024. This means that the Waka Kotahi share of roading income will be lower than the 52% Funding Assistance Rate for Hurunui District Council. In the event that Waka Kotahi advises that there is additional funding available, the higher than required rating percentage contribution will mean that this Council would be able to apply for the additional funding.

The lower than anticipated increase in Waka Kotahi funding means that it will not be possible to carry out as much work as expected. Hence it will take longer than expected to make progress in respect of the backlog of roading works.

In 2023/24, 21,747 m³ of aggregate was applied to the unsealed roading network. This was considerably lower than the target of 32,000 m³ of aggregate set out in the Activity Management Plan 2018-2028. Given the 3.6M m² of unsealed road on the Hurunui roading network, this represents an average of 6mm over the full network. Unsealed roads lose around 10-15mm of aggregate per annum. Hence, recent aggregate application has been insufficient to maintain the unsealed roading network at its current condition. It is also noted, however, that more data is needed to assess this in the context of this district. For example, in addition to traffic volumes, it is good practice to take into account rainfall, gradient, geometry and material characteristics.

Most of the Council's bridge stock is in relatively good condition. A general bridge inspection undertaken in 2022 summarised the overall condition of the Council's bridge and large culvert stock as being very similar to the last round of general bridge inspections which was done in 2019. This reflects the large number of maintenance and renewal works that has been undertaken since that previous round of inspections.



However, a large number of structures are nearing end of life (23% in the next 30 years), so the number of high and urgent priority structural maintenance works and bridge replacements/renewals is expected to increase in coming years.

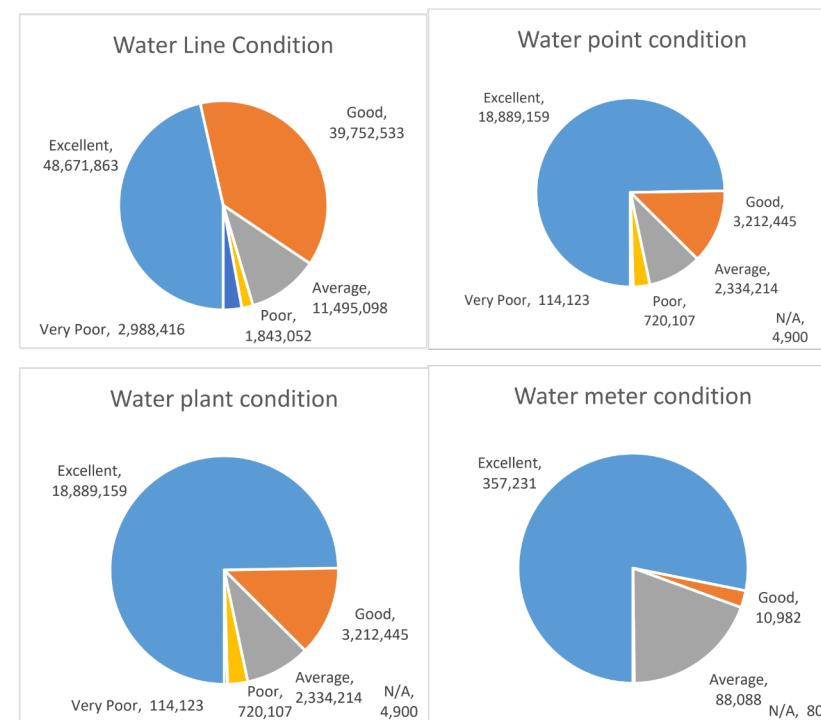
Due to affordability, it is unlikely that the bridge replacement programme will be able to keep pace with the deterioration of the bridging stock beyond the short-term and, therefore, bridges will need to be kept in service for longer than may be desired. This could be through increased maintenance intervention (placing further pressure on funding) or by acceptance of a downgrade in level of service (i.e. an increased number of load restricted bridges). This may affect the community through increased travel times as alternative routes are used. It could also mean that there is a higher level of truck movements (with restricted loads) to move product to market, resulting in increased transportation costs.

7.7.2 Water Services

Three waters assets are recorded in the AssetFinda system. The condition of assets is recorded as being excellent, good, average, poor, or very poor. These are approximately equivalent to the five International Infrastructure Management Manual (IIMM) condition ratings.

There is some degree of uncertainty regarding the condition of some assets, e.g. underground assets which are not usually visible. The Council records the level of "accuracy" associated with asset details in the AssetFinda system (approximately equivalent to the IMM confidence ratings). The ratings given to accuracy are excellent, good, average, poor and very poor.

For the more recent data held, particularly that recorded since 2004, the data is likely to be of good quality. All the data older than 2004 was imported to AssetFinda from other sources, and the accuracy ratings for that data are less reliable. However, over time, some of those assets are being replaced and more data is being collected and analysed about condition. Accordingly, both the condition data and the accuracy ratings are gradually becoming more reliable.



LTP Part 2

The quality of data relating to the condition of assets installed since 2010 is very high as there has been more scrutiny over both the installation of those assets and the accuracy of what is known about them. However, data about the condition of assets which were installed prior to 2004 was automatically categorised as excellent but records of repairs have been made since. For pipe assets in particular this has been consistently collated but not analysed until recently. In the past few years, the pipe repair data has been used to update the condition of pipes within Assetfinda. The method used was crude but gives us more nuanced data and improves the accuracy of it overall. In parallel, we are recording more field data about the condition of all plant assets (particularly reservoirs) and this has allowed us to accurately update the condition data in Assetfinda. With continuing condition data capture and further analysis, over time, it is expected that the quality of condition data will improve.

There has been significant investment in water plant since the last infrastructure strategy was prepared. This was necessary to meet compliance obligations and promote water safety. As a result, some of the old inaccurate data held in the asset register about water plant has been removed (as the real-life assets have been), subsequently improving the overall accuracy of this dataset. Operations and Maintenance Manuals for the new plant specify the need to capture the maintenance performed on these new assets. This process will improve the accuracy of the asset data.

In general, the Council's policy is to renew high and very high criticality three waters assets on an age basis, adjusted for performance as necessary. Medium, low and very low criticality assets are generally renewed based on performance. There is some risk related to the latter approach which Council has borne for a number of years, namely that by sweating the asset you lose performance and increase maintenance costs in order to keep the level of service. The Council has used and will continue to use several methods to reduce that risk.

The majority of medium, low and very low criticality pipes are in rural networks and there is a substantial budget each year to replace those pipes that have been identified as performing badly whether due to condition or a loss of level of service. These pipes are identified by the field operator in the field and engineers in the office. This budget was based on the overall pipe renewal budget for the LTP period and averaged as an acknowledgement of both affordability and the ability to complete the projects within a financial year due to the availability of both contractor and the landowner to allow access.

The condition and performance of these pipes is often linked to the ability to provide for level of service and growth. Many of these are high-pressure pipes and at the extent of their level of service, with the result that they are under the near maximum pressure they can withstand. Subsequently, the pipe replacement is not just a renewal but an upgrade for both level of service and growth. The replacement of these pipes is also affected by the land use as the old pipes were laid in largely open fields across a few larger farm blocks. In many areas of our district the farm blocks have been broken up or the land use has changed, so new pipe routes are required. In some cases, the upgrade of the pipe for a pumping main will require a change in pump at the pump station as this will improve the performance of both pump and pipe. In more complicated pipe renewal projects, where a multitude of factors is included, a separate project has been identified in the IS. An example would be the upgrade of Browns Rising Main (programmed for 2024/25) where the old pipe is too small under high pressure and the land above is also now covered by a vineyard.

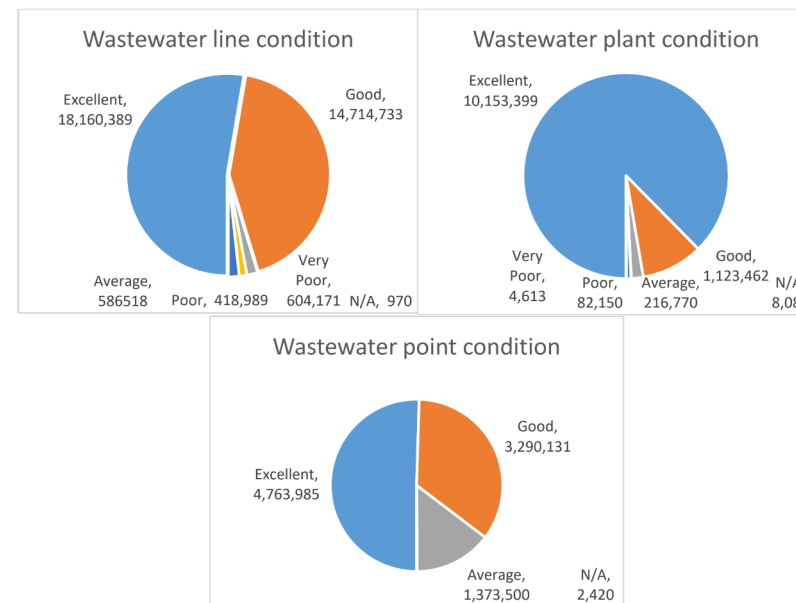
The Council has also used growth to continuously update and improve its rural network and has money set aside in the budgets for this purpose. For instance, in the Ashley Rural Water Supply network, as the larger farms have been broken up into lifestyle blocks, we have abandoned the pipes running through paddocks and tried to limit our infrastructure to the public space/road network as much as possible. As well as replacing a poorly performing pipe, this has an ongoing impact of reducing potential damage to and theft of water from pipes within private property.

The use of telemetry allows us to monitor the performance of the networks and keep the levels of service but also give us the ability to identify poorly performing networks. It has been proposed to install several zonal flow meters connected to telemetry within the rural network to improve this visibility. This will allow both the field operators and assets planning team to focus their efforts.

As at 30 June 2023, there were 217 kilometres of Asbestos Cement (AC) water pipes remaining in the district. AC pipes were installed in the 1950s and 1960s, and are reaching the end of expected life. The Council has been working towards replacement of these pipes because failure to replace AC pipes increases the risk of water leaks and pipe breaks, and could potentially lead to health issues. Some MRI analysis of AC pipe was performed in the early 2010s

and show varying results across the district relating to the condition, which lead to asset ages being changed. Since then, the condition of these pipes has been analysed using repair data and from talking to our experienced operators. It is known that AC pipe performs less well over time in damp conditions, and this is largely the case within our network. Similarly, the lower pressure networks have less impact on the pipe condition. Some of the AC pipe in areas analysed by MRI has performed better than expected due to these factors.

7.7.3 Wastewater infrastructure



Again, the quality of data relating to the condition of assets installed since 2010 is very high and the data about the condition of assets which were installed prior to 2004 was initially categorised as excellent, which is not the case. CCTV data of older pipelines has been completed over the last 10 years but not analysed until recently. As this analysis is used to update the condition data in Assetfinda the quality of this data will improve.

As with water plant, much of the wastewater plant, especially those around treatment, has been upgraded in recent years. As new data has been added to the asset register, the older less, accurate data has been identified or removed thus improving the accuracy of what we know about our networks.

7.7.4 Community Infrastructure

Social housing, residential housing and medical centres are maintained to a suitable standard. All Council-owned buildings which are required to have a Building Warrant of Fitness hold a warrant.

During 2023, the Council commenced a condition assessment of its community buildings. To date, around half of the Council's community buildings have been assessed. Work is continuing on this project. While the data is still being collected, initial findings indicate that considerable maintenance is required to ensure community buildings are an appropriate standard and fit for purpose.

In the past, for reasons of affordability, maintenance has largely been reactive. While it is recognised that a more proactive approach to maintenance would be more cost-effective on a long-term basis and would provide a better level of service to communities, this is not affordable in the first instance. Therefore, it is proposed to introduce scheduled maintenance in just a few locations initially.

The Council has been engaging with some communities and is planning to engage with others regarding the future of some community buildings. It appears that the retention of all current community buildings may not be feasible and/or cost-effective going forward. The recent condition assessment of community buildings will provide useful input for further community engagement.

Summary of the Council's strategic response to this issue:

- Continuing to advocate for additional Waka Kotahi subsidy funding whenever possible to support roading renewals and maintenance at a more sustainable level.
- Increasing the level of rates investment in roading activities, such that it exceeds the minimum level required to access the currently approved levels of Waka Kotahi funding.
- Continued implementation of a renewals and maintenance programme for three waters infrastructure based on age and/or performance (depending on criticality of assets).
- As feasible, rationalise community buildings and implement a scheduled maintenance programme (subject to affordability).

8 Capital Works Programme

The following section details some possible ways of responding to some of the key issues facing the Council. These are options, some of which have been incorporated into the Long Term Plan 2024-2034 (indicated on the table). The options are not necessarily mutually exclusive and, in some cases, more than one option will be applied to address a single issue.

The following schedules indicate the proposed timelines for implementation of the proposed activities. The date by which a decision must be made regarding any capital expenditure is 30 June in the financial year prior to the year in which implementation commences.

8.1 Roothing Capital Works Programme

Some key issues affecting the roading programme include:

1. **Lack of funding** – Historically, the sum of Waka Kotahi funding plus rates investment in roading has not been sufficient to maintain roads at the desired level. As indicated elsewhere in this document, the lower than required funding has contributed to a backlog of renewal works.

To help rectify this, the Council applied for a significant increase in Waka Kotahi funding for the three year period from 2024-2027. Because the Council is required to match fund Waka Kotahi funding (48%/52%), during March and April 2024, the Council consulted the community regarding options for the level of investment in roading. The majority of respondents who expressed a preference for one of the options favoured an increase in the level of rates investment in roading.

During June 2024, the Council received indicative advice that approved subsidised roading programme for the three years from 2024-2027 will be considerably lower than previously hoped. The Waka Kotahi subsidy on the indicative roading programme for the next three years is \$15,916,160. In addition, there is likely to be Waka Kotahi subsidy income for Low Cost Low Risk works (currently budgeted at \$2,735,572 over the period 2024-2027).

During a workshop on 7 June, the Council discussed the implications of the lower than expected Waka Kotahi funding. Having regard for the preferences expressed by community members during the consultation period, the Council has decided to keep to the level of rates investment in roading which was proposed as the preferred option in the Consultation Document on the draft Long Term Plan.

The impact of the lower level of Waka Kotahi funding, combined with adopting the proposed rates investment in roading, is that the total roading expenditure for the next three years will be lower than expected, but will still more than for the last three years. Unfortunately, the lower funding combined with significant cost increases for the roading activity mean it will not be possible to carry out the quantity of works previously planned for the next three years. For example, the Council does not expect to be able to increase the length of reseals to the target of 40km per annum during the three year period.

2. **Approaches to maintenance** - Due to customer concerns, there has been a focus on maintaining running surfaces rather than other aspects of maintenance, which may be more cost effective on a long term basis. There has been limited investment in roading drainage, which can also increase the long term costs of roading activities.
3. **Customer expectations regarding levels of service** – Changing demographics are expected to contribute to expectations of higher levels of service. In particular, an increase in the number of

LTP Part 2

people moving into the district is expected to contribute to increases in requests for sealing of unsealed roads.

4. **Climate change** – Climate change is expected to contribute to more extreme weather events and various impacts on coastal assets (due to rising groundwater, coastal erosion and coastal inundation). Both the effects and the responses to climate change are likely to be multifaceted.

These issues are intertwined.

Principal Options	Preferred or Not	Implications	Cost estimate (price adjusted)	Timing	Driver		
					Growth	Level of Service	Renewal
Increase investment in reseals and metalling of unmetalled roads in order to maintain the current state of the roading surfaces	✓	* Not increasing investment will result in gradual deterioration in road surfaces, and is likely to result in the need for more road rehabilitations (which cost significantly more than reseals and re-metalling) * Some customers have expressed dissatisfaction with roading surfaces * Increased Council investment is needed in order to attract additional subsidies for this work (If the subsidies are not granted, then the Council will be required to fund a greater average share of the work) * Increasing investment in roading, including reseals and metalling will require additional rates income	\$20.2m for first 10 years for resealing and \$19.6m for metalling in first 10 years and continuing thereafter	2024 – 2054			✓
Increase investment in roading drainage	✓	* Good drainage reduces the deterioration in roads associated with major rainfall events * A pilot is underway regarding one option for enhancing roading drainage	\$16.1 m for first 10 years and continuing thereafter	2024 – 2054			✓
Fund emergency works associated with weather events by collection of an annual rate (prior to the event)	X	* In recent years, there have been some emergency works every year, and hence it can be projected that some funding would be needed most years, even if the amount is not known * Increases rates prior to emergencies occurring * Not funding emergencies in advance may delay some emergency works as Council approval is needed for additional expenditure	Varies between events	N/a			✓

		outside budget. (However, extraordinary Council meetings are held from time to time) * In the absence of rates funding in advance, emergency works would be debt funded in the first instance, and subsequently recovered from rates and (probably) subsidies				
Bridge renewals	Some ✓	* A number of bridges are expected to be due for renewal in the next 30 years in order to prevent loading restrictions (impacting levels of service) * The renewal of Conway Bridge is recognised as a priority by Waka Kotahi, but is not currently expected to be renewed in the next 3 years * While subsidies may be available for some bridge works, the timing and level of any subsidies is not known * Bridge renewals are likely to cost at least \$1 million per bridge and for some bridges, several times that amount. Given the current population of the district, this would place a heavy burden on ratepayers.	\$8.7m in the first 10 years Potentially \$46.2m plus inflation adj in the subsequent 20 years subject to funding	2024-2054		✓
Sealing of highly used unsealed roads	Limited ✓	* Sealed roads provide a higher level of service than metalled roads, e.g. a smoother ride, less dust impacting adjoining houses * The costs of maintaining sealed roads are higher than for maintaining metalled roads. * The costs of sealing unsealed roads are significant, and even with a significant increase in rates funding and subsidies, the length sealed would probably be minor. Hence it would be necessary to have a robust process for prioritisation of requests for sealing	Potentially \$14m plus inflation adjustment in years 2034-2054 subject to funding	2034-2054		✓

8.2 Water Supply Capital Works Programme

The Council's key issues relating to the water supply capital expenditure programme are as follows:

LTP Part 2

1. Water Safety and Compliance
2. Water Network Resilience
3. Growth
4. Climate change

Several of these issues are intertwined. Some improvement activities may assist in responding to more than one of the key issues. However, each capital programme is only shown once below.

8.2.1 Water Safety and Compliance

The consents held by the Council specify diverse compliance obligations. The Council endeavours to comply with these obligations at all times. Some compliance obligations also support water safety and contribute to the aesthetic quality of water.

Principal Options	Preferred or Not	Implications	Cost estimate (price adjusted)	Timing	Driver		
					Growth	Level of Service	Renewal
Balmoral water supply protozoa protection	✓	* Required for compliance * Reduces the risk of protozoa infection * Significant expenditure item for the number of connections to this scheme * In addition to the initial capital costs, there will be ongoing operating costs associated	\$0.9m	2024/25		✓	
Water softening plants at the Kowai water source and Leithfield	✓	* Required for compliance * Reduces the risk of damage to UV water treatment assets, potentially reducing renewal/maintenance costs * Improves the aesthetic quality of water * In addition to the initial capital costs, there will be ongoing associated operating costs	\$0.8m	2024/25		✓	
pH correction for several schemes	✓	* Required for compliance * Reduces the risk of damage to water assets * In addition to the initial capital costs, there will be ongoing associated operating costs	\$0.2m	2027/28		✓	
Fencing of key assets, e.g. intakes	✓	* Required for compliance * Reduces the risk of contamination	\$0.3m	2024/25-2030/31		✓	

Establishment of filler points	✓	* Required for compliance in respect of water for fire fighting	\$0.4m	2024/25-2026/27		✓	
Fluoridation of water supplies	X	* If the Minister were to direct the Council to fluoridate water, then, based on current legislation, there would need to be a Council decision to approve expenditure for this purpose in order to ensure compliance * It is not known whether the incoming government will adopt the previous government's approach to fluoridation, but it appears that some members do not support that approach * Fluoridation costs would add to cost pressures for water activities.	N/a			✓	

One of the challenges in ensuring compliance with regulatory obligations is that the sector experiences significant regulatory change from time to time:

- * There is uncertainty regarding the future impacts of the coalition government's Local Water Done Well programme.
- * The National Policy Statement for Freshwater Management requires freshwater to be managed in a manner which gives effect to Te Mana o te Wai, including through engagement with tangata whenua and communities and prioritising the health and wellbeing of water bodies. Some implications of Te Mana o te Wai are still being worked through.
- * The Department of Internal Affairs is currently leading a review of the National Engineering Design Standards.

Due to uncertainty regarding the implications of these developments, this Infrastructure Strategy does not include associated capital works. It is possible that the developments could result in capital works in future Infrastructure Strategies.

8.2.2 Water Network Resilience

Water network resilience can be adversely impacted where assets are ageing or in poor condition. Natural hazards, such as earthquakes, floods, tsunamis and droughts can have either short or long term impacts on the water network. Resilience can be enhanced through timely renewals and maintenance.

Principal Options	Preferred or Not	Implications	Cost estimate (price adjusted)	Timing	Driver		
					Growth	LOS	Renewal
Critical assets are renewed based on age (or earlier if needed due to condition and performance), and	✓	* Timely renewals reduce water leakage and can reduce the risk of sudden failure of critical assets * Timely renewals of reticulation may reduce the risk of contamination	\$16.1m for pipe renewals \$1.9m for reservoir	2024/25 – 2033/34			✓

assets with medium, low or very low assets are renewed based on condition and performance		* There is a residual risk of interruptions to levels of service, particularly in regard to some medium, low and very low criticality assets where assets	and tank renewals Et. al.				
All major water assets are renewed based on age (or earlier if needed due to condition and performance),	X	* The risk of interruptions to levels of service may be lower * For some assets, earlier renewals may reduce maintenance costs * Urgent reactive work is considerably more expensive than proactive work and hence the lifetime costs of the assets may be higher than they otherwise would be	N/a				✓
All water assets are renewed based solely on condition and performance	X	* There would be a significantly higher risk of failure of a highly critical asset giving rise to a failure in level of service * While annual renewal costs may be higher, a catastrophic failure in a critical asset could give rise to safety, access to water and additional costs associated with a major repair at short notice	N/a				✓
Increasing water storage/pumps for some schemes, e.g. Hawarden-Waikari, Hanmer Springs	✓	* Reduces the risk of interruptions to water availability in the event of intermittent high demand, failure of some types of assets and/or some type of contamination * Further information is required to determine whether the additional storage planned for Hanmer Springs during the Long Term Planning period will be feasible	Hanmer Springs \$5.2m Hawarden-Waikari \$3.1m	2030/31 - 2031/32 2024/25 2025/26 2030/31		✓	
Installation of smart water meters across the district	✓	* Smart water meters can be read more rapidly by driving along the street. Hence it would be possible to read the meters more frequently. This would assist in early identification of significant leaks, reducing water loss. * Frequent meter reading would also reduce the risk of unexpectedly high water bills for users * Smart water meters would reduce the cost of meter reading activities * There are upfront costs associated with the installation of water meters and associated systems costs	\$2.2m	2024-2034		✓	
Renewing water meters with standard (non-smart) water meters	x	* The cost of replacing the current water meters would be lower than for smart meters * It would not be possible to significantly reduce the time taken to read water meters and hence it is likely the Council would continue to read meters annually	N/a			✓	

8.2.3 Growth

While growth is often considered in the context of population numbers, changing land use is also a key consideration in the district. Water requirements for stock and horticulture (particularly viticulture) also affect the demand for water. In addition, visitor numbers can swell at some times of the year.

Principal Options	Preferred or Not	Implications	Cost estimate (price adjusted)	Timing	Driver		
					Growth	LOS	Renewal
Development of additional water supplies for Amberley, and associated infrastructure (mains, pump stations etc)	✓	* Necessary for further growth to occur in Amberley * There have been historical challenges in accessing additional water for Amberley, including a dry bore and issues with water hardness. Hence there may be unexpected additional costs as this work proceeds.	\$1.5m	2031/32	✓		
As the time of consent renewals, seek consent for increased water take from existing water sources	✓	* This may be possible for some water sources, and will need to be assessed on a case by case basis ahead of consent renewals	N/a		✓		
Upgrades to water mains including the Cheviot main, Blyth booster main, upgrade of the Lower Waitohi main from Karaka, and a main to the new Seadown reservoir	✓	* Provides for current and future growth	Cheviot main \$3.58m; Blyth main \$0.72m; Bulk main to Seadown \$2.10m; Lower Waitohi upgrades \$2.51m	2025/26-2027/28 2026/27 2024/25	✓		
Council funds the first 20 meters of new water connections for two years and thereafter those seeking connections pay the full cost of connection to water services	✓	* It is not possible to change the current approach sooner than 2026/27 because it requires a change in a bylaw * Those seeking new water connections are the primary beneficiaries of the connections and hence it is appropriate that they meet the cost of connection * Some customers seeking new water connections will be required to pay more than others based on the location of the property concerned	\$0.2m	2024/25	✓		
Council funds the first 20 meters of new water connections on an	X	* This option reduces the cost of connecting to Council water supplies for some users	N/a		✓		

LTP Part 2

ongoing basis (status quo)		* The cost of funding the first 20 meters of new water connections is currently borne by everyone in the District who is connected to a water supply					
Data and modelling enhancements	✓	* Quality data and modelling is essential to understanding the impacts of growth and assessing the potential need for infrastructure development	\$0.5m	2024-2034	✓		

8.2.4 Climate change

As previously indicated, it is expected there will be more hot days (over 25 degrees), particularly in summer and more days with low soil moisture, potentially increasing the risk of pipe breakages and of fire. It is also expected there will be more extreme rainfall events and more windy days.

Climate change is expected to increase demand for water resources and, in some cases, may impact supply. Extreme rainfall events may also decrease surface water quality, impacting water treatment and potentially presenting risks to compliance.

Principal Options	Preferred or Not	Implications	Cost estimate (price adjusted)	Timing	Driver		
					Growth	LOS	Renewal
Development of water infrastructure at a potential new site for the Amberley beach community	✓	* This is dependent on the Amberley Beach community choosing to relocate to a new site	\$5.2m	Beyond 10 years		✓	

The installation of smart water meters will also assist with reducing water loss, potentially helping reduce the expected impacts of climate change.

8.3 Wastewater Capital Works Programme

The following are the Council's key priorities for the wastewater activity at this time.

1. Minimising environmental impacts
2. Regulatory change, including impacts for consent management and compliance
3. Climate change
4. Growth

Because the issues are inter-related, in some cases, the Council's approach to working through one of these issues assists with one or more of the other issues.

8.3.1 Minimising adverse environmental effects

Some of the key issues which may contribute to adverse environmental effects include:

- Inflow and inundation - When significant volumes of stormwater enter the wastewater network, there is a risk that total volumes will exceed network capacity. Impacts may include wastewater overflows, costs associated with using contractors to take proactive action during severe weather events, potential pond overtopping and greater treatment costs.
- Unauthorised inflows - Unauthorised inflows to the wastewater system contribute to unplanned pressures on the wastewater network. Occasionally, contaminated inflows may adversely impact wastewater treatment systems and processes, potentially resulting in discharges which breach consent obligations and/or have environmental impact. Unauthorised inflows may also result in increased operating costs. Some contributing factors include illegal connections to the wastewater network and unauthorised trade waste discharges. While the Council has a water bylaw and a trade waste bylaw, to date enforcement has been limited.
- Natural hazards (detailed above) - The Hurunui District was significantly impacted by the 2016 Waiau earthquake and, as is the case for most of New Zealand, there remains an ongoing risk of future earthquakes. Information provided by Environment Canterbury indicates that the district's coastal communities could be at risk of damage in the event of a tsunami. Any of these hazards could put at risk the continuity of wastewater services.
- Operational sustainability - Environmental impacts associated with the operation of this activity include those associated with the production of materials used in the course of the activity and the use of vehicles. Waste may be generated in the course of repairing or replacing plant, reticulation and/or vehicles. In addition, there are energy costs associated with the occupation of Council buildings.

These issues are closely aligned to resilience of the wastewater network.

Principal Options	Preferred or Not	Implications	Cost estimate (price adjusted)	Timing	Driver		
					Growth	LOS	Renewal
Critical assets are renewed based on age (or earlier if needed due to condition and performance), and assets with medium, low or very low assets are renewed based on condition and performance	✓	* Timely renewals reduce water leakage and can reduce the risk of sudden failure of critical assets * Timely renewals of reticulation may reduce the risk of contamination * There is a residual risk of interruptions to levels of service, particularly in regard to some medium, low and very low criticality assets where assets	Retic. Renewals \$7.15m Facility renewals 0.77 Other renewals also	2024-2034			✓
All major wastewater assets are renewed based on age (or earlier if needed due to condition and performance),	X	* The risk of interruptions to levels of service may be lower * For some assets, earlier renewals may reduce maintenance costs * Urgent reactive work is considerably more expensive than proactive work and hence the lifetime costs of the assets may be higher than they otherwise would be					✓

LTP Part 2

All water assets are renewed based solely on condition and performance	X	* There would be a significantly higher risk of failure of a highly critical asset giving rise to a failure in level of service * While annual renewal costs may be higher, a catastrophic failure in a critical asset could give rise to safety, access to water and additional costs associated with a major repair at short notice					v
Establishment of Sequencing Biological Reactor (SBR) treatment in Amberley	v	* Will reduce the amount of land required for discharge of treated wastewater for Amberley * Will prevent sludge buildup in the wastewater treatment ponds, enhancing operational sustainability * Work on this project is already underway and there would be financial disadvantage in discontinuing at this stage	\$3.32m	2024/25			v
Establishment of AMD treatment at wastewater treatment ponds	v	* Will prevent sludge buildup in the wastewater treatment ponds, enhancing operational sustainability * Limited initial capital outlay. However, will involve ongoing operating costs. These are expected to be more than offset by the reduced desludging costs	\$0.05m Capex + annual operating costs	2024-2034			v
District Wide Critical Infrastructure Improvements (Aprons up to McBern's lids)	v	* Will reduce the risk of inflow and inundation of wastewater systems	\$0.21m	2024/25 - 2028/29			v
Acquisition of vehicle and equipment for carrying out in house CCTV screening	v	* Ongoing CCTV will assist in the identification of damaged reticulation, resulting in more timely repairs, reducing potential environmental impacts * CCTV work will also contribute to a reduction in inflow and inundation * This activity will involve modest initial capital outlay and ongoing operating costs	\$0.06m	2024/25			

8.3.2 Regulatory change, including impacts for consent management and compliance

Principal Options	Preferred or Not	Implications	Cost estimate (price adjusted)	Timing	Driver		
					Growth	LOS	Renewal

Design and implement wastewater solutions which do not result in discharges of treated wastewater to waterways	v	* Likely to be needed to comply with consent conditions once current consents expire * Likely to be consistent with Te Mana o te Wai * In some cases it may be necessary to purchase land for disposal of treated wastewater. The costs are likely to be significant, and will need to be funded by debt in the first instance	Cheviot \$3.6\2m; Greta Valley \$0.97m; Motunau Beach \$1.85m; Hawarden \$5.51m; Hawarden /Waikari \$1.91m	Various dates prior to 2029/30			v
Wait to see what the new consent conditions are and then decide on whether to act and, if so, how	x	* Likely to result in non-compliance with consent conditions and potentially could lead to infringement notices, fines etc * If it is necessary to buy land, the land could be more expensive at that time. * Would reduce Council debt in the short term					v

8.3.3 Climate change

The responses to potential environmental impacts are also relevant for climate change. For example, any measures to reduce inflow and inundation are likely to assist in the event of more frequent significant rainfall events.

Modelling is also key to planning for and implementing appropriately sized wastewater network assets. Modelling services are provided for in the draft Long Term Plan.

If the Amberley Beach community decides to proceed with proactive relocation, then it is likely that at some stage (beyond the 10-year Long Term Plan period), wastewater reticulation will need to be established in a new location.

8.3.4 Growth

The most significant impacts of growth are expected to occur in the South Ward. For new subdivisions, the development of wastewater assets is usually the responsibility of the developer, and are then vested in Council on completion. The Council subsequently becomes responsible for maintenance and renewal.

Modelling is also important in ensuring that wastewater network assets are appropriately sized for growth.

Depending on the size and rate of growth, at some stage it may be necessary to review the size of some treatment plant assets, and potentially to acquire more land for disposal of treated wastewater.

8.4 Stormwater Capital Works Programme

Key issues impacting the stormwater activity include:

1. **Risks of flooding to habitable floors or damage to Council infrastructure** – Many of the projects being proposed for inclusion in the Long Term Plan seek to reduce these risks. In some cases, the situation already causes concern for property owners, while in others the risk has not yet caused any issues but could do so in the future.

2. **Regulatory compliance, including changing obligations** – There are likely to be additional obligations arising from the acquisition of a new global stormwater consent covering 13 urban areas. A potential issue is the need to treat contaminated soil in stormwater filtration ponds. In addition, stormwater work is required in respect of a Hammer Springs project (Argelins Road/Jacks Pass), but has not previously been doable due to regulatory matters.
3. **Climate change** – Anticipated climate change impacts in the coastal communities may include coastal erosion, coastal inundation and/or rising groundwater. While not expected in the near future, it is expected that rising groundwater will have impacts on stormwater management in Leithfield.

8.4.1 Risks of flooding to habitable floors or damage to Council infrastructure

Principal Options	Preferred or Not	Implications	Cost estimate (price adjusted)	Timing	Driver		
					Growth	LOS	Renewal
Implement improvements to Dock Creek (e.g. upgrade, bank stabilisation, motorisation of gate)	✓	* The proposed upgrade will enable higher flows down Dock Creek * Motorisation of the Dock Creek gate will make it easier to respond quickly to major rainfall events * Bank stabilisation will reduce the risk that bank collapses may impinge water flows	\$0.4m	2024/25-2027/28		✓	
Implement improvements in respect of the Stanton Road stormwater assets	✓	* Development at/near this site will enable more stormwater to be channelled down the Eastern Drain, reducing the risk of flooding in Amberley township	\$0.3m	2024/25		✓	
Implement improvements in Leithfield Beach including upgrading culvert sizes, addressing Penfold Square issues, a possible river stop bank, and planning for the future of the outfall	✓	* Will help to address existing stormwater issues in Leithfield Beach * Likely to help mitigate some of the early impacts of climate change * Out beyond 30 years, climate change impacts, particularly those associated with rising groundwater, may still have a significant on this community * The package of works is likely to require significant investment	\$2.5m	2024/25-2031/32		✓	
Implement some, but not all of the proposed enhancements in Leithfield Beach	x	* Would still assist with existing stormwater issues, but the longevity of the benefits could be shorter	\$1m			✓	

8.4.2 Regulatory compliance

In connection with the proposed new global discharge consent for the 13 urban areas, it is expected that the Council will be required to undertake additional sampling. Provision has also been made in the Long Term Plan for possible capital works (not yet identified) which may be required to meet consent conditions for this consent.

Acquiring and renewing stormwater consents is a significant process and provision has been made for the expected costs in the Long Term Plan.

The Argelins Road/Jacks Pass stormwater project has been in the pipeline for some time, awaiting the outcome of regulatory matters. Depending on the outcome, this project may be required for regulatory compliance.

8.4.3 Climate change

To plan for the potential impacts of climate change, the Council is proposing install Raven flow meters to better monitor flows, continue CCTV work and continue modelling the stormwater network.

Some of the works planned for the Long Term Plan period to address the risk of flooding to habitable floors and/or damage to infrastructure may be considered relevant for managing some climate change impacts also.

Beyond the 10- year period, other interventions may be needed, such as increasing the size of some drains/culverts.

8.5 Waste Management and Minimisation Capital Works Programme

Key issues which are expected to impact Waste Management and Minimisation over the next 30 years include:

1. Regulatory and technological change
2. Customer expectations regarding levels of service
3. Growth
4. Compliance regarding closed landfills

8.5.1 Regulatory and technological change

Changes to the regulatory environment may impact both the Council's duties as the providers of waste management and minimisation services and as a producer of waste.

A new performance standard established under section 48 of the Waste Minimisation Act 2008 requires the Hurunui District Council to add glass to its existing dry recycling conditions for Amberley by 1 January 2027. It is also expected that there will mandatory collection of food waste in Amberley within a similar period.

The regulatory environment may be influenced by technological change and changing customer expectations. There is considerable uncertainty as to what these changes might look like beyond the short term and how they might impact waste volumes and waste processing.

Principal Options	Preferred or Not	Implications	Cost estimate (price adjusted)	Timing	Driver		
					Growth	LOS	Renewal
Implement mandatory changes to waste collection services (Amberley and possibly Hanmer Springs)	✓	* Implementation of mandatory changes reduces the risk of penalties * The regulatory provisions provide for an increased level of service in the larger urban areas * This would reduce the amount of waste taken to landfill, potentially reducing adverse environmental impacts of waste * The increased level of service is likely to involve increased cost, both capital (e.g. waste containers) and operating	Implementation cost \$0.07m, and operating costs for the new collections (External funding is anticipated to support implementation)	2026/27 (or possibly 2025/26)		✓	
Also implement new glass recycling and food scrap waste collection services in urban areas where not mandatory	x	* MFE funding is available for an initial feasibility study * This would reduce the amount of waste taken to landfill, potentially reducing adverse environmental impacts of waste * The increased level of service would involve increased cost, both capital (e.g. waste containers) and operating	N/a			✓	
Establish a new transfer station in Cheviot	✓	* It will be possible to address existing constraints associated with the small size of the current transfer station, e.g. the current provider is not able to access to the transfer station with their preferred trucks. Remedying this is likely to reduce operating costs slightly * This would help future proof the transfer station service for further regulatory and technological change, such as those resulting in additional recycling streams * It would be possible to repurpose the current transfer station site * Where there is an increased level of service in one part of the District, customers in other parts of the District may expect a similar level of service * There would be up front costs associated with the design and construction of the new transfer station.	\$0.7m	2024/25		✓	

8.5.2 Customer expectations regarding levels of service

Recent engagement on the Waste Minimisation and Management Plan 2023 has confirmed that some customers would prefer a higher level of service with regard to kerbside waste collection services. In particular, there is some interest in establishing a wheelie bin system.

Since the adoption of the Waste Minimisation and Management Plan 2023, a preliminary study has been carried out, which highlighted some matters the Council should consider in designing a possible wheelie bin service. Initial indications are that a comprehensive three bin wheelie service would require a significant increase in rates for waste management services. However, there are many possible options and a more detailed study would be necessary if the Council were to progress a wheelie bin service.

It is expected that customer expectations will change over time, including in response to technological change.

Principal Options	Preferred or Not	Implications	Cost estimate (price adjusted)	Timing	Driver		
					Growth	LOS	Renewal
Commission a feasibility study of kerbside wheelie bin services	✓	* Would provide detailed information which could be valuable in engaging with communities to determine preferences * There would be a cost associated with the feasibility study	\$0.05m	2024/25		✓	
Commence a multi-bin kerbside waste collection service at an early stage prior to conducting a feasibility study	x	* Would mean the increased level of service could commence immediately * It is not possible to assess the community's preferences regarding a potential increase in level in service until some options for the design of the service have been developed and costed * If a service were to be implemented early and subsequently the design of the service changed, it is likely there would be added costs, e.g. re-contracting service providers, changing waste receptacles. * There continues to be regulatory and technological change in this area. It is possible that subsequent changes may render some aspects of a wheelie bin development obsolete. However, this is true of many Council improvements.	N/a			✓	

8.5.3 Growth

As indicated above, most population growth is expected to occur in the South Ward.

Principal Options	Preferred or Not	Implications	Cost estimate (price adjusted)	Timing	Driver		
					Growth	LOS	Renewal
Acquisition of additional land for the Amberley transfer station, fencing and development	✓	* Amberley is expected to grow. However, there is no immediate need for additional space at the transfer station * Land prices usually increase over time and it is likely to be cheaper to acquire the land now, rather than a later date * Suitable land is less likely to be available if the purchase is deferred for a number of years. * There would be a holding cost associated with the early purchase of the land.	\$1.86m (75% DC funding)	2026/27, 2027/28, and 2028/29	✓		

8.5.4 Compliance regarding closed landfills

There are six consented closed landfills in the district. The consents for these landfills expire in 2032 and will need to be renewed. The sites were closed around the year 2000. At this time, there is limited information about the capping materials. Inspection of the capping at some of sites by Environment Canterbury has raised questions about the type of capping material and the shape of the caps. One of the landfills is near a river.

Principal Options	Preferred or Not	Implications	Cost estimate (price adjusted)	Timing	Driver		
					Growth	LOS	Renewal
After care of closed landfills - Assessment of landfill caps, potential impacts on river. Capital works as required. Consent renewal.	✓	* The assessment will ensure the work carried out is appropriate * If needed, the capital works will reduce the risk of environmental harm * If needed, the works will help ensure ongoing consent compliance * As the assessment has not yet been carried out, it is possible the costs could be greater than estimated	\$0.3m	2024/25-2026/27		✓	
Delaying action until close to consent expiry and/or environmental	X	* Delaying action could result in environmental harm * Reactive works carried out under urgency usually cost more than planned works	N/a			✓	

impacts are observed		* If the work required for consent compliance is substantial, it may not be possible to complete it prior to expiry of the consent * May delay the associated rating impacts					
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8.6 Green Spaces Capital Works Programme

The key issues associated with the green spaces activity which may have significant capital implications:

1. Growth
2. Cemetery capacity

8.6.1 Growth

As the district grows, it is likely that the number/size of green spaces will also increase. For example, the Council may acquire additional green spaces following the vesting of assets in new developments. This increases ongoing operating costs, and potentially renewals if there are physical assets on the land.

There is a large number of green spaces in the district and it is anticipated that there will be an assessment of green spaces at a future date, with potential impacts for the renewals programme. This may have implications for capital works, but these will not be known until the assessment has been carried out.

8.6.2 Cemetery capacity

Based on the current average interment rate per year, all but one of the district's cemeteries are expected to have capacity until at least 2060. Balcairn cemetery is currently at over 91% capacity. Based on the current average interment rate, it is expected to reach capacity around 2036 (i.e. beyond the period of the Long Term Plan).

Principal Options	Preferred or Not	Implications	Cost estimate (price adjusted)	Timing	Driver		
					Growth	LOS	Renewal
Buy land to extend the Balcairn cemetery	✓	* The Balcairn cemetery is the main cemetery for the interment of remains for Amberley, Leithfield, and surrounding areas * Some residents value being able to inter relatives in the same location as other deceased family members * There has been a trend towards alternative options for remains e.g. burial or dispersal of ashes. Hence the rate of interment at Balcairn cemetery may decrease over time * It is not known if/when suitable land will become available	\$0.2m	Beyond 10 years		✓	
Buy land in an alternative location in the South Ward	X	* Some District residents may prefer to be interred close to family members * It would be more cost effective to maintain the land if the additional	\$0.2m			✓	

		land was close to the current cemetery					
		* The closed Balcairn cemetery would still be maintained and accessible to visitors					

8.7 Information Services Capital Works Programme

Some issues associated with the Information Services capital works programme do not involve significant capital expenditure, e.g. ensuring staff health and safety. Other than the acquisition of library materials, there is only one significant capital item currently being proposed during the 30-year planning period: a possible new district library in Amberley.

Principal Options	Preferred or Not	Implications	Cost estimate (price adjusted)	Timing	Driver		
					Growth	LOS	Renewal
Development of a new district library or a library extension in Amberley	✓	* The additional space will provide facilities to meet the needs of the growing population. * There are a higher proportion of older people in the Hurunui district than the national library and this percentage is expected to increase over time. On average older people are more likely to use physical library resources * There is existing demand for physical space for use by community groups and others * Land was previously acquired to enable a library extension at a later date * There should be more information available about demand for library services prior to any work progressing * The development would be funded from development contributions * It is likely there would be additional operating costs associated with a larger library, e.g. staff, electricity, additional books and other resources	\$2.4m	2033/34	✓		
Do not develop a new district library or library extension in Amberley	X	* The range of online library services is increasing, which reduces the need for some users to visit the library * A library development would have a lifespan extending well into the future, and there is less certainty regarding future demand for	N/a		✓		

		physical resources beyond the next 10 years					
		* It may be possible to address the demand for community spaces in other ways					
Develop a new district library in another part of the district, rather than in Amberley	X	* There are currently 8 locations other than Amberley where it is possible for District residents to access physical library materials * Depending on location, some may find an alternative location for a district library to be more convenient than Amberley * Most growth is in Amberley and the surrounding areas * Resourcing a new district library separately from the Amberley library would be less cost effective, including in terms of the acquisition of library materials and staffing	N/a		✓		

8.8 Property Capital Works Programme

Key issues affecting the property capital works programme over the next 30 years include:

1. Ensuring the right community facilities in the right place
2. Levels of service for property maintenance
3. Climate change
4. Property development

8.8.1 Ensuring the right community facilities in the right place

A number of community facilities have deteriorated over time, as the maintenance required in order to prevent deterioration has been unaffordable. Affordability is a particular concern in some of the communities with small rating bases. One consideration is the large number of community facilities in the district. Some are used frequently, while other facilities have few bookings.

Over the past couple of years, the Council has been engaging with communities in Hawarden, Waikari and Scargill regarding the future of their community halls. There has also been discussion with some communities regarding sports facilities. Both matters have confirmed the strong affiliation some community members feel for their community facilities. It is likely that some difficult decisions will be required in the future.

Principal Options	Preferred or Not	Implications	Cost estimate (price adjusted)	Timing	Driver		
					Growth	LOS	Renewal
Assess the need for community facilities and, following community engagement,	✓	* It is likely there will be a smaller number of community facilities and that they will be better maintained	N/a			✓	

reduce the number of facilities		* Some community members will be distressed by the disposal of some facilities * There will be costs associated with the assessment, community engagement, and disposal processes * Future maintenance costs will be lower than would otherwise be the case * There is insufficient information to know what options might be available for the disposal of some community facilities					
Retain the current stock of community facilities	X	* Some communities will not be able to afford the maintenance required to ensure the facilities remain fit for purpose * Efforts to maintain facilities to the desired level of service may place a financial burden on some communities, especially those which are smaller * Continued deferral of maintenance may result in increased lifetime costs for the asset * In some cases, ongoing deferral of maintenance may result in the building eventually becoming unfit for purpose	N/a			✓	
Build a new sports pavilion in Hanmer Springs (whether at the Hanmer Springs Sports Reserve or at the Queen Mary South site)	✓	* The existing sports pavilion is not in good condition and does not have access for disabled people * While the Community Board feels that it would like to limit ratepayer contribution to \$0.5m, it is likely to be necessary to seek funding from other sources in order to develop a suitable facility	\$0.54m from amenity rates [Likely more, and will seek external funding]			✓	

8.8.2 Levels of service for property maintenance

At present social housing, residential housing and medical centres are maintained to a good standard, and there is a programme of planned maintenance for these sites.

In the past, community buildings have been maintained on a reactive basis. A condition assessment has been carried out and is continuing. It is proposed to gradually move towards a programme of planned maintenance for community buildings.

Based on the condition assessments to date and records regarding building usage, it is currently anticipated that it will not be possible to retain all community buildings in a satisfactory condition on a long-term basis. A report has been commissioned regarding the future of the Hurunui halls (e.g. Hawarden, Waikari and Scargill). It is anticipated that there will need to be a reduction in the number of Council-owned community buildings over the planning period.

8.8.3 Climate change

Over the next three years, it is proposed to investigate the potential impacts of climate change on Council-owned properties and identify any protective measures which may be required.

In carrying out property activities, including renovating/improving existing Council properties, regard will be had for the potential impacts of climate change.

8.8.4 Property development

While the Long Term Plan 2024-2034 reflects the following, it is recognised that further consultation will be needed, and that plans may be modified over time.

Principal Options	Preferred or Not	Implications	Cost estimate (price adjusted)	Timing	Driver		
					Growth	LOS	Renewal
Develop the Queen Mary South site for commercial/retail/residential use	✓	* There is interest in additional space for commercial, retail and residential development in Hanmer Springs * The project would require capital investment * There is potential for the development to generate a significant profit which could be used to reduce debt * The level of profit could differ from expected based on market conditions. While unlikely, there is the risk of a loss or that it could take longer than expected to realise a profit	\$13.5m	2024-2034	✓		
Sell the parts of the site not needed for other Council purposes to a developer	x	* Other than the initial subdivision, there would be few development costs * It would still be possible to use parts of the site for sports and a spiritual garden * There would be the loss of the potential to generate a profit from the development (opportunity cost)	N/a	Not known	✓		
Retain the Queen Mary South site, but do not develop it	x	* There would be ongoing costs associated with maintaining the whole site, particularly if the whole site were made accessible to the public for recreational use * This option would not assist in providing spaces for retail, commercial and/or residential development	N/a			✓	

8.9 Climate change adaptation

As indicated above, climate change is expected to have impacts across the district.

In the past, the Council has assisted the Amberley Beach community by levying rates to enable the community to maintain a coastal bund. It is expected that, over time, climate change impacts will increase the work required to maintain the effectiveness of the bund, and that the location and construction of the bund may need to change.

Principal Options	Preferred or Not	Implications	Cost estimate (price adjusted)	Timing	Driver		
					Growth	LOS	Renewal
Determine the bund replenishment timing and the levy at the time of the next LTP	✓	* The bund is soon to be replenished (during the 2023/24 financial year) and further replenishment is not needed in the next 3 years. * It is expected that replenishment will be needed in years 4-10, but until the current major replenishment is completed, the nature, timing and cost of replenishment in these later years is not known	Nil	2024-2034			✓
Continue to levy rate to enable the community to maintain a coastal bund, and to monitor the effectiveness of the bund	x	* The bund has previously been effective in protecting houses in the Amberley Beach area from coastal inundation * Costs associated with maintaining/renewing the bund are expected to increase * The current proposal is that the bund will gradually move inland. At some stage, it is likely that it will not be feasible for the bund to move further inland * It is possible that a catastrophic event could result in the sea breaching the bund resulting in severe damage to multiple houses	N/A				✓
Land bank some land so that if/when the Amberley Beach chooses to relocate that there is land available. Fund the land purchase by a targeted rate payable by Amberley Beach ratepayers	X	* With increasing renewal costs, at some stage, the community could decide that it is no longer cost-effective to continue to renew the bund. * This proposal has been discussed with the Amberley Beach community. However, the community is not well placed to focus on this matter at this time, due to the extensive bund replenishment project which is shortly to commence. * Depending on the size of the development and the ability to sell	\$1m for land purchase Additional money for new subdivision offset by sale of excess sections			✓	

		* surplus sections to others, the development could be cost neutral * Significant additional infrastructure would be required for the new subdivision (later) * Some Amberley Beach residents may prefer not to relocate. One option would be for it to become possible to sell the new site at some stage in the future.					
Develop a site close to Motunau Beach for sale to the public	✓	* Some members of the Motunau Beach community who are affected by climate change may wish to purchase a new property inland from their current properties * Initially there would be costs associated with the development, e.g. legal, infrastructure. However, it is expected that these would be recoverable on sale of the sections * Depending on how the project is designed, there may be commercial opportunities associated with the development	\$0.9m	2024/25		✓	

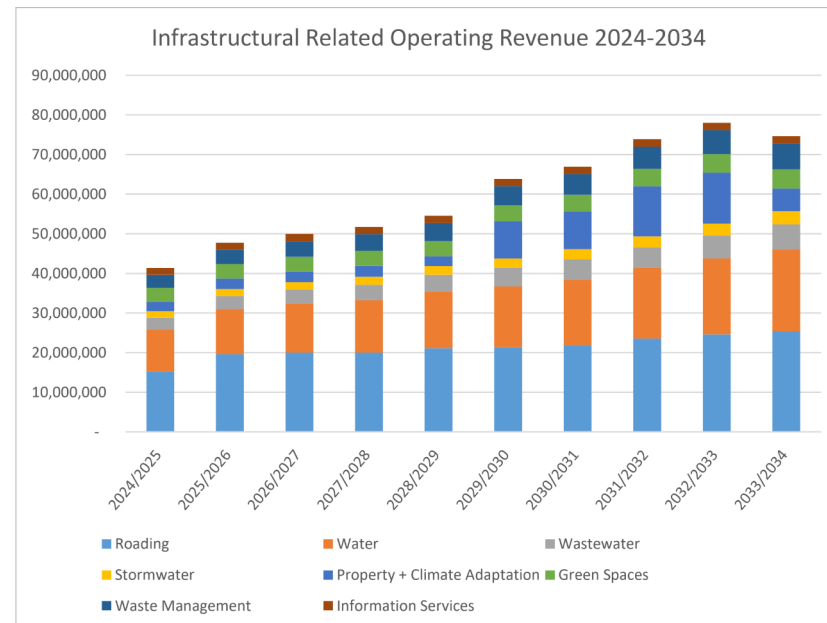
Over the past couple of years, the Council has been engaging with six coastal communities regarding longer-term options for the future. While three communities have agreed on Coastal Adaptation Plans, these plans are not specific and the nature and timing of any associated capital works is not known. However, the costs could be significant.

9 Financial Estimates

The first three years of the strategy is in detail, whereas the following seven years is in outline only. Following the LTP period the costs are meant to serve as an indication only.

9.1 First 10 years (2024-2034)

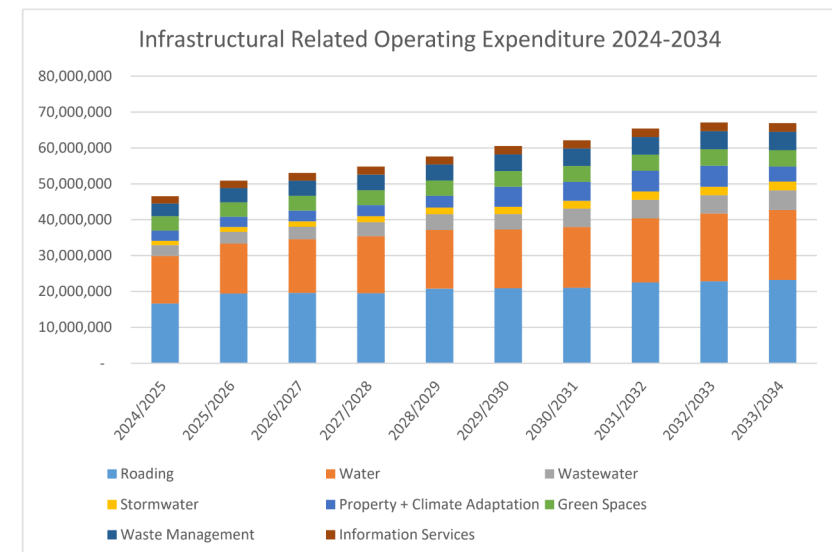
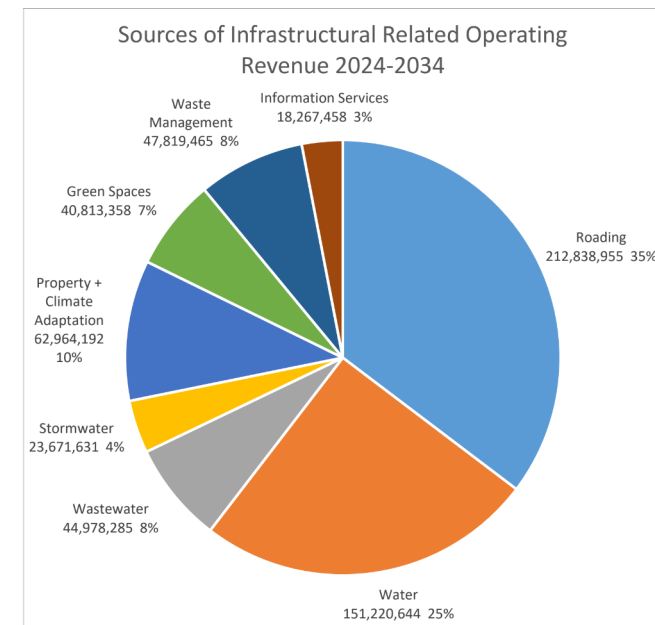
The following estimates reflect the draft Long Term Plan 2024-2034.

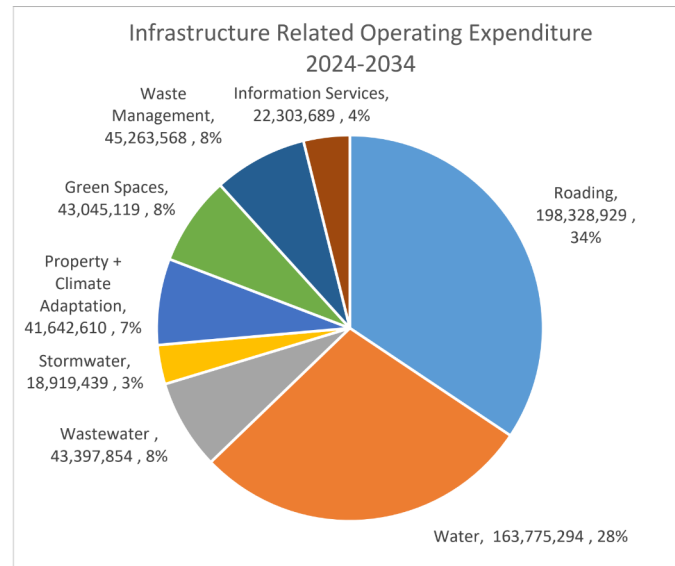


Total Operating Revenue for Infrastructural Related Activities amounts to \$602.6 million over the 10-year period.

Operating Revenues from Non-Infrastructural Related Activities total \$428.6 million. The Non-Infrastructural Activities are Community Services and Emergency Services (part of Public Services); Regulatory Services; Hanmer Springs Thermal Pools and Spa; Governance and Corporate Services (excluding Customer Services) and the Earthquake Recovery activity.

The Total Operating Revenue budgeted for the 2024-2034 period is \$1.031 billion.

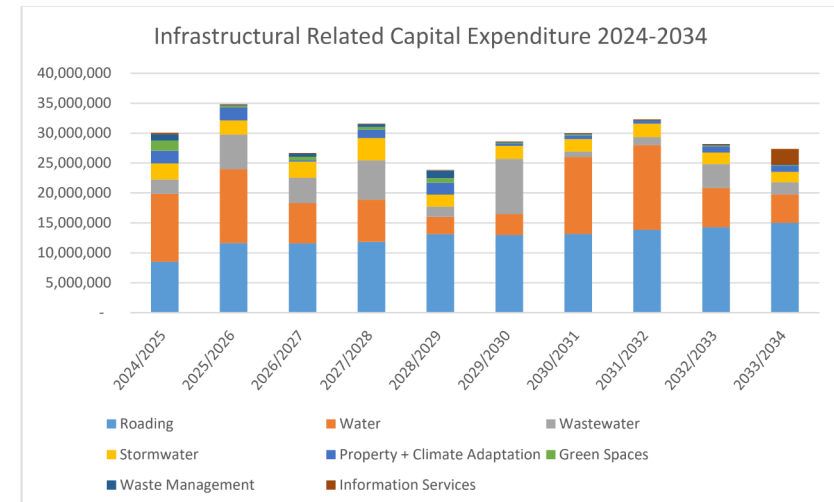




Total Operating Expenditure for Infrastructural Related Activities amounts to \$576.7 million over the 10-year period.

Operating Expenditure from Non-Infrastructural Related Activities totals \$399.9 million. The Non-Infrastructural Activities are Community Services and Emergency Services (part of Public Services); Regulatory Services; Hanmer Springs Thermal Pools and Spa; Governance and Corporate Services (excluding Customer Services) and the Earthquake Recovery activity.

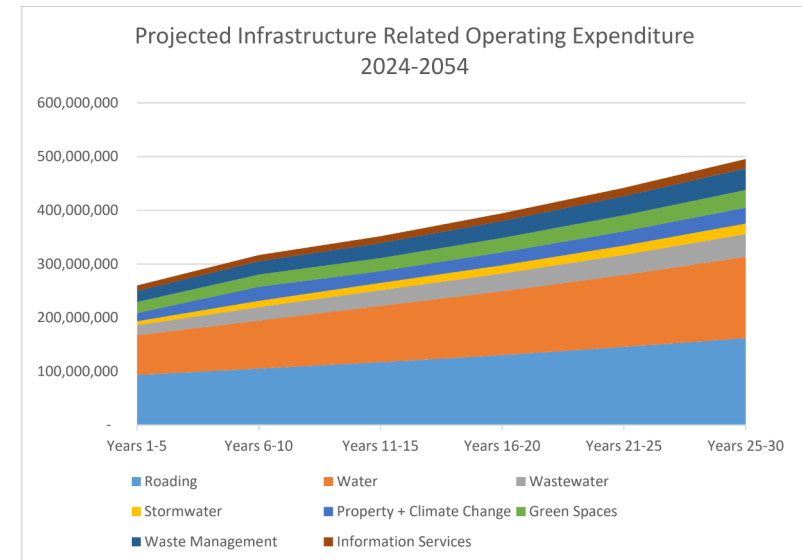
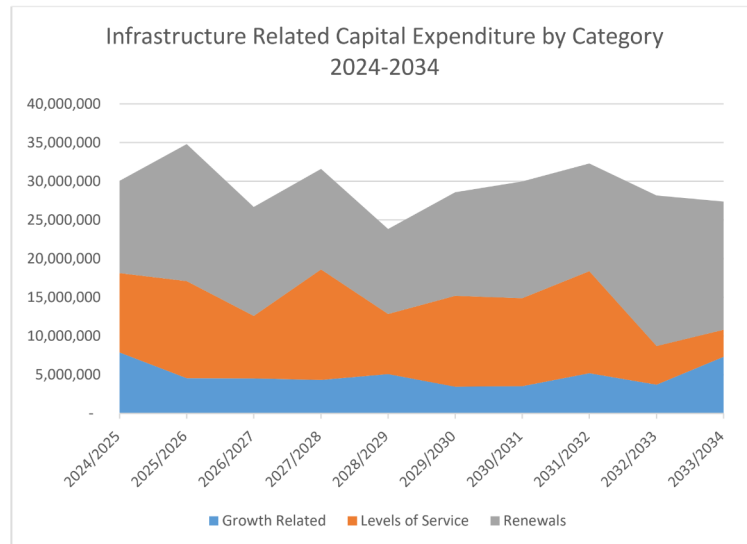
The Total Operating Revenue budgeted for the 2024-2034 period is \$0.977 billion.



Total Capital Expenditure for Infrastructural Related Activities amounts to \$293.5 million over the 10-year period.

There is a range of Capital Expenditure from Non-Infrastructural Related Activities which totals \$28.8 million. The Non-Infrastructural Activities are Community Services and Emergency Services (part of Public Services); Regulatory Services; Hanmer Springs Thermal Pools and Spa; Governance and Corporate Services (excluding Customer Services) and the Earthquake Recovery activity.

The Total Capital Expenditure budgeted for the 2024-2034 period is \$322.2 million.



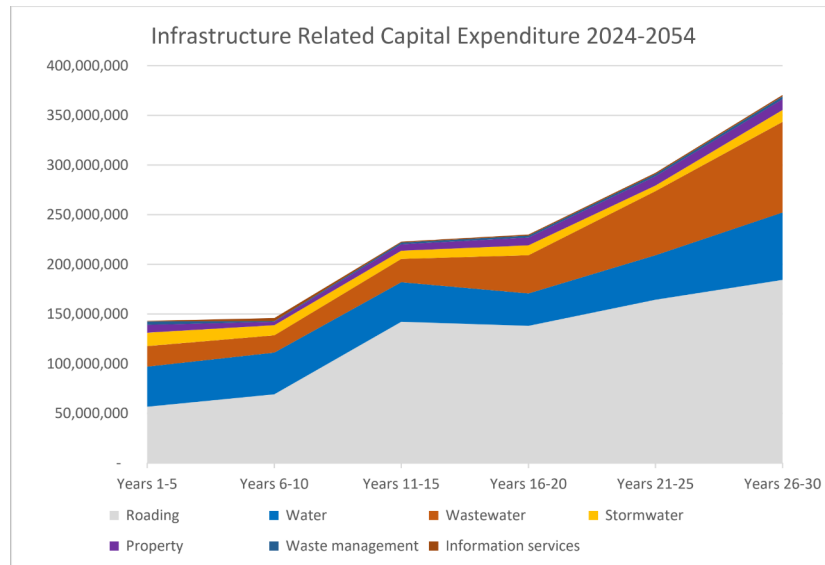
9.2 Years 1-30

Projected operating expenditure is as follows:

	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 25-30	Total
Rooding	93,220,091	105,108,838	117,174,386	130,476,510	145,288,747	161,782,530	753,051,102
Water	74,288,032	89,487,262	104,836,949	118,526,285	134,003,139	151,500,920	672,642,586
Wastewater	18,175,520	25,222,334	29,338,410	33,169,344	37,500,510	42,397,230	185,803,348
Stormwater	7,607,916	11,311,523	13,561,994	15,332,883	17,335,011	19,598,572	84,747,899
Property + Climate Change	15,068,433	26,574,177	21,887,765	24,226,855	26,815,918	29,681,668	144,254,816
Green Spaces	20,626,766	22,418,353	24,323,412	26,922,793	29,799,964	32,984,611	157,075,900
Waste Management	20,470,828	24,792,740	27,709,560	31,327,802	35,418,505	40,043,361	179,762,796
Information Services	10,616,056	11,687,632	12,861,839	14,236,351	15,757,754	17,441,745	82,601,377
Operating Expenditure	260,073,643	316,602,859	351,694,313	394,218,823	441,919,548	495,430,638	2,259,939,824

Projected capital expenditure is as follows:

Inflation adjusted	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30	Total
Rooding	56,679,117	69,252,665	142,135,317	138,045,740	164,437,960	184,369,571	754,920,370
Water	40,319,739	41,840,255	39,869,996	32,678,698	44,789,026	67,878,305	267,376,019
Wastewater	20,772,654	17,476,204	23,361,326	38,518,535	64,585,109	91,155,268	255,869,095
Stormwater	13,447,070	10,188,736	8,385,046	10,014,613	5,567,951	11,979,195	59,582,611
Property	7,877,215	3,499,045	6,582,093	7,791,201	9,238,472	10,972,828	45,960,853
Green spaces	3,819,739	533,840	2,804,317	2,640,225	3,185,853	3,846,547	16,830,520
Waste management	3,413,232	561,967	1,639,228	1,922,754	2,259,923	2,661,499	12,458,602
Information services	659,395	3,080,580	862,975	1,041,910	1,258,647	1,521,249	8,424,756
TOTAL	146,988,159	146,433,293	225,640,297	232,653,674	295,322,940	374,384,462	1,421,422,825



The significant increase in roading expenditure from years 11 onward reflects various activities including:

- * Some key bridge renewals, including the Conway Bridge (years 11-15)
- * Sealing some high use unsealed roads
- * Road rehabilitation associated with use by heavy vehicles.

The expected increase in costs for water in the later years primarily relate to renewals and cost movements. Growth is another consideration. These factors also contribute to the marked increase in capital expenditure associated with wastewater. In addition in years 21-25, consideration is being given to assessing and potentially implementing a reticulated wastewater service in one or more locations which are not currently serviced. There are also expected to be significant costs associated with renewing consents for three waters activities.

10 General Assumptions

The Infrastructure Strategy has been prepared using the following overall assumptions which are consistent with the significant forecasting assumptions contained in the Long Term Plan.

CATEGORY	SIGNIFICANT ASSUMPTIONS	UNCERTAINTY	IMPACT	MITIGATION MEASURES
Population and Demographic Change	It is assumed that the population of the district will grow between 1.7% and 1.9% per annum during the planning period. Most growth will occur in the urban areas in the South Ward and Hanmer Springs areas. Growth in those areas will exceed the Statistics NZ 'High' projection. Population growth in other parts of the district will be modest. A key contributor to growth will be people moving into the district from other places, including urban areas such as Christchurch. The average age of district residents will continue to exceed that of New Zealand as a whole. The average occupancy per household will decrease slightly during the planning period.	Medium Growth projections have been determined by interpolating past growth, and incorporating information about growth which is known at this time. However, it is possible that actual growth may differ. For example, if a Woodend bypass is constructed, this could eventually lead to more rapid development in the South Ward.	There will continue to be increasing demand for infrastructure related services, e.g. access to sufficient water. Some people moving into the district from other urban areas may have expectations of higher levels of service than are currently provided in the district, e.g. more sealed roads, availability of footpaths, water quality, additional options for waste recycling. If growth rates differ from projections, revenue from development contributions will also differ. If growth is significantly higher than expected, some infrastructure development projects may need to be brought forward. The age profile of district residents may affect the demand for some services, e.g. older residents may be more likely to use physical library resources.	Infrastructure planning and development takes into account expected growth. The Council will continue to monitor population growth and demographic changes and assess potential impacts on infrastructure requirements. It will also continue hydraulic modelling for water and wastewater activities, which will assist in understanding when and where capacity issues may occur. As part of its planning processes, the Council will intermittently engage with customers regarding desired levels of service for specified activities and willingness to pay for those levels of service. The Long Term Plan and Infrastructure Strategy incorporates provision for the acquisition, maintenance and renewal of vested infrastructure assets.
Major Disaster Events (e.g. earthquake, flood, tsunami, drought, fire)	While the Council will respond to minor disaster events, it is assumed that external support will be available for response and recovery from a significant disaster event.	High While the risks have been identified, it is not known if/when a major disaster	The impacts of a major natural disaster event would depend on the nature and location of the event. Some could cause significant damage to infrastructure assets, disrupt access to assets, and impact the ability to maintain and renew assets. There may also be	The Long Term Plan includes provision for normal Council activities associated with ordinary weather events. The Council holds insurance in relation to some infrastructure assets. Above ground assets are

CATEGORY	SIGNIFICANT ASSUMPTIONS	UNCERTAINTY	IMPACT	MITIGATION MEASURES
		event may occur and what impacts it may have.	environmental impacts, e.g. due to sewerage overflows or damage to the caps of closed landfills. A major disaster event could have significant financial impacts, which could have a flow on impact for infrastructure related activities.	insured as part of the material damage insurance and below ground assets are insured with LAPP. However, it would be required to pay an excess. The following infrastructure is not insured: roading and footpaths (including bridges), and above ground stormwater assets. In a major event, the Council would need to seek external financial support. Resilience is a consideration in infrastructure planning. For example, there are some generators available in the event of power failures to some critical assets. Council participates in the Canterbury Lifeline Utilities group. The Council offers some services online, e.g. some library services, service requests, sometimes meetings with Council staff, bill payment
Climate change	It is assumed that climate change impacts will include: - A gradual increase in average air temperatures, along with an increased risk of drought - An increase in the frequency and extent of severe weather events - Some coastal communities may be impacted by the impacts of coastal inundation, coastal erosion and/or rising groundwater. However, it has been assumed that the impacts on these communities are not catastrophic during the planning period.	High While there is general agreement in the scientific community that climate change is occurring, there are varying views about the timing/extent of future impacts. The various climate change scenarios are based on assumptions about the trajectory for the release of greenhouse gases.	Climate change is expected to have wide reaching impacts on infrastructure needs such as those arising from: - Damage to coastal roads and other Council infrastructure associated with coastal erosion or coastal inundation - Deterioration to roads associated with an increase in the number of hot days - Increased demand for water due to hotter temperatures and risk of drought - Potential impacts of severe storms on the operation and integrity of infrastructure assets - The risk of pipe breaks associated with dry ground conditions - Potential inundation of wet wells in some coastal communities, particularly due to rising groundwater	Infrastructure developments will take into account anticipated climate change impacts, e.g. locations for development, building designs, planting resilient plants in reserves. Hydraulic modelling will continue to be carried out to understand and monitor the potential impacts of climate change. Expected impacts of climate change will continue to be taken into account in planning infrastructure developments. Some projects specifically target climate change impacts, such as those relating to Leithfield Beach stormwater issues. Work on minimising water leaks and reducing stormwater inflow and inundation to sewerage systems will assist in mitigating some of the

CATEGORY	SIGNIFICANT ASSUMPTIONS	UNCERTAINTY	IMPACT	MITIGATION MEASURES
			- Rising groundwater is also likely to contribute to stormwater issues, particularly in Leithfield Beach - Potential interruptions to infrastructure related services associated with wind damage (e.g. to powerlines). There is the potential for some climate change related impacts to have sudden and severe impacts on some communities, e.g. Severe coastal inundation due to a storm event combined with higher sea levels could result in inundation of coastal properties. The impacts on Council infrastructure would depend on the location and severity of the event.	anticipated impacts of climate change. It is expected that additional water sources will be needed over the planning periods. Council will continue to engage with coastal communities regarding future directions. The Amberley Beach community may decide to proactively relocate to another site. If so, it is expected that there will be associated investment in infrastructure assets, primarily funded by the sale of additional sections.
Land Use Change	It is assumed that changes in land use which affect infrastructure assets will be gradual and largely foreseen at network level. Nevertheless, they will have an impact on planning and implementation of infrastructure projects	Medium The District Plan is the overarching document governing land use. Applications for changes in land use are usually signalled well in advance of actual land use. It is possible to identify trends in changing land use based on past development. However, there remains the possibility of an unexpected application.	There will be increased demand for stock water, which will see rural property owners seek additional water allocations from Council. In some locations there may be challenges in meeting such requests. More intensive farming may result in more runoff to waterways, affecting downstream water quality and, in some cases, potentially increasing the risk of downstream flooding. Changes in land use can affect individual roads or sections of roads. Such changes are often unforeseen and result in rapid asset degradation.	The Council seeks to incorporate aspects of the District Plan relating to land use and information about consenting into its infrastructure planning. In some cases, infrastructure constraints may also inform planning. The Council monitors the use of infrastructure related services, e.g. water connections and usage, water treatment volumes, and road traffic volumes. Trends in usage can help assess the impacts of changes in land use.

CATEGORY	SIGNIFICANT ASSUMPTIONS	UNCERTAINTY	IMPACT	MITIGATION MEASURES
Asset Ownership	It is assumed all Council owned infrastructure assets will remain in Council ownership throughout the planning period. Under 2022 legislation, the debt associated with three waters assets was expected to transfer to the Water Service Entity. It is now assumed that the debt will remain on the books for the foreseeable future.	High The implications of the new Local Water Done Well approach are yet to be worked through. Another matter which might later impact asset ownership is the "Future for Local Government" review.	There could be structural changes impacting the ownership and management of infrastructure during the planning period (particularly for three waters). There are no specific proposals being considered by Council at this time. Hence, it is difficult to assess the impact. Due to debt associated with investment in three waters assets remaining on the books, the Council is needing to prioritise and manage future infrastructure expenditure in order to remain within the debt cap.	The Council continues to monitor the regulatory environment. The Council will review its infrastructure assets, including property assets, from time to time. The Council will dispose of any surplus assets in accordance with its Assets Disposal Policy. Where it is in the best interests of the district, the Council will be open to conversations as to how it can work with others to promote efficiency and effectiveness, while retaining asset ownership. The Council has reviewed its Treasury Policy. The previous "soft cap" for debt of 125% of rates revenue has been disestablished. The Council continues to manage assets and operations in order to remain within the LGFA cap of 175% of rates revenue.
Regulatory change	There is likely to be ongoing regulatory change throughout the planning period. However, as there is insufficient information to make an alternative assumption, it has been assumed that there are no changes in the regulatory context during the planning period other than those which have previously been signalled by central government.	High The nature and timing of future regulatory change is highly unpredictable, reflecting changes in the political, social and economic context.	Depending on what the changes are, the impacts could be significant for infrastructure management, operations and finance. Future regulatory change could result in a requirement for changes in infrastructure, such as might be needed for different water or wastewater treatment requirements (e.g. a requirement for viral protection of water supplies). Regulatory change could also impact funding for infrastructure assets. Failure to comply with new legislation/ regulations could have adverse impacts, such as infringement notices, fines or, in a serious instance, prosecution.	The Council will continue to monitor the regulatory environment and endeavour to incorporate relevant changes into its planning processes. It will seek to comply with relevant regulatory changes.

CATEGORY	SIGNIFICANT ASSUMPTIONS	UNCERTAINTY	IMPACT	MITIGATION MEASURES
			Where the Regional Council does not grant/renew a consent for ratepayer owned septic tanks, there may be increased demand for the establishment of a reticulated sewerage system.	
Consents held by the Hurunui District Council	It is assumed resource consents will be able to be renewed on expiry. In some cases, changes in resource consent conditions may require significant additional capital investment in order to ensure compliance. New consent conditions will reflect Te Mana o te Wai.	High The changing regulatory environment may impact the ability to renew consents, and consent conditions. There is uncertainty regarding some of the implications of Te Mana o te Wai.	If consent conditions differ from expected, then there is a risk that the cost of infrastructure renewal may exceed expectations. Failure to renew a consent could result in disruptions to service provision and/or financial penalties. For example, if it is not possible to obtain/renew gravel consents in a timely manner (or at all), this is likely to impact the Council's ability to re-metal unsealed roads, resulting in a decreased level of service. Iwi concerns regarding river extraction may also impact access to gravel.	Capital expenditure budgets include provision for significant capital expenditure where the need for this has been signalled by government, e.g. wastewater disposal. Because growth and changing land use are expected to place pressure on water sources, the Long Term Plan includes measures to reduce water leakage. Work on reducing stormwater infiltration and inundation will be prioritised to help minimise the costs associated with renewing wastewater consents. Work with the Regional Council and local Iwi to obtain resource consents with appropriate conditions which are both environmentally and financially sustainable. Investigate alternatives to river sourced gravel, in order to reduce the risk of reductions in the level of service due to inability to access river based gravel. Ensure there are sufficient resources to meet consent conditions.
Useful lives of significant assets	It is assumed that useful lives, as reflected in the Statement of Accounting Policies are approximately correct.	Low There is considerable historical information	The age of infrastructure may not be a good proxy of condition and performance. Where infrastructure deteriorates earlier than expected, it may be necessary to carry out emergency maintenance or renewals. Reactive works tend to be more expensive than planned	Useful lives are based on historical information. Age based data is used to determine the timing of renewals for high and very high criticality assets. However, where possible, data about age and condition is also taken into consideration in

CATEGORY	SIGNIFICANT ASSUMPTIONS	UNCERTAINTY	IMPACT	MITIGATION MEASURES
		available about the useful lives of many infrastructure assets. However, there is less historical information about the useful lives of the new water treatment plants.	works. If the useful lives of assets are not correct, then depreciation expense will be either over or understated. Where depreciation of infrastructure is fully funded, the Council would be either over or under-funding infrastructure.	determining the infrastructure renewal programme. Ongoing maintenance of Council infrastructure assets helps ensure that they remain in good condition for as long as possible.
Technology advances	While significant technological advancement is highly likely over the next 30 years, the nature and timing of technological change is highly uncertain. Accordingly, it is assumed technological advancements do not significantly alter infrastructure requirements (other than those provided for in the Long Term Plan and Infrastructure Strategy)	Medium Technological advances are likely to impact how Council manages its infrastructure but are unlikely to change the purpose of infrastructure. Technological advances may have positive/negative impacts/both.	Some existing infrastructure may become obsolete, and might need to be replaced earlier than planned. Some technological advances may result in infrastructure cost decreases, while others may initially result in increases in capital expenditure (presumably accompanied by enhancements in levels of service and/or reductions in operating costs). For example, investment in remote monitoring equipment may reduce the need to visit remote sites.	The Council continues to monitor technological change to identify changes which may be pertinent to the management of infrastructure assets in this district. Some technological advancements are provided for in Council's planning documents, such as: - Installation and use of smart water meters - Enhancement of communications technology for monitoring and controlling some water infrastructure - Establishment of the Amberley Sequencing Biological wastewater plant - Introduction of RFID at the libraries which will enable self-issuing of materials and easier data collection regarding library usage. Where appropriate (e.g. cost effective) relevant developments may be included in future planning documents.
NZTA Waka Kotahi transport subsidies	The NZTA Waka Kotahi transport subsidies have been advised for the next three year period. The current funding assistance rate (FAR) is 52%. It is assumed that the Waka Kotahi subsidies beyond 2027 are in line with those for 2024/25-26/27 adjusted for inflation.	Medium The transport subsidy is known for three years. However, there is no information available about the	A decrease in the subsidy would result in either a decrease in the level of service and/or an increase in funding from other sources, particularly rates.	If the subsidy were to decrease beyond 2026/27, the Council would have various options, including: - Decreasing its contribution to the programme proportionally; - Continuing with same Council contribution as if the NZTA Waka Kotahi contribution had not changed; or

CATEGORY	SIGNIFICANT ASSUMPTIONS	UNCERTAINTY	IMPACT	MITIGATION MEASURES
		value of subsidies beyond that date.		- Increasing the Council's funding contribution to offset the decrease in the subsidy so as to maintain the same level of service. In the event of a subsidy decrease which was not offset by an increase in the Council's funding, the Council would need to review its programme plan in order to work within the revised funding envelope.
Inflation rates/price movements	It is assumed prices move in line with the Local Government Cost Index (LGCI) projections provided by BERL (Business and Economic Research Limited) for use by local authorities assuming they retain responsibility for three waters activities.	High Historically price movements have differed significantly from index movements	Increased or decreased inflation could have a material impact on the accuracy of financial forecasts. This could impact funding requirements and/or future levels of service.	In preparing the Long Term Plan and Infrastructure Strategy, the cost of infrastructure assets has been adjusted by the BERL cost indices. The Council monitors expenditure against budget and takes mitigating actions as required.
Asset revaluations	It is assumed that infrastructure assets are revalued on a three yearly basis to comply with the New Zealand equivalent of the International Financial Reporting Standards. Council owned land on which there are infrastructure assets is not revalued in the financial statements. This is because it is not depreciated and revaluation of land would not impact funding requirements.	Low The Council is able to determine the timing of asset revaluations, providing it complies with the three yearly revaluation requirement	The revaluation of infrastructure assets is likely to result an increase in depreciation charges over time, and hence increases in funding requirements. If changes in valuation differ from expected then depreciation and funding requirements may differ from expected. If the Council does not fully fund depreciation, then it is likely that renewals will need to be at least partly debt funded.	As above.
Interest rates	It is assumed that average interest rates over the planning period are in line with the cost of capital at the time of planning.	High Interest rates are volatile. While some of the interest rate risk is able to be hedged, it is not	Increases in interest rates may significantly increase the funding costs for infrastructure development. Interest rate fluctuations may also impact the cost structures impacting Council suppliers, including contractors.	The Council regularly reviews its Treasury Management Policy. It has the ability to amend its hedging strategy if it considers that to be appropriate. The Council uses a range of interest rate hedging

CATEGORY	SIGNIFICANT ASSUMPTIONS	UNCERTAINTY	IMPACT	MITIGATION MEASURES
		currently Council's policy to fully hedge interest rate risk.		products, including interest rate swaps, to fix interest rates in respect of part of its debt.
Ability to implement the infrastructure related activities	It is assumed that the Council will be able to access and/or retain the capacity and capability to be able to implement the programme It is also assumed that the Council will manage the infrastructure programme well in order to achieve the expected outcomes.	Medium • There is competition for skilled personnel • Unexpected events may cause delays in programmes	Impacts of challenges in this area could include: • Delays in programme implementation • Potential additional costs if some work is outsourced.	The Council will continue to implement various measures in order to attract and retain personnel, such as remuneration at market levels and other staff benefits, recognising success and providing opportunities for staff development. The Council has established an internal Project Management Office, which manages and monitors significant infrastructure projects, tenders and similar activities. This has been demonstrated to contribute to timely, cost effective results.

11 Useful Lives of Assets

The following assumptions have been made regarding the useful lives of Council owned assets. These have been applied in the calculation of depreciation.

11.1 Water

ASSET GROUP	USEFUL LIFE (YEARS)
Backflow Devices	10
Meters	25
Hydrants	50
Pipes	
Asbestos Cement	35-66
PVC	80
MDPE/HDPE	80
Stainless Steel	50
Galvanised	58
Valves	50
Reservoirs	
Tanks	50-80
Building	10 – 60
Pipework	80
Electrical and Mechanical	10 – 50
Treatment Plant	
Civil – Tanks, Building, Pipework, Metalwork	15-60
Electrical Services	20
Instrumentation	10 – 30
Mechanical Services	25 – 50
Pumps and Motors	10-25

11.2 Wastewater

ASSET GROUP	USEFUL LIFE (YEARS)
Pipes	
Asbestos Cement	60
Earthenware, PVC	80
HDPE	80
Reinforced Concrete	80
Stainless Steel	50
Manholes	80
Valves	50 - 80
Pump Station	
Electrical Cabinet and Level Control	10-30
Wetwell	30-80
Storage and Valve Chambers	30-80
Lids, Valves and Pipework	25-80
Pumps	10-25
Treatment Plant	
Civil – Tanks, Building, Pipework, Metalwork	60-80
Electrical Services	10-30
Pumps and Motors	10-25

11.3 Stormwater

ASSET GROUP	USEFUL LIFE (YEARS)
Channels	60
Inlets and outlets	80
Pipes (Gravity)	
Asbestos Cement	60
Earthenware, PVC, MDPE	80
Reinforced Concrete/RCRRJ	80

Novaflo	50
Manholes	80
Soakage Trench	40-80

11.4 Rooding

ASSET GROUP	USEFUL LIFE (YEARS)
Roads	
Basecourse	20 – 100
Subbase and Subgrade	Not depreciated
Chipseal Surface	6 – 20
Asphalt Surface	5 – 30
Concrete Roads	50 - 100
Interlocking Blocks	30 - 50
Footpaths/cycleways	
Tactiles	5
Asphalt and Timber	15 - 30
Metal	5 - 30
Interlocking Blocks	50 - 100
Concrete	50 - 100
Bridges	
Steel and Concrete Bridges	80 – 150
Concrete Culvert	80
Armco Culvert	40
Other Culverts	60
Minor Structures	
Bus shelters and Fences	20
Underpasses	80 - 120
Guardrail and Railing	20 – 25
Retaining Walls	
Block wall, cantilever, crib wall, rock	100
Post and Rail, Sheet Pile	50
Drainage – Kerb and Channel, Swales and Drains	60 – 80

Electronic Signs	10
Other Signs	15
Street Lights	
Pole and Bracket	25
Light – LED	50
Light – non-LED	25
Street Furniture	
Bins	10 - 15
Seats and Public Information sign	20
Bollards	25
Cycle Stand	20 – 30
Concrete Block	100
Islands	
Raised Platform – Infilled	60 - 80
All Others	35
Carparks	
Basecourse	20 – 100
Subbase and Subgrade	Not depreciated
Surface	10 – 20
Concrete	60 - 100
Parking Equipment	15

11.5 Property

ASSET GROUP	USEFUL LIFE (YEARS)
External Fabric	
External Walls	15– 75
Roof	15– 75
Windows and Doors	15– 50
External Work	5 – 75
Internal Finishes	
Ceiling	15 – 75
Fittings and Fixtures	3 – 50

Floor	7 – 75
Interior Doors	10 – 50
Interior Walls	15 – 50
Wall Finishes	15 - 50
Services	
Electrical	5 – 45
Fire Services	15 - 50
Lifts/ Hoists	25 – 40
Mechanical	10 – 75
Sanitary Plumbing	5 – 50
Special Services	5 – 25
Structural	
Floor	50 - 120
Residual – Heritage Buildings	100 – 200
Residual – Other Buildings	25– 100
Roof	50– 100
Walls	50- 100

Irrigation Systems	10 – 30
Lights	15 - 25
Landscapes	Not Depreciated
Monuments	100
Playground Equipment	25 – 70
Plaques	50 – 80
Paths	10 – 50
Roads	10 – 50
River Structures	10 – 50
Security System	10
Sportsfields	7 – 100
Signs	10 – 30
Structures	8 – 100
Stormwater	15 – 80
Turf Drainage	5 – 25
Water Features	10 – 50
Walls	5 - 100
Youth Facility Equipment	10 - 30

11.6 Green Spaces

ASSET GROUP	USEFUL LIFE (YEARS)
Artwork	20 – 50
Carparks	10 – 40
Cemetery Burial and Ash Lawn	100
Crematorium Equipment	10 – 30
Electrical	10 – 45
Entry Points	10 – 50
Fences	10 – 100
Furniture	20 – 50
Gates	10 – 50
Gardens	5 – 15
Hardscapes	25 – 70

11.7 Waste and Recycling

ASSET GROUP	USEFUL LIFE (YEARS)
Amberley Transfer Station	
Electric gates	10 – 15
Fencing surrounding the site	15 – 25
CCTV cameras x 9, computer and software	3 – 15
Sewerage pump and alarm system	10 – 20
Sealed driveway areas and rear bin pad	15 – 25
Weighbridge and Portacom	
Weighbridge office	30 – 50
Public weighbridge and display panel	10 – 20

Remote controlled barrier arms x 2	10 -20
Portacom	25 – 25
Concrete Pads and Retaining Walls	
Cleanfill concrete pad and retaining walls	30 – 50
Pit Area	
Transfer station building – one side open	30 - 50
Retaining wall – pit area	30 - 50
Concrete floor	15 – 50
Wall – between pit area and compactor	15 – 50
Scarlett's compactor and remote-control unit	5 – 10
Under-bin weighbridge and display panel	10 – 20
Recycling, Hook Bins and Storage Containers	
Compactor bins	5 – 15
Hook bins	8 – 12
Dry waste recycling containers	10 -15
Cheviot Transfer Station	
Sealed driveway	5 – 10
Sealed transfer station site	5 -10
24/7 glass recycling bin and 4 x 240 litre bins	10 -15
24/7 recycling bin concrete pad	20 – 30
Fencing and gate	10 – 20
Compactor concrete pad	15 – 25
Compactor retaining wall	5 -10
Dry waste recycling concrete pad	15 – 25
Agrecovery bin - corner concrete pads x 4	15 – 25
Culverden Transfer Station	
Sealed transfer station site	15 – 25
Closed shed on concrete pad	30 - 50
Open bay shed	15 - 50
Compactor concrete pad	20 - 30
Compactor and glass bin retaining wall	20 - 50
Glass bin concrete pad	20 - 30
Dry waste recycling concrete pad	20 – 30

Hanmer Springs Transfer Station	
Fencing and gates x 2	10 – 20
Wooden open-ended shed	5 – 10
Scarlett's compactor on concrete pad	0 – 5
Retaining wall adjacent to the compactor	15 – 25
Under-bin weighbridge	0 – 10
Control tower and display panel	3 - 15
Remote cameras x 2; wooden and metal post	3 – 15
Glass and dry waste concrete pad – upper level	20 -30
Scrap metal concrete pad	15 - 30
Waiau Transfer Station	
Sealed transfer station site	15 - 25
Closed shed on concrete pad	30 - 50
Open shed on concrete pad	30 - 50
24/7 recycling bin concrete pad	15 - 30
Fencing and two gates	10 – 20
Glass bin concrete pad	20 -30
Dry waste recycling concrete pad	20 -30
Concrete pad drop off area on upper level	20 -30
Agrecovery bin 4 x concrete corner pads	15 - 25
Street and Township Bins	
Street litter bins	5 - 10
Township recycling bins	10 -12
Big belly solar waste compactor street bins	7 – 10

11.8 Information Services

ASSET GROUP	USEFUL LIFE (YEARS)
Libraries	
Lending Collection	3 - 8
Heritage Collection	Held in perpetuity

12 Renewals and replacements

12.1 Roding

For sealed pavements, renewal treatments such as pavement rehabilitation and resurfacing are programmed and carried out as a yearly planned activity, subject to affordability. Rehabilitation includes reconstruction or renovation of existing pavements. The balance of work is maintenance and when maintenance costs get high this may trigger renewal.

Over the past five years, the chipseal average annual achievement has been 33km per annum, which is equivalent to a 19-year renewal cycle. If this level of renewal were to continue, this would result in a generally increasing age of the top surface. It is possible to maintain the current levels of surface age distribution (including average age and age-based backlog) at a renewal rate of around 40km per annum.

During 2023, the Council sought subsidies from Waka Kotahi which would enable sealed surface renewals at a rate of 38km per annum and rehabilitation of road pavements at a rate of 2.3km per annum. Unfortunately, the lower than expected level of funding advised in June 2024 for the period 2024-2027 means that it will not be possible to achieve this level of renewals. Additional work is underway regarding the most efficient and effective allocation of the approved funding.

In the context of unsealed roads, in recent years, funding constraints have meant that the rate of re-metalling has equated to 6mm per annum. However, roads lose between 10 and 15mm per annum due to traffic and environmental factors. Limited Waka Kotahi subsidy funding means that it is not expected that this level of metalling will be achieved in the next three years. It is currently anticipated that the rate of metalling will be between around 22-28,000m³ per annum over the period 2024/25 to 2026/27 compared with the ideal of around 52,000m³ per

annum. The Council will continue to seek additional funding whenever possible.

A large number of bridge and large culvert structures are nearing end of life (23% in the next 30 years). Funding considerations mean that it is unlikely it will be possible to renew all of these structures based on age. Accordingly, some bridges are likely to be kept in service for longer than may be desired to maintain current or future levels of service for road users. This may be achieved through increased maintenance or by establishment of load restrictions for bridges. To ensure safety, general inspections are carried out by the roading contractor annually, and external bridging engineers review the bridging stock triennially.

The condition of footpaths is assessed by an external consultant approximately biannually. Concrete is used for all footpath renewals.

Roding drainage maintenance and drainage renewal work is based on the available budget. Culverts are inspected biannually for condition and this information informs the renewal programme.

Most roading, footpath and drainage renewals are carried out as part of the Road Maintenance and Renewals Contract. Exceptions include:

- The Council's Programme Management Office provides designs for reseal rehabilitation activities.
- Packages of bridge renewal works are tendered approximately annually.
- Routine street light maintenance and renewal work is carried out as part of a combined delivery contract with Waimakariri District Council and Waka Kotahi.

12.2 Water and wastewater

High criticality assets and very high criticality assets are renewed based on age, condition and performance. For some assets, availability of standby plant and risk are also taken into account. These assets are considered for renewal when:

- They near the end of their expected installed life (which may vary up or down from manufacturer's design life, depending in part on local environmental factors).
- They can no longer provide the required hydraulic performance or level of service.
- The cost of maintenance becomes uneconomic and the whole-of-life costs are less to renew the asset than keep up maintenance.
- The risk of failure of critical assets is unacceptable.

Medium, low and very low criticality assets are renewed based on condition and performance.

Condition of above ground assets, including pumps, pressure control devices and filtration and treatment devices, is assessed during routine maintenance. There is an inspection programme in place for reservoirs, with safety a key consideration.

For buried pipe stock, condition assessment is impractical and expensive. Hence, breakage data is used as an indication of poor condition. In addition, limited condition assessments are carried out at the time of repairs to underground pipes. If the failure is determined to be pipe material related and is likely to be extensive, a decision may be made to replace the section of pipe rather than make a repair.



As a general rule, when mains are replaced, any point assets on the main (such as such as manholes, valves, hydrants and manifolds) are replaced at the same time. However, where valves can be accessed reasonably easily, they are run to failure (or shortly prior).

12.3 Stormwater (excluding roading stormwater assets which are managed as part of roading)

Creeks, open drains, and the majority of open channels are maintained in perpetuity.

For other assets, where practicable, condition inspections are currently undertaken by Council staff during or following large rainfall events. During the inspections, the cause of flooding, e.g. blockage, asset failure or under- capacity of the stormwater system is assessed.

To identify pipe failures and to assess the need for renewals, it is necessary to clean and film some pipes. The Council is moving towards developing an in-house CCTV programme to enable condition assessments to occur in a systematic manner.



12.4 Property

Over the past year, condition assessments have been carried out for around 50% of Council buildings. Maintenance and renewal programmes have been developed out for many of these buildings. At this time, condition assessments are yet to be carried out for approximately 100 buildings.

For the following property assets, it is planned that scheduled maintenance, renewals and replacements will be undertaken in accordance with the maintenance plan, with reactive maintenance occurring as needed:

- Offices
- Medical centres
- Social housing
- Residential housing
- Commercial premises
- Halls and pavilions
- Amberley swimming pool (It is hoped to develop maintenance plans for Waiau and Rotherham pools in conjunction with the community).

At this time, there are no specific renewal and replacement programmes in place for:

- Three waters depots (many in poor condition)
- Public toilets
- Reserves.

Once condition assessments have been carried out for the remaining community buildings, it is planned to develop a maintenance and renewal programme for the remaining buildings also.

Because the recent condition assessments have identified a large number of matters to be rectified, due to affordability, it is expected that the introduction of

the scheduled maintenance and renewal programme will take some time to be rolled out in full.

It is also expected that the deeper understanding of property assets which has been obtained, both through community engagement and through the condition assessments, is likely to result in the rationalisation of some property assets at a future date. Ensuring all property assets are safe, watertight and fit for purpose requires significant resources, and some buildings are only used infrequently. However, it is too early to know how many or which properties might be affected.

12.5 Green Spaces

Currently, there is no scheduled renewal programme in place for Green Space assets. Renewals are currently undertaken on the following basis:

Cemeteries

- Gazebos are replaced when they fail.
- Seating and signage are replaced when they fail and when uneconomic to repair.

Parks, Reserves and Township Amenity Areas

- Any items within parks and reserves and any township amenity areas requiring renewal (for example seats, water fountains, rubbish bins) are determined by the relevant community committee through the annual planning process (for amenity reserves) or by the Council (for District reserves), following a recommendation from the community committee.
- The Reserves Management Plan directs that high maintenance gardens that fall into a state of neglect are replaced by low maintenance native gardens or returned to grass.

Playgrounds

- Renewals of playground equipment are undertaken on an ad hoc basis when identified through playground audits. However, playground equipment is not necessarily replaced with like for like, and where an item requires replacing a decision would be made about whether to replace it with the same item or replace it with different item. The Reserves Management Plan directs that any playground equipment renewal must meet the standards specified.
- The Reserves Management Plan includes criteria for determining priority for replacement of playground equipment.

The development of a renewal plan for parks and reserves for all assets located within these areas, including park benches, fitness equipment, barbecues, shade sails and sports equipment is included in the Green Spaces Improvement Plan.

12.6 Waste and Recycling

In general, renewals are undertaken based on condition assessments, rather than age, although age may be taken into consideration. It is important to monitor condition frequently as the handling of waste and recycling products is hard on assets. Safety is a key consideration.

Where practicable and safe to do so, planned renewal works at transfer stations are avoided between September and April, as this is the period of highest usage for the transfer stations. Likewise, where possible, renewal activities are carried out on days the transfer stations are closed in order to avoid service disruptions and/or to minimise any risk to customers.

Having due regard for these considerations, unplanned renewal works are undertaken as and when required.

12.7 Information Services

There is no formal renewal and replacement plan for library assets other than for buildings at this time. It is proposed to establish a plan for renewal of library furniture and fittings at a later date.

The budget for acquisition of furniture and fittings is based on historical expenditure. At present, replacements occur where an asset fails or where a need arises for which there is sufficient budget.

13 Growth in services reliant on infrastructure assets

Population growth rates are highly variable within the district. Based on historic growth and other information, it is currently projected that the populations of the larger urban areas will continue to grow. Between 2024 and 2034, it is anticipated that the population of Amberley will grow by around 36% and that of Hanmer Springs will grow by 27%.

13.1 Roothing

In the context of roading, growth takes a number of forms. Depending on where growth occurs and the nature of the associated increase in the population, growth in the population is likely to lead to an increase in vehicle movements in some parts of the district. Growth in freight transport associated with changes in land use may increase pressure for bridge renewals as a means of avoiding bridge weight restrictions. Forestry trucking is recognised as contributing to wear and tear on roads, particularly in connection with harvesting.

In connection with roading, planning for growth recognises that:

- Development in the existing urban areas will largely be serviced through the current network.
- New developments may result in the need for capacity and safety improvements to existing arterial/collector roads.
- New residential development may result in additional roading assets vesting in Council which will require maintenance and renewal at a future date.
- Due to affordability, it has not been possible to provide for major bridge renewals in the Long Term Plan 2024-2034. However, the Council will continue to advocate for support for key projects.

13.2 Water

Infrastructure that is required to provide for growth is determined by analysing a combination of:

- Population and demographic projections
- Anticipated changes in land use
- Hydrological modelling of growth impacts
- Monitoring of existing infrastructure, particularly during times of peak pressure on infrastructure such as heavy rainfall and holiday periods
- Legislation and other regulations and standards.

Key water infrastructure projects that are anticipated to provide for growth include:

- Network extensions for new developments
- Investigations and development of new/supplementary water sources
- Renewals and other activities which contribute to leak reduction help reduce the growth related demand for supplementary water sources
- Growth related upgrades of water treatment plants
- New reservoirs to support growth or changing needs
- Specific network capacity improvements within the localised pipe network
- Integration of new vested infrastructure into Council network
- Associated consenting.

13.3 Wastewater

Depending on location, wastewater assets from new developments will be added to the existing reticulated network and treated at existing wastewater treatment plants.

Key wastewater infrastructure developments associated with growth include:

- Enhancing/increasing wastewater treatment capacity - It is planned to construct a Sequencing Biological Reactor (SBR) at the Amberley Wastewater Treatment Plant, and to introduce Advanced Microbial Digestion (AMD) for sludge management in other locations. These technologies will significantly reduce sludge build up in wastewater treatment ponds, helping to maintain/maximise the capacity of the ponds and avoiding the need for additional/larger ponds in the near future. Capacity will continue to be monitored alongside growth.
- Infrastructure activities which reduce stormwater infiltration and inflow help reduce the need for additional wastewater treatment facilities arising from growth
- In the short term it is expected that the Council will continue to meet the cost of the first 20m of reticulation for new connections. However, this approach may be reviewed during the planning period.
- New residential development may result in additional wastewater assets vesting in the Council which will require maintenance and renewal at a future date.
- In some cases, it may be necessary to seek variations to resource consents to reflect increases in wastewater discharges arising from growth. Consent conditions could give rise to a need for further infrastructure development.

13.4 Stormwater (excluding roading)

The extent to which growth impacts stormwater infrastructure depends on the nature and location of growth. Some new dwellings have limited impact on stormwater volumes due to a requirement to dispose of stormwater on site. However, some impacts of growth on stormwater infrastructure include:

- Where stormwater assets in a new subdivision vest in the Council, there is usually a requirement for ongoing maintenance/renewal. A common

scenario is the vesting of stormwater retention ponds, which may require mowing and other maintenance.

- Some customers moving into the district may have expectations of higher levels of service than are currently provided. For example, the specified level of service for flooding is that there will be no flooding of habitable floors. Another expectation is that there is no erosion or damage to infrastructure assets caused by flooding. However, some residents are concerned by surface flooding which does not cause flooding of habitable floors or other damage. Communication about levels of service is particularly important for stormwater due to differing expectations.
- Consent conditions may require the Council to treat contaminated stormwater. For example, it may be necessary to acquire land for use in filtration.

Key stormwater infrastructure related activities which assist in mitigating the effects of growth include:

- Ongoing modelling to assess impacts of growth
- Sampling of storm water discharges to water courses and establishing treatment as required.

13.5 Property

Spatial planning to support growth is underway in respect of the South Ward. It is likely that the Council will acquire additional properties as development progresses, either directly or through the vesting of assets.

The recent acquisition of the Queen Mary South site in Hanmer Springs will enable additional residential and commercial development in Hanmer Springs, while also supporting enhanced recreational facilities (including a new sports pavilion) which is expected to replace the ageing facility at the Hanmer Springs Sports Reserve.

Community buildings are funded by the communities they serve. In some locations, there may be more buildings than may needed and/or are affordable for the community. In others, some properties may no longer be fit for purpose. In some cases, growth may mean that additional or different properties may be needed.

The Council is proposing to review all Council properties and to develop a plan for the way forward to ensure that the right facilities are in the right places and fit for purpose. At the time of writing, the following related activities are underway:

- An external review of community buildings (particularly halls) in Hurunui and Cheviot has commenced.
- The Council has drafted a Reserves Management Plan and will be consulting the community regarding the Plan in the near future.

The review of Council properties may result in proposals for acquisitions and/or disposals being included in future Infrastructure Strategies and Long Term Plans. However, it is too soon to know what might be needed, and hence this activity is not provided for in this Infrastructure Strategy.

The Council is currently supporting the Hurunui Community Development Trust to increase the social housing stock in Waiau through a loan to the Trust, which was funded by Department of Internal Affairs Better Off Funding.

13.6 Greenspaces

All but one of the Council managed cemeteries has sufficient capacity to meet expected growth over the next 30 years. The Balcairn cemetery is expected to reach capacity during the planning period and provision has been made in the Long Term Plan 2024-2034 for the acquisition of additional land for this purpose.

Increased diversity associated with growth in the Hurunui District community may result in the demand for additional facilities in cemeteries, such as a preference for cemeteries to have access to running water for tangis, or facilities associated with a range of different religions. The Council will continue to monitor community needs and preferences.

The South Ward spatial planning referred to above may result in additional Council reserves to support anticipated growth in that area.

The review of Council properties referred to above may result in some Council reserves being disposed of or repurposed. The Council is mindful of the need to follow due process, including adhering to statutory provisions and engaging with communities as per the Significance and Engagement Policy.

13.7 Waste and Recycling

When estimating the future volumes of waste and diverted materials, the following assumptions have been made:

- Waste and recycling quantities continue to grow in line with population growth, but providing markets exist at an affordable rate and there is community support, the Council will endeavour to increase recycling and decrease waste to landfill
- Kerbside collection services are provided to all townships and rural residents using drop off points
- The Council will comply with legal requirements regarding kerbside collection, which at this time is expected to include mandatory separate collection of glass and food scraps in Amberley.

The development of new subdivisions and/or expansion of township boundaries may result in the expansion of the areas covered by the kerbside collection service and a corresponding increase in waste volumes. This has flow-on impacts for transfer stations. Depending on waste volumes, one option is the acquisition of additional land for transfer station use.

Capital works to increase recycling and reduce waste to landfill assist in offsetting the impacts of growth on waste volumes sent to land fill. For example, capital works which enable separate drop-off of scrap metal, green waste and recycling products at the Hanmer Springs transfer station are likely to reduce waste to landfill.

13.8 Information Services

Notwithstanding the growth in the use of online services for accessing customer information and library materials, there is ongoing demand for in person services. In person library services (including meeting spaces) are particularly important to older residents and young people.

It has previously been identified that growth in the South Ward would increase the demand for additional space at the district library in Amberley. It is proposed to extend/develop the library in 2033/34. The additional space would enable a broader range of materials to be held, as well as providing for more meeting space for community groups and space for reading and studying.

14 Increases or decreases in levels of service

The Council's Long Term Plan is the key mechanism for the review and modification of planned levels of service provided through infrastructure assets.

Where a proposed change is material and there are options available, it is consulted on as part of the Long Term Planning process. In many cases levels of service are mandated by legislation, regulation or consent conditions. Wherever possible, the Council will modify its infrastructure and/or services to comply with regulatory obligations. If there are options as to how it will do so which have material implications affecting communities, the Council may seek community input.

14.1 Roding

In general, residents should be able to expect:

- The network will be safe to use
- Roads are fit for purpose
- The operation of the roading network will not harm the environment or public health
- The network will support the efficient movement of freight
- That customers can access business, shopping and tourism destinations
- The network to be kept in good operating condition
- Changes to the climate will not adversely affect the network.

Key issues relating to roading levels of service include that:

- An increase in the length of reseals and area of re-metalling is necessary if the current levels of service for sealed and unsealed roads is to be retained over the long term. The level of Waka Kotahi funding approved for the 2024-2027 period means that the Council will not be able to achieve the desired length of reseals and metalling and hence it is likely that there will

be continued deterioration in some parts of the roading network. The Council has planned to increase rates income for roading activities in 2025/26, which will partly mitigate the impacts of the lower than expected external funding.

- A number of bridges are likely to require renewal or major maintenance during the planning period. In the absence of external funding, bridge renewals are likely to be unaffordable. If renew is delayed, then a possible outcome would be the establishment of weight restrictions on bridges, a decrease in level of service for some network users.
- Expectations of some customers regarding levels of service, particularly for the sealing and resealing of roads and the re- metalling of roads, exceed levels of service currently being provided.

In addition concerns regarding external funding over the 2024-2027 period, there will be ongoing uncertainty about future roading subsidy levels throughout the 30 year planning period.

14.2 Water Services

In general, customers of Council-owned water infrastructure can expect:

- Water that is safe to drink
- The water network is well maintained
- The water supply is managed so that demand does not outstrip the available capacity
- A timely response if there is a problem with the water supply
- The Council complies with regulatory requirements and consent conditions.

Many of the Council's targeted levels of service for water reflect regulatory obligations. Required/agreed levels of service and risks to achieving those levels of service drive many infrastructure developments.

Over the planning period, it is expected that water infrastructure development and renewals will be impacted by Te Mana o te Wai and the incoming National Engineering Design Standards.

In recent years, there have been increases in the levels of service relating to protozoa protection for all but one water scheme (which will be protected in 2024/25). There has been significant investment in the infrastructure required to achieve this protection, and it is expected that the associated renewal programme carried out over the next 30 years will also be significant.

At present, there is no regulatory obligation to provide viral protection for water supplies. Accordingly, options for viral protection have not been investigated. If viral protection becomes mandatory, then investigation would be considered.

It is planned that there will be an enhancement to the aesthetic qualities of water for Amberley and Leithfield during 2024/25 as a result of the establishment of two water softening plants. This reflects community preferences.

At one stage, it was anticipated that there would be a regulatory requirement to introduce fluoridation of Council water supplies. To date, this has not eventuated, and it is assumed that fluoridation of water supplies will not occur during the planning period for this Infrastructure Strategy.

Across the life of this Infrastructure Strategy, a key risk to maintaining planned levels of service is access to sufficient quantities of water in some locations. Hence it is planned that there will be further investment in new/enhanced water supplies. In addition, timely renewals and other activities which will help minimise water leaks will assist with achieving planned levels of service regarding water quantity.

The Council manages water supplies in accordance with water safety plans.

The Council's levels of service performance measures for water services reflect the Department of Internal Affairs mandatory performance measures.

14.3 Wastewater

In general, customers of Council-owned wastewater infrastructure can expect:

- The wastewater system is adequately designed and maintained
- The wastewater system to be managed in a way that does not unduly impact on the environment
- A timely response if there is a problem with wastewater system
- The Council will comply with regulatory requirements and consent conditions.

During the planning period, it is expected that the following matters will impact wastewater infrastructure development and renewals:

- Over the planning period, it is expected that wastewater infrastructure development and renewals will be impacted by Te Mana o te Wai and the incoming National Engineering Design Standards.
- In some locations there is discharge of treated wastewater to waterways. On the expiry of current consents, it is expected that the Council will be required to implement solutions involving the discharge of treated wastewater to land. Over the Long Term Planning period, new resource consents will be required for Hawarden, Waikari, Cheviot, Motunau and Greta Valley. In some locations, the expected solution may include the purchase of land.
- To reduce the area of land required for discharge of treated wastewater, reducing the level of stormwater inflow and inundation will be a priority.
- The acquisition of generators for potential use in wastewater treatment plants will support continuity of service.

Some property owners in some urban areas (Culverden, Rotherham, Waiau, Waipara, Scargill) have been unable to renew their septic tank resource consents. One option would be for the Council to investigate the development of reticulated wastewater networks in these locations. However, given the small

populations and the probable significant cost involved, these are not included in the plan at this time.

Again, the Council's levels of service performance measures for water services reflect the Department of Internal Affairs mandatory performance measures.

14.4 Stormwater

Council works on growth and development of its network to manage a 2% AEP or 1 in 50 year event. The community can continue to expect:

- The stormwater system to be adequately designed and managed
- The stormwater system to be managed in a way that does not unduly impact on the environment

Over the planning period, it is expected that stormwater infrastructure development and renewals will be impacted by Te Mana o te Wai and the incoming National Engineering Design Standards.

As with water and wastewater, the Council's levels of service performance measures for water services reflect the Department of Internal Affairs mandatory performance measures.

During the long term planning period, capital expenditure which will support the maintenance of current levels of service includes:

- Renewal of stormwater pipes
- Any capital works required to comply with the new global discharge consent
- Renewal of soil in stormwater filtration ponds
- Stabilisation of parts of the banks of open stormwater drains in urban areas.

14.5 Property

The Council seeks to ensure its properties are safe, fit for purpose and compliant with statutory requirements.

There are regular audits and inspections of public toilets and playgrounds to ensure that they meet public health requirements. Where required, the Council ensures that public buildings have a Warrant of Fitness. Some buildings are managed/monitored by local community groups, which helps ensure that expected levels of service are met.

A recent condition assessment of many Council properties has been used to develop a maintenance plan. However, due to affordability considerations, this will be staged in.

The proposed review and rationalisation of community buildings is likely to contribute to more consistent levels of service.

Some specific capital expenditure items over the period of the Long Term Plan 2024-2034 include:

- Renewal of some camping ground facilities, e.g. kitchens, ablution blocks
- Significant repairs to some commercial buildings which are currently in poor condition
- Repainting and internal renovation of social and residential housing and Council owned medical centres
- Internal and external repainting of halls, and in some cases, renovation of kitchens and/or bathrooms.

14.6 Green Spaces

In general, residents will continue to be able to expect:

- A network of parks for recreation and green space
- A distributed network of safe playgrounds
- Sports fields that are well-maintained and fit for purpose
- Public toilets which are safe, appropriately maintained and well located
- Cemeteries with sufficient capacity for the interment of the remains of those who wish to be interred there and where visitors can feel safe and able to reflect.

There are various capital works expected to help maintain current levels of service, such as:

- Landscaping and maintenance of reserves
- Playground equipment renewals
- Maintenance of sports facilities
- Renewal/upgrading of gazebos in cemeteries.

The development of the Queen Mary South in Hanmer Springs is expected to include the development of a new sports ground and pavilion to replace the ageing facility at the Hanmer Springs Sports Reserve at Jacks Pass Road.

There has been community interest in the development of a sports pavilion in Hawarden. This is not included in the Long Term Plan 2024-2034 at this time, pending the outcome of the review of hall facilities in the Hawarden/Waikari/Scargill area.

There is community interest in the development of a dog park in Leithfield. This development is included in the draft Long Term Plan 2024-2034.

14.7 Waste Management and Recycling

In general, residents will continue to be able to expect:

- Waste management activities will not give rise to public health risks
- There will be regular kerbside collection of household waste in designated urban areas
- There will be collection points for household waste in rural areas
- It will be possible to take household and commercial waste to transfer stations at specified hours
- Where practicable, waste will be diverted from landfill in an efficient, reliable and safe manner
- Efforts are made to maximise the economic benefits from recycling
- The provision of Council owned litter bins in designated locations (primarily townships and areas with large numbers of visitors) will help maintain amenity values
- The management of closed landfills will minimise the risks of environmental harm.

Infrastructure related activities which will support maintenance of current levels of service include:

- Timely renewal of transfer station assets, e.g. hook bins
- Capital expenditure to promote the safe and effective aftercare of closed landfills.

As a result of regulatory change, it is expected that, from 1 January 2027, the Council will be required to provide a separate glass recycling service and a separate food scrap collection service in Amberley. The details regarding the new services, including any associated transfer station requirements, are still being investigated. However, it is currently expected that the Ministry for the Environment will provide/fund crates for the glass collection and caddies for the

food scrap collection. It is expected that the food scraps will be sent to a processor outside the district. It is likely that the collection vehicle will be provided by a contractor as part of the terms of a contract. It is proposed that any other costs, primarily collection, will be funded by a new targeted rate(s).

The Council is proposing to carry out a feasibility study into options for providing a wheelie bin service in some locations. The feasibility study will take into consideration the new mandatory requirements referred to above. It is anticipated that a wheelie bin service would involve significant additional costs and there would be a need for community consultation prior to implementing a wheelie bin service.

14.8 Information Services

Customers expect Information Services activities to provide:

- An efficient, effective, accurate and timely service
- Easily accessible information
- Education and empowerment opportunities
- Opportunities for community connectedness.

To maintain the current level of service, it is necessary to undertake ongoing renewals of library materials (online and physical) and renewal of buildings and furniture and fittings.

15 Maintaining and improving public health and mitigating adverse environmental outcomes

Some key mechanisms for maintaining and improving public health and mitigating adverse environmental outcomes are listed below. Additional information is contained in the Activity Management Plans.

15.1 Roding

Public Health:

- Taking road safety, including diversity of use, into account when designing and implementing roading infrastructure
- Establishing appropriate speed limits which recognise regulatory obligations and, where practical, take into consideration community preferences
- Establishing road slowing devices in relevant locations
- Road safety education
- Ensuring that any work in the roading corridor is carried out with appropriate traffic management measures in place
- Supporting measures to address overgrowth of vegetation which is likely to impact road safety
- Through the Community programme, the Council assists some young people seeking to obtain a drivers' licence

Environmental Outcomes:

- The Council is aware of community concerns regarding the public health effects of dust associated with the use of unsealed roads. It considers this

in setting speed limits for these roads. While rare, there is a mechanism for community members to seek approval for dust mitigation measures.

- Roding contributes to the contamination of stormwater. Accordingly, the Council monitors stormwater in identified urban areas.

15.2 Water services

Public Health:

- The Council has current water safety management plans in place for each water supply and seeks to implement these plans
- Ongoing monitoring of water supplies, including remote monitoring, e.g. free activated chlorine levels
- Ability to shut down most water supplies remotely in the event that something out of the ordinary is identified
- Standard operating procedures reduce the risk of contamination, e.g. process for cleaning the water tanker
- Fencing, locks and other mechanisms are used to secure and protect key assets, including water intakes and treatment sheds
- Addressing water leaks promptly reduces the risk of contamination of water supplies
- There are procedures in place in the event that a risk to public health is identified, e.g. boil water notices, shutting down some water sources.

Environmental Outcomes:

- Water treatment chemicals are stored in secured locations
- Water treatment staff are trained in the use of chemicals

15.3 Wastewater

Public Health and Environmental Outcomes:

- Designing sewerage systems with regard for public health and environmental outcomes, including Te Mana o te Wai
- Modelling to ensure that systems and equipment are appropriately sized
- Activities to reduce inflow and inundation play a key role in reducing the risk of sewage overflows, e.g. CCTV camera work, raising manhole covers
- Where inflow and inundation are identified as an issue, mitigation measures are in place in significant rainfall events, e.g. use of sucker trucks at wet wells to prevent sewage overflows
- Regular sampling of treated water at wastewater treatment plants.

15.4 Stormwater

Public Health and Environmental Outcomes:

- Stormwater activities are managed to reduce/minimise the risk of flooding of habitable floors. This helps mitigate public health risks.
- Stormwater treatment and disposal varies between locations, e.g. use of wetlands. There is a need to investigate and where appropriate invest in alternative discharge solutions and obtain/renew resource consents for identified locations
- Alarms are in place for some sites to enable early identification of any issues requiring action
- Regular sampling of stormwater at entry and exit points to urban areas helps identify any contamination arising from urban activities and assists in assessing options for treatment
- Assessment and maintenance of open stormwater channels helps reduce the risk of flooding
- There are procedures in place for river mouth openings in severe rainfall events, which reduces the risk of flooding.

15.5 Property

Public Health:

- Ongoing inspection and maintenance of community buildings reduces the potential for unidentified hazards, e.g. blocked toilets, tripping hazards
- There are cleaning arrangements in place for some sites
- Community buildings have appropriate fire protection, e.g. alarms, fire extinguishers, exit signs
- Standard operating procedures are in place to reduce the risk of harm to the public arising from hazards such as contamination of pool water, drowning, and slipping on wet services
- Accidents, incidents and near misses are reviewed and appropriate mitigation measures are put in place to reduce the risk of similar incidents occurring in the future.

Environmental Outcomes:

- Where practicable and cost-effective, environmentally friendly products are used for this activity
- A recent building assessment has identified those sites where potentially hazardous materials have been used, e.g. asbestos, lead paint. Any works at these sites will be carried out in a way which minimises associated risks, and ideally minimises or eliminates the risk for the future.

15.6 Green Spaces

Public Health:

- Cemeteries are one option for the safe disposal of human remains
- Signs at some green spaces help alert the public to potential hazards, e.g. hot water in the kitchens at camping grounds, warnings to watch for traffic
- Access to community facilities promotes connectedness, which contributes to mental health.

15.7 Waste Management and Minimisation

Public Health and Environmental Outcomes:

- The collection of waste in bags and the use of public litter bins reduces potential for access by vermin
- Transfer stations are managed with regard for both staff and public health and safety, including identification and signage of hazards, use of appropriate equipment
- There are standard operating procedures in place controlling the collection and disposal of any hazardous materials
- Transfer stations and closed landfills are managed in accordance with consent conditions and management plans
- In the event of any non-compliances, appropriate measures are taken to rectify them.

15.8 Information Services

Public Health:

- Access to public spaces at some libraries can promote connectedness, and enhance mental health and wellbeing
- Likewise, access to library resources can provide opportunities for learning and recreation which contribute to mental health and wellbeing
- Library buildings are managed with regard for public health and safety, e.g. clearly marked exit signs, and management of any identified hazards.

16 Resilience of Council infrastructure assets

Resilience relates to the ability to cope with and recover from adverse events. Adverse events may range from local events with limited short term effects to district-wide disasters causing widespread catastrophic damage to infrastructure. Examples of adverse effects affecting Council owned infrastructure include:

- * The 2016 Hurunui-Kaikoura earthquake which caused significant damage to buried water assets and some above ground assets, particularly in and around Waiau. There was significant damage to Council buildings, including the Scargill Hall which was subsequently demolished.
- * The Amberley floods in 2008 which caused damage to stormwater networks and some flooding of habitable floors, particularly at Amberley Beach. There was also associated damage to roading in the coastal area.
- * The November 2023 wind event which caused moderately long lasting power outages impacting water supplies across much of the district. It also resulted in damage to trees in green spaces and impacted transport routes.

Some strategies applied by the Council which promote resilience include:

16.1 Assessing the risk of significant damage to infrastructure from adverse events

- * Assessing infrastructure asset criticality in order to focus resilience activities where they are most needed and cost-effective
- * Identification of assets which might be at risk of adverse events. For example, in 2020, the Council commissioned a report by Jacobs New Zealand which assessed (amongst other things) whether Council infrastructure might be at risk due to the expected impacts of climate change

16.2 Reducing the risk of significant damage to infrastructure

Examples include:

- * Planning to ensure that new infrastructure development occurs in areas which are less susceptible to natural adverse events
- * Applying approved engineering design and construction standards when designing and establishing new infrastructure
- * Using appropriate materials in designing and constructing new infrastructure
- * Ensuring appropriate security for buildings and other sites, including community buildings, pump sheds, halls, libraries, pools, transfer stations and others, e.g. locks, alarms, CCTV cameras, and fencing
- * Assessing the need for drainage to protect roading assets and, developing a suitable drainage programme
- * Monitoring asset performance can assist in early identification of failing asset components, e.g. roading audits, remote monitoring of pump performance
- * Maintenance to prolong the life of infrastructure assets, e.g. timely resealing and re-metalling roads, timely re-painting of community buildings
- * Posting restrictions on bridges which might be at risk from heavy vehicles
- * Ensuring that those working on or around Council infrastructure are appropriately qualified and supervised, e.g. permits for road opening, tender processes, suitably qualified staff.

16.3 Infrastructure redundancy or alternatives

Examples include:

- * The use of standby pumps alongside the main pumps at critical water intakes

- * Holding spares of some items, particularly those required for the repair or replacement of critical assets
- * Having agreements in place with key suppliers to be able to access critical parts quickly if required
- * The availability of alternative roading routes
- * In some cases, in cases where infrastructure is damaged, some services may be provided in other ways, e.g. online library services.

16.4 Planning for adverse events

Examples include:

- * Engagement in Lifelines activities
- * Planning for adverse weather events, e.g. snow plan for Hanmer Springs roading, procedures for river mouth opening in the event of severe rainfall events
- * Making generators available at critical three waters sites (e.g. wastewater treatment ponds and water supply intakes) in the event of power outages
- * Having a water tanker available to provide short term emergency water in the event of an issue with a Council water supply
- * Planning for roading diversions
- * Ensuring sufficient capacity in cemeteries
- * Civil defence activities – both regionally and locally

16.5 Financial protection

Examples include:

- * Holding insurance where this is feasible and cost-effective
- * Identifying/establishing mechanisms for accessing additional funding in the event of major damage to Council infrastructure, e.g. additional NZTA Waka Kotahi subsidies

Appendix: Criticality Assessment

Audit New Zealand defines critical assets as “those assets with a high consequence of failure” and states “they are often found as part of a network, in which, for example, their failure would compromise the performance of the entire network”.

Roading

For the purpose of the Long Term Plan 2024-2034, it has been assumed that the most appropriate way to identify critical roads is to use the ONF primary collector roading classification structure applied by Waka Kotahi. Primary collector roads are “locally important roads that provide a primary distributor/collector function, linking significant local economic areas or population areas”.

These roads are critical because of the potential impact in the event of a catastrophic failure (for which the risk is generally very low other than in the event of a major natural hazard event). In some cases, catastrophic failure would mean not being able to access/leave some locations. In others, the cost of repair would be significant, such as due to the type or location of the road. Further there are instances where failure could mean a significant detour.

Primary collector roads are identified in the RAMM system. In some cases, only some sections of a road may meet the definition. Examples include some sections of the following roads: Inland Kaikoura Road, Gore Bay Road, Cathedral Road, Douglas Road, Amuri Avenue, Rotherham Road and others.

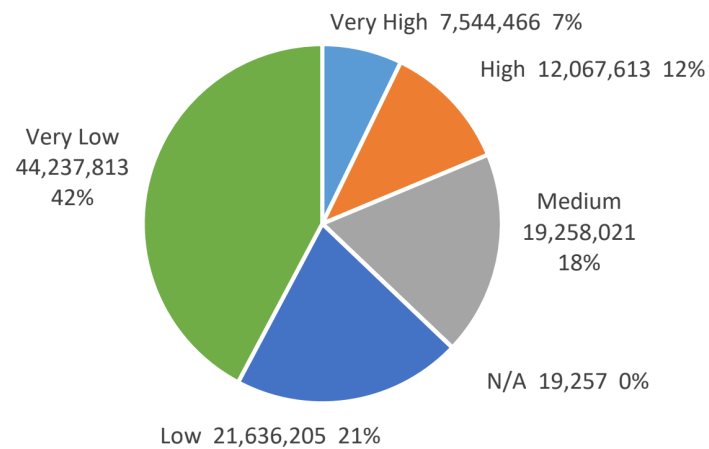
Water

Criticality assessment has been applied across all water pipeline assets, and will be applied across all water facility stock progressively in the next three years. In the meantime, assets (such as valves on pipes) have been assigned the same criticality score as the pipes downstream of the asset.

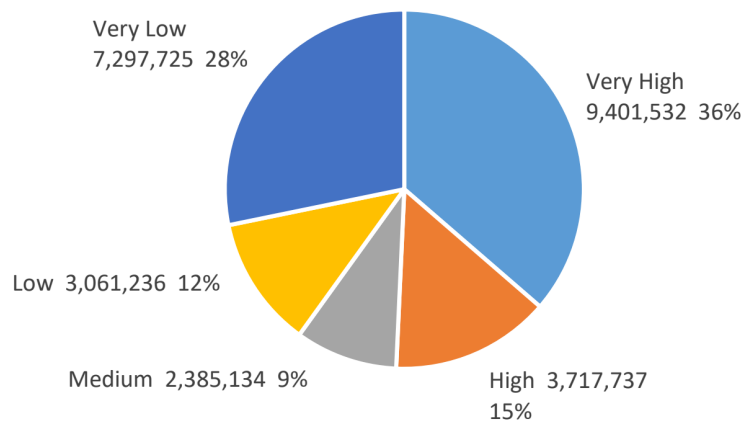
The factors taken into account in assessing the criticality of water assets are: number of connections, on demand storage, accessibility to the asset, number of water sources available and priority facilities. The location of the most critical line assets is shown below:

Line assets - length	High/very high criticality (m)	Total (m)	%
Amberley	22,055	58,313	37.8%
Amuri	2	75,001	0.0%
Ashley	48,031	698,917	6.9%
Balmoral	6	47,705	0.0%
Blythe	-	28,388	0.0%
Cheviot	12,142	201,491	6.0%
Culverden	2,400	11,878	20.2%
Hanmer Springs	13,071	60,395	21.6%
Hawarden-Waikari	15,020	76,959	19.5%
Hurunui 1	7,916	328,646	2.4%
Kaiwara	40	94,123	0.0%
Leithfield Beach	1,216	8,356	14.6%
Lower Waitohi	1,739	132,068	1.3%
Parnassus	-	71,207	0.0%
Peaks	3,004	30,838	9.7%
Upper Waitohi	55	154,452	0.0%
Waiau RWS	2,823	110,685	2.6%
Waiau Township	668	10,791	6.2%
Waikari Basin	3,026	8,122	37.3%
Waipara	1	7,723	0.0%
Total	133,214	2,216,057	6.0%

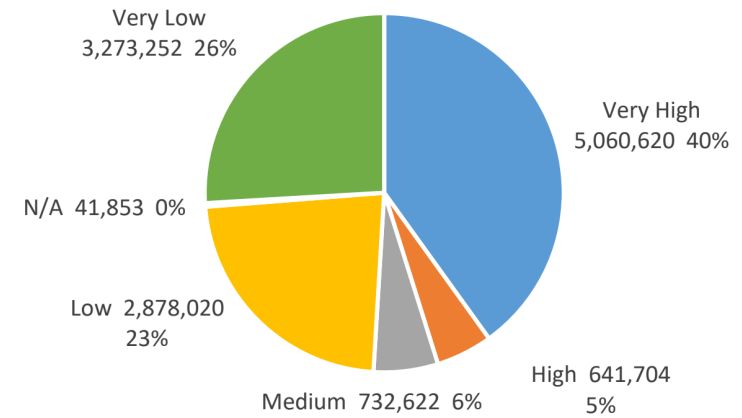
Water line criticality (replacement value \$)



Water Plant Criticality (\$)



Water point criticality



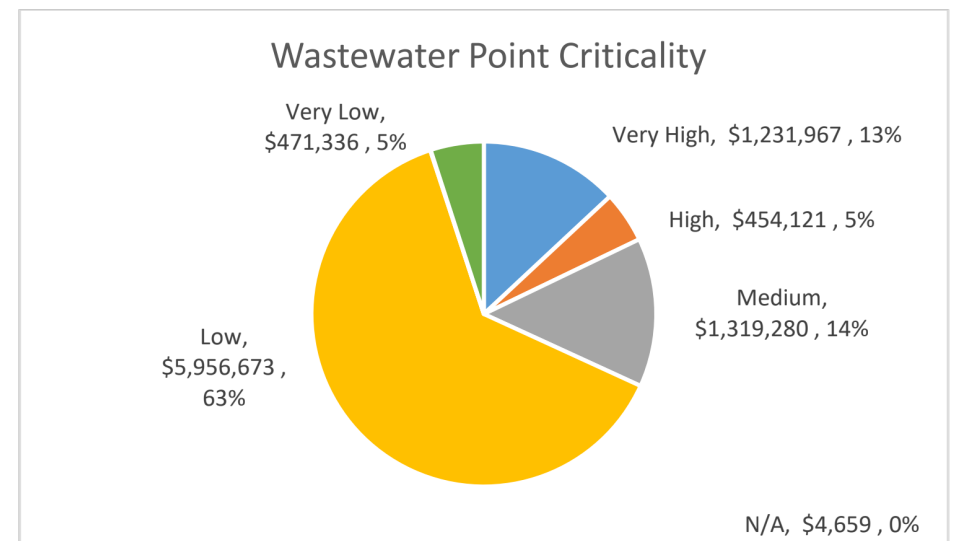
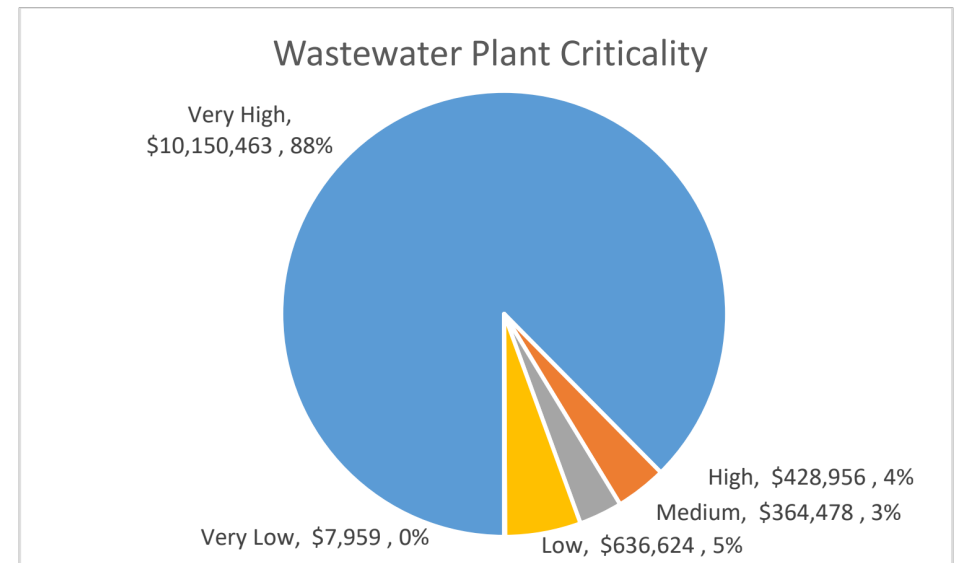
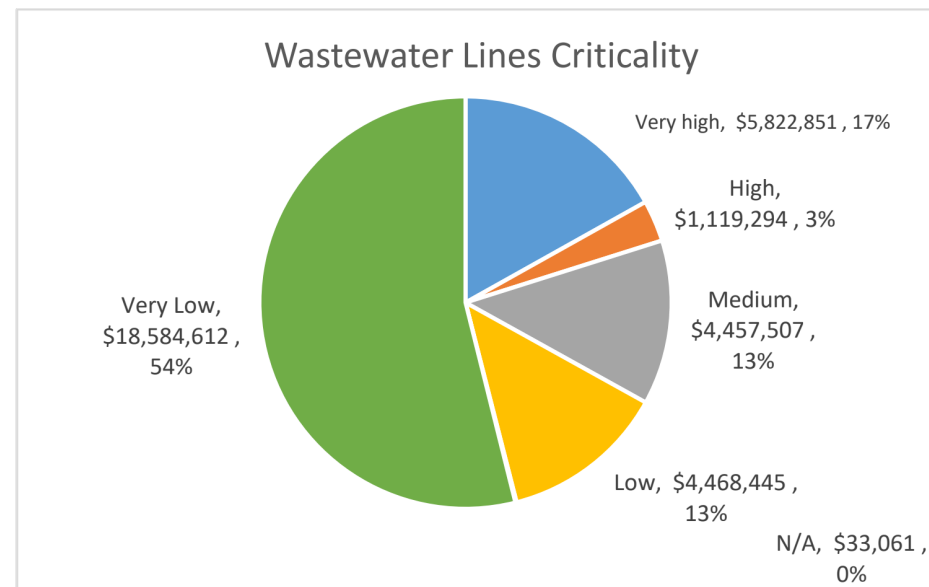
Wastewater

Criticality ratings for wastewater assets are based on ratings for each of the following: number of connections, gravity/pumped, accessibility to the asset and pan usage. The ratings for these factors are then aggregated to determine an overall criticality rating for that asset.

The location of the most critical line assets is shown below:

Line assets - length	High/Very high criticality (m)	Total length (m)	%
Amberley	7,732	61,252	13%
Cheviot	889	8,000	11%
Greta Valley	-	2,650	0%
Hanmer Springs	5,288	50,852	10%
Hawarden	6	4,881	0%
Leithfield Beach	-	8,342	0%
Motunau Beach	-	4,918	0%
Waikari	10	11,291	0%
Total	13,926	152,185	9%

The charts below show the value of the asset types based on the above rating system.



Stormwater

Further work is planned on the criteria for assessing the criticality of stormwater assets. In the absence of a formal rating system, it has been identified that key stormwater network points at this time include Dock Creek, Eastern Drain, Double Corner Road Culvert, the Leithfield Outfall Structure, Mimimoto Lagoon, and the SH7A culvert.

Property

The following factors have been taken into account in assessing the criticality of property assets: number of customers affected by asset failure, redundancy, health and safety, financial impacts of a failure.

The following asset classes have been assessed as being of high or very high criticality: Offices and service centres/libraries, medical centres, the aerodrome, social housing.

Green spaces

The most critical green spaces assets are the cemeteries as, while it is possible for interments to take place in other locations, this may have a significant impact on social wellbeing for some individuals. Also, any disturbance to existing plots could cause distress for some individuals.

Financial strategy



FINANCIAL STRATEGY

EXECUTIVE SUMMARY

The Hurunui District has had numerous challenges in terms of the November 2016 earthquakes, the effects of drought in various areas of the district, the potential downturn in tourism resulting from the Covid-19 pandemic, specifically affecting the financial performance of the Hanmer Springs Thermal Pools and Spa, and the need to upgrade water supplies to meet New Zealand Drinking Water Standards.

In the development of the 2015-25 Long-term Plan (LTP), the Council recognised the need to significantly upgrade the treatment of water to ensure that it will comply with drinking water standards. This required the Council to actively manage its debt levels to ensure that it retained enough headroom to be able to afford to carry out the work when required. This work is scheduled to be completed during the 2023-24 financial year and has been funded entirely by debt but, with rising interest rates since emerging from the post-pandemic period, this has increased the operating costs of supplying drinking water and, in turn, has forced rates to increase.

In setting the budget, the key is to ensure that the work is undertaken to meet the legislation but also to ensure that the current levels of service that the ratepayers of the district have enjoyed can be maintained. In some activities, it is desirable that the district wants to increase its levels of service to cater for increasing needs.

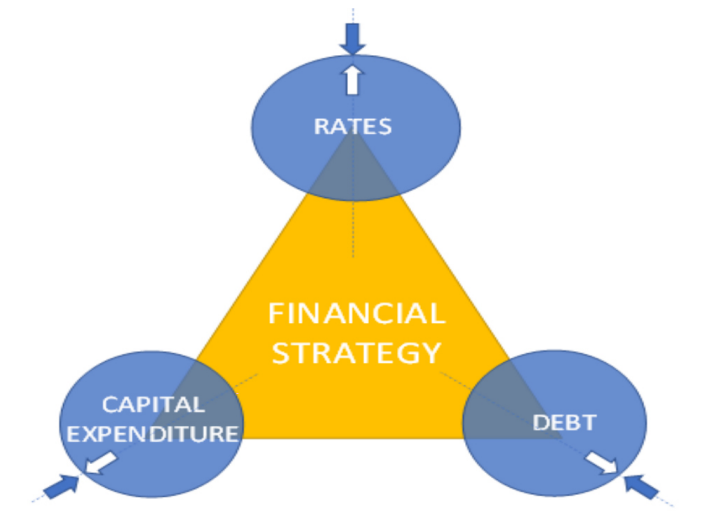
The community can achieve any level of expenditure and complete any project it desires; however, this has to be weighed up against how this is to be funded. In general, the funding tools are rates or debt. Debt is only a way of spreading the cost of rates over a longer period of time to ensure the full range of people who will benefit from that project (both current and future ratepayers) pay for a portion of the cost.

Hurunui's Financial Strategy can best be thought of as a triangle, the corners being represented by: Capital Expenditure, Rates and Debt. As required under legislation, it is the intention that all operating expenditure is met via operating revenue (principally rates), therefore Capital Expenditure is generally funded from debt or rates.

- Any increase in the level of capital expenditure will have an impact on

either rates or debt, or a combination of both.

- Conversely, a reduction in the level of capital expenditure will result in a decrease in rates or debt, or a combination of both.



Capital Expenditure:

For the next 10-year period, the Council is expecting to incur \$322 million in capital expenditure, which is on the back of \$27 million spent in 2022-23, and forecasts a further \$34 million for the 2023-24 year. The Infrastructure Strategy schedules a total of \$293 million, with particular areas of expenditure being work relating to the provision of water – both in terms of quality and delivery, and in maintaining the roading network. The majority of the remaining capital expenditure of \$29 million relates to projects for the Hanmer Springs Thermal Pools and Spa.

Debt:

The Council's Treasury Policy has been updated for the 2024-34 Long Term Plan to allow the Council to hold debt up to 175% of its total revenue. This is in line with the limit specified by the Council's key funding provider - the Local Government Funding Agency (LGFA). Due to the lower than expected level of NZTA funding, the debt/revenue ratio is now expected to peak at 173.11%, so there is limited room in the Council's debt ceiling in the event of unforeseen issues. For example, the Council has considered how it might

manage its finances in the event that significant additional expenditure is required due to natural disaster, unforeseen asset renewals due to failures and/or regulatory change. Depending on the situation at the time, options available to the Council are likely to include deferring some projects, reviewing priorities, reviewing levels of service, seeking external funding (if possible) and/or increasing rates. The Council is also considering applying for a credit rating which would enable it to access additional debt.

Rates:

The last factor in the triangle is rates and the Council is mindful of the need to ensure rates remain affordable but still reflect the costs of doing things, otherwise the debt component of the triangle will start to balloon out. The Council has set its rate increase limits as part of the Financial Strategy with a large increase of 13.0% for 2024-25 (Year 1); 14.5% for 2025-26 (Year 2) and 5% for 2026-27 (Year 3). For the remainder of the LTP, the limits have been set at 5% increases, although the actual increases included in the LTP budget will be lower than these limits. All increases are after accounting for growth.

2024-25 (Year 1) Rates:

The rate increase (after allowing for growth) for Year 1 is 10.98%, with the key driver relating to Water Supplies. Rates for water are scheduled to increase from 2023-24 by 22.93% which represents 6.06% of the overall increase from last year. The key reason is to ensure that all operating expenditure is covered by rates, whereas last year, the Council took the step of funding a level of the increased cost structure (primarily interest costs) from debt. The rates set for the 2023-24 year were in line with the staging process that the Council began in 2015 to harmonise the rates for restricted water supplies.

2025-26 (Year 2) Rates:

The proposed growth-adjusted rate increase for Year 2 is 14.49%, with the key driver relating to Roothing. The Subsidised Roothing Programme is forecast to increase from \$13.3 million to \$17.7 million. Although Waka Kotahi's input into the roading programme will not increase to the level anticipated in the Consultation Document, to achieve some improvement works on the roading network, the Council has determined that the local share needs to increase from the expected 48% and this is generated

through roading rates. This increase alone accounts for 11.04% of the overall increase in rates for the 2025-26 year. Further increases have been allowed for Three Waters (Drinking Water, Wastewater and Stormwater), where the Council has adopted a policy of staging in the funding of depreciation for these infrastructural assets over the remainder of the Long-Term Plan. The objective is that 100% of depreciation is funded by 2033-34. The increased rates collected to fund depreciation is used to repay debt.

2026-27 (Year 3) Rates:

The proposed growth adjusted rate increase in Year 3 is 4.99%, with the key driver being the continuing staging in of funded depreciation for three waters and repayment of the outstanding level of debt relating to roading. Another factor is that for the 2026-27 year, the Council has factored in an amount of \$522,450 (\$500,000 plus inflation) to commence a programme of Advocacy for Significant Natural Areas (SNAs). This is required as the National Policy Statement (NPS) for Indigenous Biodiversity (which came into force on 7 July 2023) required each territorial authority to undertake a district-wide assessment of the land in its district to identify areas of significant indigenous or significant habitat of indigenous fauna that qualify as SNAs under the NPS. This NPS is being reviewed by the new government and the requirements may be amended before the timing of the assessment period.

The Hurunui District Council also has a significant level of non-rate income through subsidies from Waka Kotahi NZ Transport Agency, a range of user fees and the revenue derived from the Hanmer Springs Thermal Pools and Spa (HSTP&S). The subsidies received are specifically relating to roading costs and the Council limits the use of the surpluses from the HSTP&S to ensure that the Pools activity is able to repay debt that it has incurred on capital expenditure. There is the ability to increase user charges, which would offset rates, however, the market does determine at what level the charges can realistically be set. As a result, despite the large amount of non-rate income the Council receives, the ability for it to have a significant effect on rate increases is limited.

Considering the components of the triangle allows the Council to balance the need to get things done while ensuring debt remains at sustainable levels and rates remain affordable.

INTRODUCTION

What is a financial strategy?

Our financial strategy sets out the overall financial goals of the Council for the 2024-34 Long-term Plan. The strategy sets out where we currently sit and where we wish to be at the end of the 10 years.

The Local Government Act 2002 (LGA) provides the guiding legislation for councils and requires councils to prepare and adopt a financial strategy as part of the Long Term Plan. The purpose of the financial strategy is to:

- facilitate prudent financial management by the local authority by providing a guide against which the local authority can consider proposals for funding and expenditure;
- provide a context for consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt and investments.

The financial strategy also provides guidance on how the Council considers and approaches funding of expenditure proposals in the current Long Term Plan and informs all subsequent activity decisions made for the duration of the 2024-34 Long Term Plan.

Council's long-term vision

The Council's draft LTP has been developed with a purpose of continuing the work undertaken with the three previous LTPs but addressing the new challenges that the district has already faced and will face in the future.

The 2015-25 LTP had identified the need for the Council to develop a strategy to ultimately comply with the Ministry of Health's revised New Zealand Drinking Water Standards (2018) and to also manage debt. The 2018-28 LTP continued that strategy but also required the Council to address the effect of the November 2016 earthquakes that significantly impacted the district.

For the 2021-31 LTP, as well as seeing the capital work relating to the Drinking Water Standards through to completion by the end of 2027 and making appropriate provision for renewals, the Council plans to address the funding issues caused by the uncertainty that arose from the COVID-19 pandemic.

The Affordable Waters Reform programme implemented by the Labour Government introduced new legislation that would have ultimately meant that the three waters assets of the Council would be transferred to a new Water Service Entity (WSE). The debt associated with those assets would also have been transferred to the WSE, although the structure allowed for the debt to be repaid over a five-year period.

The introduction of a new Water Regulator, Taumata Arowai, necessitated the need to bring forward the water treatment capital works. The Council viewed this as a vital component to ensure that the three waters infrastructure of the district was fit for purpose before the ownership and responsibility was transferred to the WSE. The action has resulted in a higher level of debt than was forecast in the 2021-31 LTP which, coupled with the sharp increase in interest rates, has resulted in a higher level of operating costs attributable to water.

The general election in October 2023 resulted in a change in government. The new government direction for water service delivery has meant that the Council will continue to hold ownership and responsibility of three waters as well as the need to service the increased debt resulting from the capital expenditure incurred in period since adopting the 2021-31 LTP.

The key outcomes that these actions will support are to put the Council's finances on a more sustainable footing, to increase the resilience of our assets and to plan for the future.

STRATEGIC CONTEXT

Where are we?

Understanding the base from which the Council is starting is important in providing context around the scale of work that is planned for the 2024-34 period.

Rates

There have been relatively low levels of rate increases in the past. This has been through a combination of utilising financial reserves, particularly those built up from the profits from the Hanmer Springs Thermal Pools and Spa (HSTP&S), and not fully funding the cost of depreciation. The Council's rates have had to increase to ensure the Council can comply with drinking water standards and to fund the costs incurred arising from the 2016 earthquakes. In addition, significant increases to operating costs, particularly in Roothing, has meant that increases to rates have been necessary to meet the on-going costs of the service.

Income from other sources

Total revenue from non-rate sources for the 2023-24 year is forecast at \$32.9 million, with revenue from the HSTP&S forecast to be \$15.7 million and subsidies from Waka Kotahi NZ Transport Agency accounting for a further \$5.1 million.

Operating expenditure

For the 2023-24 year, operating expenditure (including depreciation) is forecast at \$63.0 million, with \$18.5 million relating to employment costs (of which wage costs at the HSTP&S make up \$6.4 million); other operating costs amount to \$25.0 million; external interest is forecast at \$3.1 million; and depreciation of \$16.5 million.

Capital Expenditure

The capital programme for the 2023-24 year is forecast at \$33.6 million. The predominant component is \$12.0 million forecast for Water Supplies, with another \$5.6 million relating to Roothing and \$3.2 relating to project work at the HSTP&S.

Debt

External Debt is now forecast to sit at \$65.0 million at the end of June 2024.

Value of Assets

It is forecast that the value of the Council's Total Assets will sit at \$748 million at the end of June 2024. This is significantly advanced from the total value of assets forecast in June 2021 of \$488 million, which reflect the significant increase in the scheduled revaluation of assets (particularly for Roothing) that have been accounted for in the intervening period.

Where do we want to be in 10 years?

There is a clear focus on undertaking the required capital work over the 10-year period, while ensuring the Council maintains its appropriate debt levels.

Capital Expenditure

The LTP budget allows for capital expenditure of \$322 million for the 2024-34 period. To put this in perspective, the capital programme for the 2021-31 LTP was \$195 million and for the 2018-28 LTP the programme was \$148 million. The level of capital work has continued to increase to meet increasing standards and to continue to maintain the current levels of service. Of the total capital programme, \$293 million is infrastructure related, which is disclosed in the Infrastructure Strategy.

Value of Assets

Over the 10-year period, the value of the Council's total assets (including current and non-current assets) is expected to increase from the forecast level of \$748 million to \$1.07 billion (a 43% increase).

Operating Expenditure

Operating expenditure is also expected to increase by 48% from the forecast \$63.0 million in 2023-24 to reach a total of \$93.0 million in 2033-34. Wage costs are set to increase by 38%, direct operating costs by 48%, external interest is set to increase by 74% and depreciation is set to increase by 53%.

Income from other sources

Total revenue from non-rate sources for the Council is expected to increase by only 46% from \$32.9 million (in 2023-24) to \$47.9 million (in 2033-34), with revenue from the HSTP&S forecast to account for \$23.9 million of that amount and roading subsidies from Waka Kotahi expected to increase to \$7.9 million.

Rates

The LTP has scheduled an increase to rates for year 1 at 10.98%, with year 2 sitting at an increase of 14.49% and year 3 at 4.99%. The remainder of the LTP period currently fluctuates between a 1.22% increase and a 4.99%. These rate increases are after allowing for growth and have not been amending to allow smoothing. As a result, the total rates are expected to increase from \$28.9 million in 2023-24 to \$58.3 million in 2033-34.

Debt

The level of debt over the 10-year period will grow to a peak of \$139.0 million during the 2030-31 year. It is expected that a level of repayments of debt will be allowed for, resulting in the debt at the end of the 10-year period sitting at \$110.5 million. In the final year, this debt represents 109% of the total revenue (excluding Development Contributions and Vested Assets), which is significantly lower than the limits placed on Council of 175%.

What has happened since the last LTP?

Covid-19

While direct effects of Covid-19 have lessened since the development of the 2021-31 LTP, there have been significant economic effects arising, particularly in respect to rising level of inflation and the sharp increases in interest rates.

At the time the 2021-31 LTP was adopted, New Zealand had been through a period of close to 15 months without an Alert Level 4 lockdown (the first period of lockdown concluded in April 2020), although there were restrictions placed at the border which still had an effect on the operations of the Hanmer Springs Thermal Pools and Spa. In August 2021, the country went into a further period of Alert Level 4 lockdown, which necessitated the

closure of the HSTP&S, and the remainder of the 2021-22 financial year did impose restrictions on the operations, which has adversely affected the profitability of the activity. The HSTP&S recorded a significantly reduced profit in the 2021-22 year, which resulted in a much lower level of debt repayment anticipated in the 2021-31 LTP.

Affordable Waters Reform

The Affordable Waters Reform programme implemented by the Labour Government introduced new legislation that would have ultimately meant that the three waters assets of the Council would be transferred to a new Water Service Entity (WSE). The debt associated with those assets would also have been transferred to the WSE., although the structure allowed for the debt to be repaid over a five-year period.

The introduction of a new Water Regulator, Taumata Arowai, necessitated the need for to bring forward the water treatment capital works. The Council viewed this as a vital component to ensure that the three waters infrastructure of the district was fit for purpose before the ownership and responsibility was transferred to the WSE. The action has resulted in a higher level of debt than was forecast in the 2021-31 LTP, which, coupled with the sharp increase in interest rates, has resulted in a higher level of operating costs attributable to water.

The general election in October 2023 resulted in a change in government. The new government direction for water service delivery has meant that the Council will continue to hold ownership and responsibility of three waters as well as the need to service the increased debt resulting from the capital expenditure incurred in period since adopting the 2021-31 LTP.

Capital Programme

Over the period since the 2021-31 LTP, the level of capital work undertaken has been significantly higher than what was previously budgeted for. It is common for many local authorities to only spend a portion of the capital programme, with many projects carried forward to later years. With a greater focus on project management, the Council is expecting to have met a capital programme of close to \$83 million for the three years.

Debt

To meet the cost of the capital programme, external debt is forecast to rise from \$38.0 million in June 2021 to \$65.0 million at the end of June 2024. In the meantime, the underlying cost of external interest has dramatically increased with the wholesale interest rates increase from 0.35% as at 30 June 2021 to 5.34% as at 30 April 2024.

Rates

For the 2021-31 LTP, the rates increases were scheduled at: 8.49% for 2021-22; 4.99% for 2022-23 and 4.99% for 2023-24. The Council was able to set the rate increase at 8.49% for 2021-22, however, on the back of a 30% increase in the underlying costs of the roading contract and without the commensurate increase in the subsidies from Waka Kotahi, the Council was required to increase the rates at an average of 10.50%. The post-pandemic inflationary conditions had an effect on the following year and coupled with the significant increase in interest rates, the Council resolved to increase rates by a further 7.49% in the 2023-24 year.

INFRASTRUCTURE STRATEGY

What is an infrastructure strategy?

The purpose of the Infrastructure Strategy is to identify the significant infrastructure issues facing the Hurunui District and provide for options to manage them over a 30-year period.

The Infrastructure Strategy must describe how we intend to manage or infrastructure assets, and associated expenditure needs over the period of the strategy. It takes into account a range of factors that affect the nature and cost of infrastructure provision. The Activity Management Plans and the 30 Year Infrastructure Strategy underpin the Financial Strategy.

The full infrastructure strategy is included in this Long Term Plan.

Known Infrastructure Issues

Levels of Service for Roading

Recognising that roading is the single biggest activity that the Council undertakes and is the activity which attracts the largest amount of

community criticism, the Council has determined that it is an area that needs immediate attention.

The costs of roading are essentially funded by two sources: rates and subsidies from Waka Kotahi. The financial assistance rate (FAR) provided by Waka Kotahi is set at 52% over the next three years, with the Council's local share through rates being the remaining 48%. This, however, does not mean that Waka Kotahi blindly funds 52% of the cost of roading – it is subject to an approved roading programme. While the Council has applied to Waka Kotahi with its desired roading programme for the next three years, at the time of preparing the budget for the draft Long Term Plan, the Council hasn't received approval for the proposed roading programme.

The bid made by the Council was for a total roading programme for the 2024 to 2027 period of \$64.5 million (\$17.8 million in 2024/25; \$23.4 million in 2025/26 and \$23.3 million in 2026/27). To put that into context, the roading programme for the current 2023/24 year is \$11.0 million.

For the 2024/25 year, the Council has resolved to leave the current roading rate unchanged from the 2023/24 year level of \$7.5 million, with the expectation that Waka Kotahi will increase its contribution to \$8.1 million to match its 52% FAR. This will allow the subsidised roading programme to increase from \$11.0 million to \$15.6 million.

On 6 June 2024, after the Council had concluded the consultation and deliberations on the submissions received, Waka Kotahi provided the indicative programme for the 2024-27 period. Excluding the Low Cost Low Risk projects, the indicative programme is lower than the draft budgeted programme by \$26.4 million over that three-year period.

The Council resolved to maintain the rating input into roading as was allowed for in the draft LTP, which includes an increase to the Council's share of the cost in the 2025/26 year from \$7.5 million to \$11.2 million. However, with reduced subsidies expected to be received, the overall roading programme has had to reduce. For the 2024/25 year, the overall programme has been budgeted at \$13.4 million (rather than \$15.6 million) and for the 2025/26 year, the overall programme has been budgeted at \$17.7 million (rather than \$23.4 million).

Funding of Water Supplies

The most significant issue is the need to comply with drinking water standards. This had emerged during the preparation of the 2015/25 Long Term Plan and the funding structure for Water Supplies changed to ensure that compliance remained affordable for all consumers. Including work being carried out in the 2020/21 year, a total cost of \$19.6 million has been allowed for.

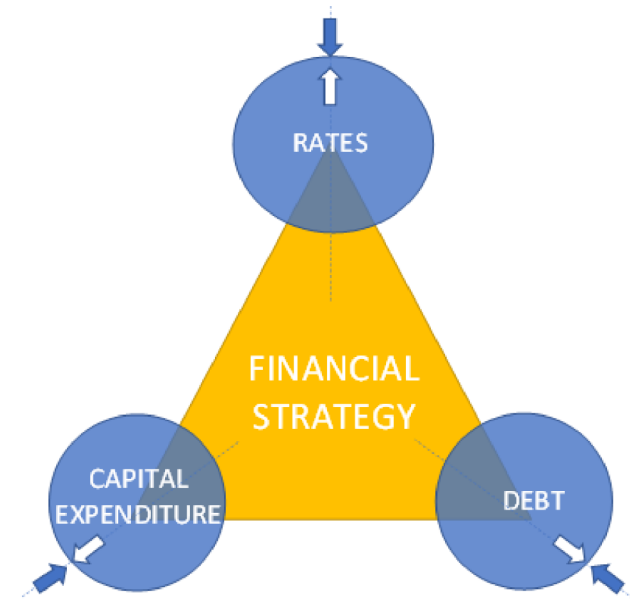
While the Council had been concentrating on funding for the major expenditure, it had deferred its pipe replacement programme in an attempt to manage debt levels. This has been addressed in the Long Term Plan with the Council proposing to spend \$7.97 million in pipe replacement as well as a planned \$8.14 million in replacing Very High and High Critically pipes. In undertaking the increased renewal programme, the Council is confident it will ensure that any backlogs in the renewal programme have been met by the end of June 2031.

Other Infrastructure Challenges

The Infrastructure Strategy has identified a range of future challenges facing the Council over the 30-year period, for instance, the effects of climate change. As time progresses, the Council will be provided with a greater level of information on these future challenges and will need to adapt its strategies to meet those challenges. This may result in the Council needing to revisit its financial strategy as those future challenges become known issues that need addressing.

FINANCIAL STRATEGY

The financial strategy aims to achieve a balance of undertaking activities and completing projects, and how to pay for it. This balance can be represented by reflecting the three financial components of rates, capital expenditure and borrowings as levers, as shown in the diagram below:



The financial strategy triangle is affected by the three levers:

- Rates;
- Capital Expenditure; and
- Debt.

There appears to always be pressure on the Council to do more – providing higher levels of service, completing a new project, complying with increased legislation or simply meeting the debt servicing associated with previous Capital Expenditure. Doing more is always achievable but it does result in either an increase in rates or an increase in debt, or an increase in both.

LEVER 1 – CAPITAL EXPENDITURE

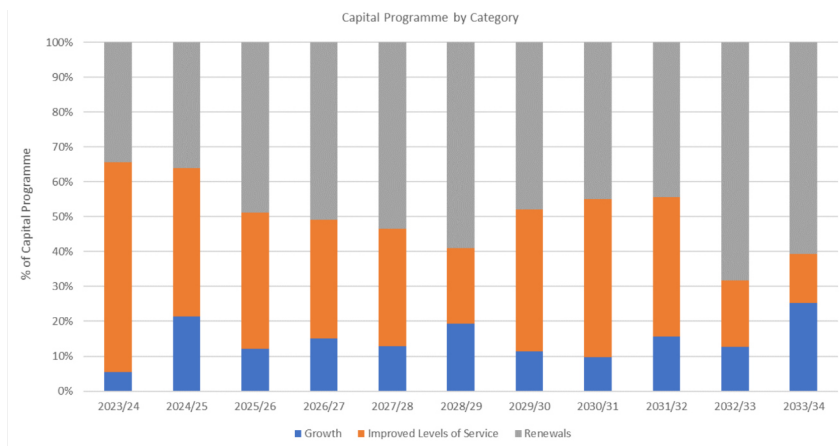
Capital expenditure requirements for our three waters assets, roads and community facilities are determined by the levels outlined in the Activity Management Plans (AMPs) for each activity. The AMPs are updated on a regular basis to ensure that various changes to the plan in the interim period are accounted for.

In general, capital expenditure is broken down into three key categories:

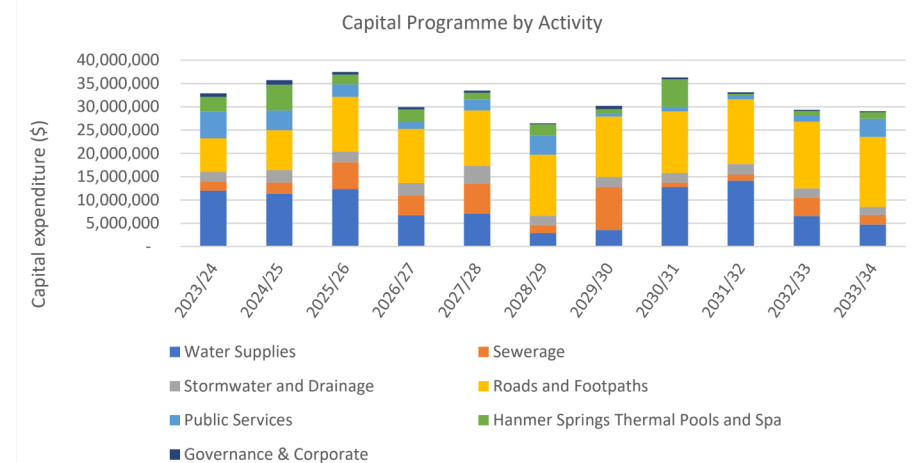
1. Capital expenditure relating to meeting the existing levels of service. This will be principally replacement of the existing assets.
2. Capital expenditure aimed at improving the current levels of service.
3. Capital expenditure on assets required due to growth.

Some items of capital expenditure may fall into more than one category. For example, the replacement of a length of water pipe is required to provide water to existing consumers, but the diameter of that length of pipe may be increased from its existing diameter to allow for greater capacity in the future.

Over the period of the LTP, we have budgeted to spend \$322.17 million on capital expenditure. Of this balance, \$163.34 million (50.7%) is related to maintaining the existing levels of service by providing for replacement of current assets. A further \$109.2 million (33.9%) is aimed at making improvements to the levels of service and the balance of \$49.6 million (15.4%) relates to projects scheduled due to growth.



The key area of capital expenditure relates to the infrastructural assets. The Infrastructure Strategy schedules total capital expenditure on infrastructural-related activities of \$293.42 million for the 10 years: \$125.9 million relates to Roads and Footpaths, \$82.2 million relates to Water Supplies, \$38.2 million relates to Sewerage Schemes, \$23.6 million relates to Stormwater, \$11.4 million relates to Property and Climate Adaptation, \$4.4 million relates to Green Spaces, \$4.0 million relates to Waste Management and \$3.7 million relates to Information Services. Of the remaining \$28.8 million of capital expenditure allowed for in the Long Term Plan, \$23.5 million relates to the Hanmer Springs Thermal Pools and Spa.



Renewals

As at the end of June 2024, we are forecasting to have \$740 million in property, plant and equipment assets, mainly relating to our core infrastructure of roads and three waters. Our activity management plans identify the timing for renewals, based on the condition of the assets. We are undertaking a continuous programme of condition assessments to help us build a more detailed picture of all our assets. This is so that we can renew them all at the right time – before they deteriorate significantly or fail, but not while they still have a significant useful life.

In the 2024-34 Long Term Plan we are planning to spend a total of \$163.3 million (average of \$16.3 million per annum) on renewals. \$146.1 million of

the renewals budget is infrastructure related. We are intending to still maintain all our assets to a good standard with timely, but not early, replacement of assets.

Improved Levels of Service

The planned capital works relating to increased Levels of Service amount to \$109.2 million. Infrastructure-related capital expenditure for improved levels of services amounts to \$97.7 million. Of this balance, \$28.8 million relates to improved levels of service for Water Supplies. A further \$20.7 million relates to Roads and Footpaths. All but \$1 million of this relates to “Low Cost Low Risk” Roothing projects (almost \$2 million per annum), with the balance relating to new footpath projects throughout the district. Included in the Capital Expenditure Programme is a total of \$17.1 million of new projects for the Hanmer Springs Thermal Pools and Spa. This ensures that the complex remains competitive.

Growth

Under the Capital Expenditure Programme is a total of \$49.6 million relating to growth projects – all of which is infrastructure related. \$31.4 million relates to assets that are proposed to be vested in the Council as a result of subdivisions undertaken. The balance of the growth projects of which some are funded in full or in part by Development Contributions.

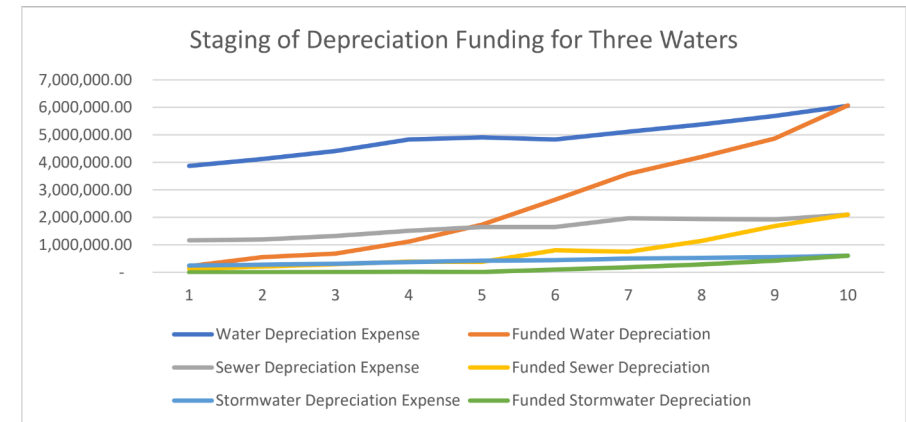
Funding depreciation

Including depreciation in our operating expenses each year ensures ratepayers pay their fair share, and only their fair share, of the assets they use and benefit from – it ensures intergenerational equity.

Three Waters

The requirement for councils to fund depreciation was introduced as part of the 1996 Amendment to the Local Government Act. For a variety of reasons, the Hurunui District Council opted not to fund the depreciation on Water and Sewer with any capital costs simply being funded by either debt or rates. With the looming debt servicing costs associated with the capital cost to comply with the Drinking Water Standards, the Council deemed it appropriate to start staging in the funding for depreciation and apply those funds to offsetting debt.

For the 2024-34 LTP, the Council is mindful that there are significant direct operating costs already associated with Three Waters, and that fully funding depreciation immediately would result in an unaffordable increase in rates. As a result, the Council has resolved to stage in the funding of depreciation on Three Waters with the objective of fully funding it by 2034. This is shown graphically below.



Roothing

The Council does not fund depreciation on its roading network but funds all operating and capital works through operating income. The operating income is in the form of Waka Kotahi subsidies and rates. The key reason for this is that Waka Kotahi only subsidises the actual physical costs relating to roading and not the cost of depreciation.

Other Assets

The Council does not fund depreciation on most community buildings. This has been mainly due to recognising that communities change over time and that the current facilities may not be appropriate in the future. Any decision on how to fund the replacement of a community building will be made as part of the planning for a new facility.

Use of Depreciation Funds

All depreciation funds are used to offset any debt relating to that activity. Should the activity hold no debt, then depreciation funds build up and are

then used to fund future capital expenditure. This is fully explained in Council's Internal Financing Policy.

LEVER 2 – RATES

We base the vast majority of the rates set on the either the capital value of each property or a fixed cost to each property. We set our rates by way of district-wide rates and targeted rates.

- District-wide rates are charged on all properties in the district, regardless of location. They are broken down further to:
 - o Governance;
 - o Roading;
 - o Planning;
 - o Waste Management;
 - o Canterbury Museum;
 - o Footpath Maintenance;
 - o Stormwater;
 - o Earthquake Recovery;
 - o Earthquake Prone Buildings; and
 - o Other General Rates.
- Targeted rates are charged for specific activities based on services provided or land use. They are broken down further to:
 - o Water;
 - o Sewer;
 - o Coastal Hazards;
 - o Rating Area Amenities;
 - o Refuse Collection;
 - o Rating Area Medical Centres;
 - o Roadside Construction;
 - o Tourism; and
 - o Other sundry targeted rates.

The rates and how they are set are further defined in the Funding Impact Statement.

For the 2021-31 LTP, a series of local targeted rates for roadside construction were reinstated, which provides funding for local areas to construct new footpaths, as distinct from the District Wide Footpath Maintenance rate, which provides for maintenance and ultimate renewals of existing footpaths throughout the district.

For the draft 2024-34 LTP, it is proposed to combine all stormwater operational and capital costs (similar to the process adopted for Water Supplies and Sewerage as part of the 2015-25 LTP). The reason for this is that new global stormwater consents are required for each urban area, including those urban areas that have had no requirement to meet a stormwater rate in the past.

Recognising that all ratepayers benefit in some way in the effective control of stormwater, the Council has resolved that the urban ratepayer will be charged 90% of the cost (recognising the greater benefit to urban ratepayers) and that the rural ratepayers will contribute to 10% of the cost.

RATE INCREASES

In general terms, the Council tries to keep the overall annual rate increase to the level of inflation. For various reasons, this cannot be achieved.

From previous LTPs, the following issues have been raised:

- Servicing the debt resulting from the November 2016 earthquakes.
- Recognising the need to adequately allow for earthquake strengthening of Council buildings.
- The increased work programme for roading to meet the levels of service outlined in the Asset Management Plans.
- Staging in the funding for depreciation on water and sewer.
- Funding a portion of the costs for recreation reserves from the general rate rather than relying on profits derived from the Hanmer Springs Thermal Pools & Spa (HSTP&S) to pay for these.

Funding issues for the 2024-34 LTP that need to be addressed are:

- Significantly increased costs associated with Roading and the forecast to lift the levels of service for roading by increasing the overall subsidised roading programme.
- The increased debt servicing costs as a result of increased debt levels and the increase in the underlying interest rates.
- The completion of capital works, particularly relating to water, necessitates an increase in operating costs (including labour).

LIMITS ON RATE INCREASES

When determining the overall rate increases, an allowance is made for growth in the capital value of the district each year. This is based on the number of new rating units calculated based on the assumed increase in population of the 10-year period.

There are numerous targeted rates charged in different areas which means that the overall increase in rates will not be consistent for each property throughout the district. The increase will depend on the targeted rates that are charged to that particular property and also the capital value of the property. To demonstrate the varying increases to the rates charged for particular properties, the Council has selected a total of 125 individual properties to show the movements in the rates over the first three years of the LTP. These properties have been selected to provide examples of properties connected to every water supply and sewerage scheme in the district and provide a wide range of capital values in the rural and urban areas of the district. The full analysis of the sample properties is provided in the Rates section of the LTP.

In preparing the LTP for the 2024-34 period, the Council has set limits for the rates increases for each year. The rating levels have been set to meet those limits.

Smoothing allows the Council to adjust the rate increases in particular years to ensure that there are consistent increases year to year. This has not been applied in the development of the 2024-34 LTP.

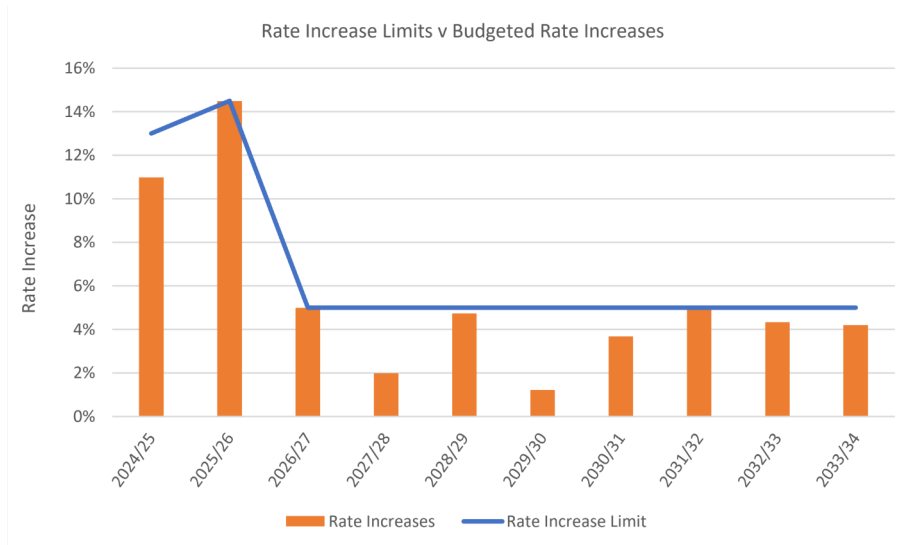
Limits

For the 10-year period the rate increase limits (after allowing for growth) have been set follows:

Year	Overall Increase
2024/2025 (Year 1)	13.00%
2025/2026 (Year 2)	14.50%
2026/2027 (Year 3)	5.00%
2027/2028 (Year 4)	5.00%
2028/2029 (Year 5)	5.00%
2029/2030 (Year 6)	5.00%
2030/2031 (Year 7)	5.00%
2031/2032 (Year 8)	5.00%
2032/2033 (Year 9)	5.00%
2033/2034 (Year 10)	5.00%

The Council's proposed rate increases that have been allowed for in the LTP are as follows:

Year	Overall Increase
2024/2025 (Year 1)	10.98%
2025/2026 (Year 2)	14.49%
2026/2027 (Year 3)	4.99%
2027/2028 (Year 4)	1.99%
2028/2029 (Year 5)	4.73%
2029/2030 (Year 6)	1.22%
2030/2031 (Year 7)	3.67%
2031/2032 (Year 8)	4.99%
2032/2033 (Year 9)	4.33%
2033/2034 (Year 10)	4.19%



Again, because of the nature of the targeted rate structure, the increase (or decrease) in rates for any year for individual properties can vary markedly, hence the development of the sample property analysis to indicate the potential movements in rates.

LEVER 3 - DEBT

We have two key areas of borrowing - Internal and External. The Internal debt is set out in our Internal Financing Policy.

As our cash resources have been drawn down to fund key capital projects in the past few years, we needed to take on external debt to manage cash flow. The Council is expected to remain a net borrower for the period of the LTP.

Anticipated levels of external debt

As at 31 December 2023, the total amount of external debt the Council held was \$59.0 million. At the end of the 10-year period, the debt is expected to be \$110.5 million. The debt level is expected to peak at \$139.0 million over the period during the 2030/31 year. The anticipated debt levels over the 10-year period are:

Year	Total Anticipated Debt	Total Anticipated Interest Expense
2024/2025 (Year 1)	\$86.5 million	\$3,590,550
2025/2026 (Year 2)	\$105.5 million	\$4,080,000
2026/2027 (Year 3)	\$115.5 million	\$4,663,100
2027/2028 (Year 4)	\$131.5 million	\$5,322,850
2028/2029 (Year 5)	\$138.0 million	\$5,726,875
2029/2030 (Year 6)	\$136.0 million	\$5,849,900
2030/2031 (Year 7)	\$139.0 million	\$6,063,750
2031/2032 (Year 8)	\$133.5 million	\$6,185,750
2032/2033 (Year 9)	\$120.5 million	\$5,584,700
2031/2034 (Year 10)	\$110.5 million	\$5,463,150

Limits on Debt Levels

Our External Liability Risk Management Policy, which is part of the Treasury Risk Management Policy, sets out the limits on the level of debt that we can take on. There are key ratios set by the Local Government Funding Agency (LGFA) which have been used as a guide. With the significant level of capital expenditure anticipated in the 2024-34 LTP, the Council has amended its limits.

The Policy allows for three key ratios that the Council needs to meet:

- Total Debt is no more than 175% of Total Income (excluding Development Contributions and Vested Assets Income).
- Total External Interest Cost is no more than 20% of Total Income (excluding Development Contributions and Vested Assets Income).
- Total External Interest Cost is no more than 25% of total rates.

In addition, there is the requirement for the Liquidity ratio to be at least 110%. Under the Treasury Risk Management Policy, the Liquidity Ratio is calculated as follows:

$(\text{External debt} + \text{committed loan facilities} + \text{available cash}) \div \text{Existing External Debt}$

The Council manages this ratio by ensuring that there are sufficient flexible bank loan facilities in place at all times.

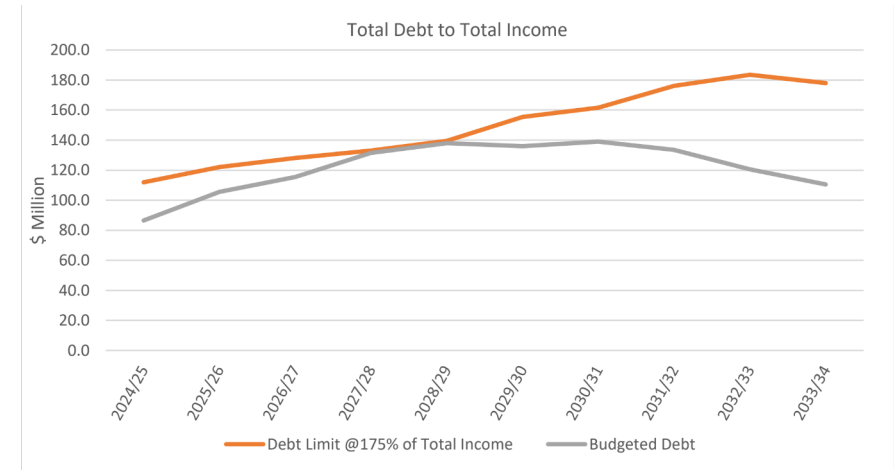
While the Council has opted to set its external debt limit at 175% of Total Income, the anticipated debt levels result in a peak to the debt/revenue ratio of 173.11% in the 2027/28 year. As a result, the Council does retain a significant amount of headroom in its debt ceiling to deal with unplanned events, such as a natural disaster.

Total Debt to Total Income Ratio

The net debt limits provided for in the policy are that total debt shall be no more than 175% of total income. The income excludes Development Contributions (DCs) and Vested Assets Income. Based on the levels of income allowed for in the LTP, the limit of the debt that could be taken on is \$178.0 million in the 2033-34 year.

Year	Total Income (excl DCs & Anticipated Vested Assets)	Debt Limit at 175%	Total Net Debt
2024/2025 (Year 1)	\$64.0 million	\$111.9 million	\$86.3 million
2025/2026 (Year 2)	\$69.8 million	\$122.1 million	\$105.3 million
2026/2027 (Year 3)	\$73.2 million	\$128.1 million	\$115.4 million
2027/2028 (Year 4)	\$76.0 million	\$133.0 million	\$131.0 million
2028/2029 (Year 5)	\$79.7 million	\$139.5 million	\$137.5 million
2029/2030 (Year 6)	\$88.8 million	\$155.4 million	\$135.8 million
2030/2031 (Year 7)	\$92.3 million	\$161.5 million	\$138.9 million
2031/2032 (Year 8)	\$100.6 million	\$176.1 million	\$133.0 million
2032/2033 (Year 9)	\$104.9 million	\$183.5 million	\$120.0 million
2031/2034 (Year 10)	\$101.7 million	\$178.0 million	\$110.4 million

Graphically, this is shown as follows:

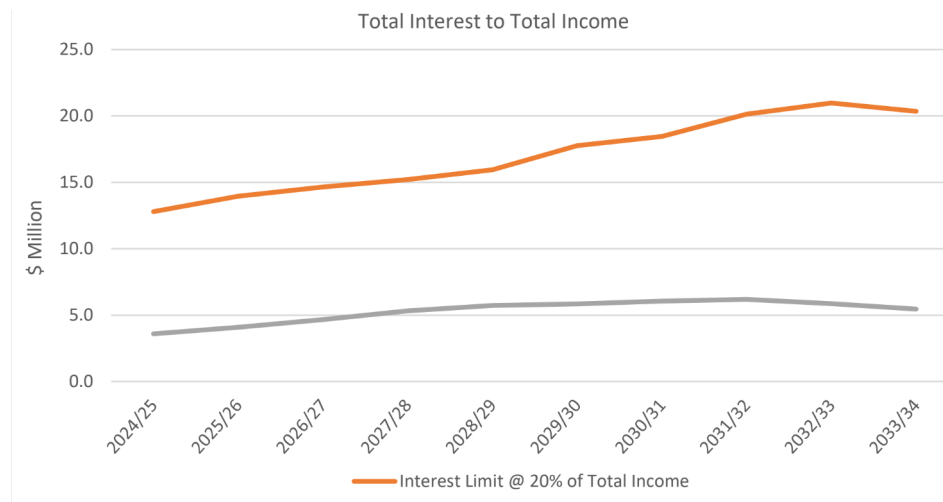


Total Interest to Total Income Ratio

The amended policy also provides that the total amount of interest expense is no more than 20% of total income. Again, total income excludes DCs and Vested Assets.

Year	Total Income (excl DCs and Vested Assets)	Limit at 20%	Total Anticipated Interest Expense
2024/2025 (Year 1)	\$64.0 million	\$12.79 million	\$3.59 million
2025/2026 (Year 2)	\$69.8 million	\$13.95 million	\$4.08 million
2026/2027 (Year 3)	\$73.2 million	\$14.64 million	\$4.66 million
2027/2028 (Year 4)	\$76.0 million	\$15.20 million	\$5.32 million
2028/2029 (Year 5)	\$79.7 million	\$15.94 million	\$5.73 million
2029/2030 (Year 6)	\$88.8 million	\$17.76 million	\$5.85 million
2030/2031 (Year 7)	\$92.3 million	\$18.46 million	\$6.06 million
2031/2032 (Year 8)	\$100.6 million	\$20.13 million	\$6.19 million
2032/2033 (Year 9)	\$104.9 million	\$20.97 million	\$5.85 million
2031/2034 (Year 10)	\$101.7 million	\$20.35 million	\$5.46 million

Graphically, this is shown as follows:

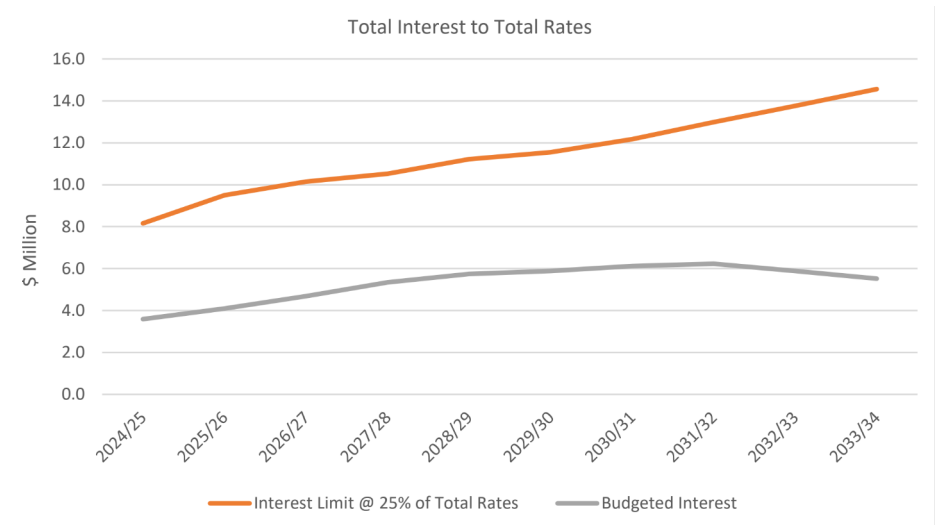


Total Interest to Total Rates Ratio

The amended policy also provides for the total amount of interest expenses is no more than 25% of total rates.

Year	Total Rates	Limit at 25%	Total Interest Anticipated Expense
2024/2025 (Year 1)	\$32.6 million	\$8.16 million	\$3.59 million
2025/2026 (Year 2)	\$38.0 million	\$9.50 million	\$4.08 million
2026/2027 (Year 3)	\$40.6 million	\$10.15 million	\$4.66 million
2027/2028 (Year 4)	\$42.1 million	\$10.53 million	\$5.32 million
2028/2029 (Year 5)	\$44.9 million	\$11.22 million	\$5.73 million
2029/2030 (Year 6)	\$46.2 million	\$11.55 million	\$5.85 million
2030/2031 (Year 7)	\$48.7 million	\$12.17 million	\$6.06 million
2031/2032 (Year 8)	\$51.9 million	\$12.98 million	\$6.19 million
2032/2033 (Year 9)	\$55.0 million	\$13.76 million	\$5.85 million
2031/2034 (Year 10)	\$58.3 million	\$14.56 million	\$5.46 million

Graphically, this is shown as follows:



Security for borrowing

Prior to taking on debt for the first time in September 2010, we prepared a Debenture Trust Deed and selected Perpetual Trust (now Covenant Trustees Services) as our trustee. The Debenture Trust Deed is a standard security document for councils. The key security available is that a charge can be made against the rates of the Council to repay debt. The market perspective on this is that a Debenture Trust Deed provides a low level of risk for an investor or funding provider, which in turn should allow for lower interest rates.

Holding a Debenture Trust Deed provides us with security for a range of different funding options:

- Registered bank debt
- Use of the Local Government Funding Agency
- Issuing council debt directly to the market

Further information is available in the External Liability Management Policy section of the Treasury Risk Management policy in this plan.

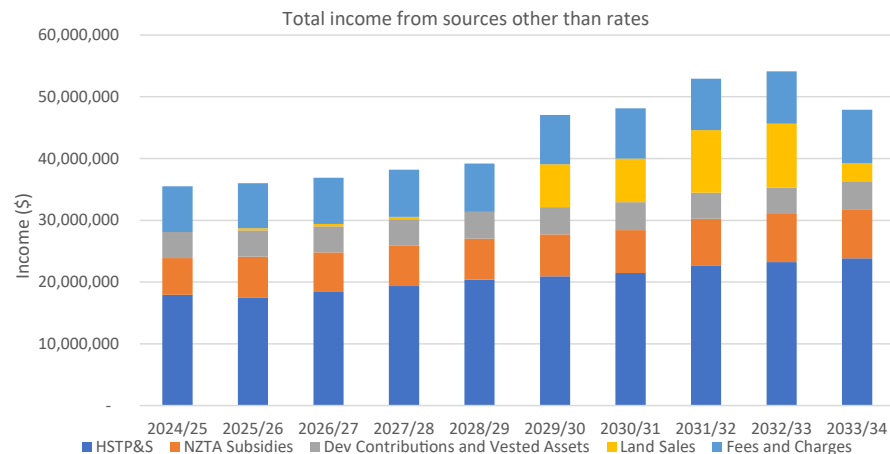
OTHER CONSIDERATIONS

Although Capital Expenditure, Rates and Debt represent the key financial levers that the Council may need to pull to affect the strategy, there are a number of other considerations that the Council considers in respect to its financial strategy. These other considerations are:

- Non-rates income
- Operating expenditure
- Investments

NON-RATES INCOME

We rely heavily on other forms of income to finance our operations. For the period of the LTP, the budget has scheduled that \$436 million (or 49%) of our total income is generated from sources other than rates. For Infrastructure Related Activities, the amount of Non-Rates Income amounts to \$181 million.



Hanmer Springs Thermal Pools and Spa Revenue

A key component is the revenue derived from the Hanmer Springs Thermal Pools & Spa (HSTP&S), which accounts for over 21% of the Council's total income received. The HSTP&S is run as a separate business unit of the Council. After allowing for Operating Expenses and Interest, a portion of the profits are actively used to fund reserve costs throughout the district. These reserve costs are libraries, cemeteries, public toilets, and a range of district parks and other reserve costs. The Council's use of the overall surplus derived from the HSTP&S to offset these reserve costs has been set at \$1.5 million in 2024-25 and a further \$100,000 is added to the 'dividend' in each subsequent year resulting in a total 'dividend' of \$2.4 million in 2033-34.

Any excess profits from the HSTP&S are actively used to repay the internal debt accumulated by the business unit, which is the result of continual investment in the assets.

Waka Kotahi Subsidies

A further key component of non-rate income is Waka Kotahi subsidies, which are used to fund both operating and capital expenditure relating to the roading network. Based on a direct confirmation, we have initially assumed that the financial assistance rate provided by Waka Kotahi will be 52% for the entire LTP. Further discussion of this is provided in the Forecasting Assumptions in this plan.

On 6 June 2024, after Council had concluded the consultation and deliberations on the submissions received, Waka Kotahi provided the indicative programme for the 2024-27 period. Excluding the Low Cost Low Risk projects, the indicative programme is lower than the draft budgeted programme by \$26.4 million over that three-year period.

The Council resolved to maintain the rating input into roading as was allowed for in the draft LTP, which includes an increase to the Council's share of the cost in the 2025/26 year from \$7.5 million to \$11.2 million. However, with reduced subsidies expected to be received, the overall roading programme has had to reduce. For the 2024/25 year, the overall programme has been budgeted at \$13.4 million (rather than \$15.6 million) and for the 2025/26 year, the overall programme has been budgeted at \$17.7 million (rather than \$23.4 million).

Development Contributions

Development Contributions also form a key component for funding capital expenditure which has been required due to increased growth. It is anticipated that over the life of the LTP, we will receive a total of \$11.8 million in Development Contributions, however, the amount actually received will be dependent on the level of growth experienced. Further information about the Development Contribution Policy is included in the LTP.

Land Sales

With the budgeted development of the Queen Mary South Project, the Council has budgeted to receive proceeds from both residential and commercial property beginning from 2029 onwards to after the completion of the Long Term Plan.

Fees and Charges

Fees and Charges account for the remaining non-rate income. The Council review its fees and charges each year to help offset actual costs so that the activities are not overly reliant on rate funding. The Council is conscious of making the fees and charges affordable and fair on those who use them.

OPERATING EXPENDITURE

Operating expenditure is not included as one of the levers within the financial strategy triangle model. If there is a significant increase in operating expenditure, this would require a significant rate increase to fund, on the basis that the Council should always attempt to fund operating expenditure from operating income, rather than using debt to fund operating expenditure. The increase in rates would, in turn would affect the other two levers of the financial strategy triangle.

INVESTMENTS

Legislation requires the Council to specify its objectives for holding and managing financial investments and equity securities and its quantified targets for returns.

Cash Investments

Since September 2010, the Council has held term debt. The debt was primarily taken out to fund the \$8.8 million expansion of the HSTP&S, but large capital works (particularly in three waters) have meant that the debt has needed to be expanded. Over the period of the LTP, we expect to remain a net borrower. As a result, we no longer hold any long-term cash assets in the form of bonds or stock. Any spare cash funds are generally held on call or in short term deposits to earn a small amount of interest as the interest rates are better than holding the funds in a current account.

Equity Investments

Currently, we hold two equity investments – one in Civic Financial Services Limited and the other in Transwaste Canterbury. Neither assets are readily tradable on the open market, but we have objectives for retaining ownerships of these investments.

Civic Financial Services Limited was previously named Civic Assurance. While not providing insurance to the sector anymore, the company does provide administration for the Local Authority Protection Programme (LAPP) and the provision of a Kiwisaver scheme providing benefits to local government employees.

The Council owns 1.2% of Transwaste Canterbury, which owns and operates the Kate Valley Landfill. The value of the investment as at 30 June 2023 was \$417,192. The company is 50% owned by the councils in Canterbury and our objective for holding our investment is to continue to receive dividends from the company. We have budgeted to receive \$180,000 per annum (plus an annual inflation adjustment) from this investment.

Forestry Investments

We hold approximately 75 hectares of land that has been used for Forestry. Forestry assets are held as long-term investments on the basis of net positive discounted cash flows, factoring in projected market prices and annual maintenance and cutting costs. All income from forestry is included in the statement of comprehensive income, and this funds replanting of the land. The Council may determine the use of any excess funds. The Council does hold a number of units under the Emissions Trading Scheme, which places a requirement on the Council to replant those areas that are harvested.

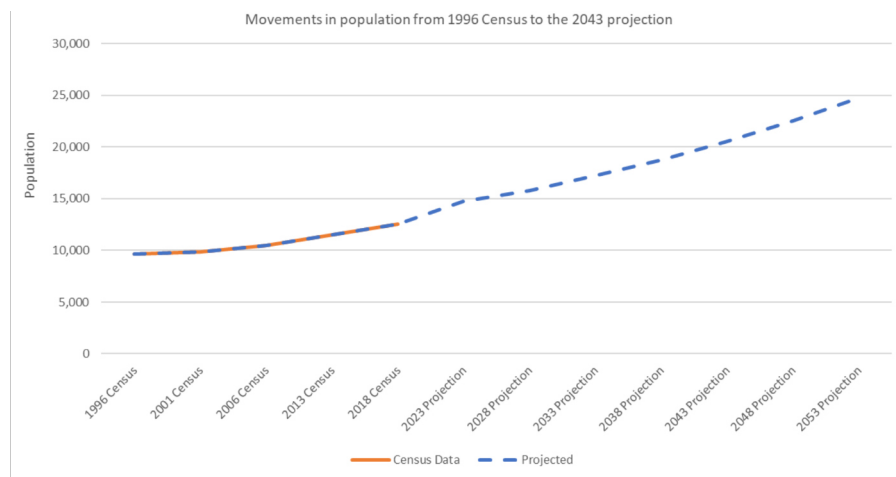
POPULATION

Changes in Population

In preparing the LTP, the Council has been forced to develop its own population projections. Ordinarily, this information would be readily provided by Stats NZ, generated from the 2023 Census, but this has not been available.

This information has been important as the Hurunui has experienced a significant amount of growth in recent years, particularly in the southern part of the district. The 2018 census revealed the population of the district was 12,561, which was up by 9% in the five years since the previous Census in 2013.

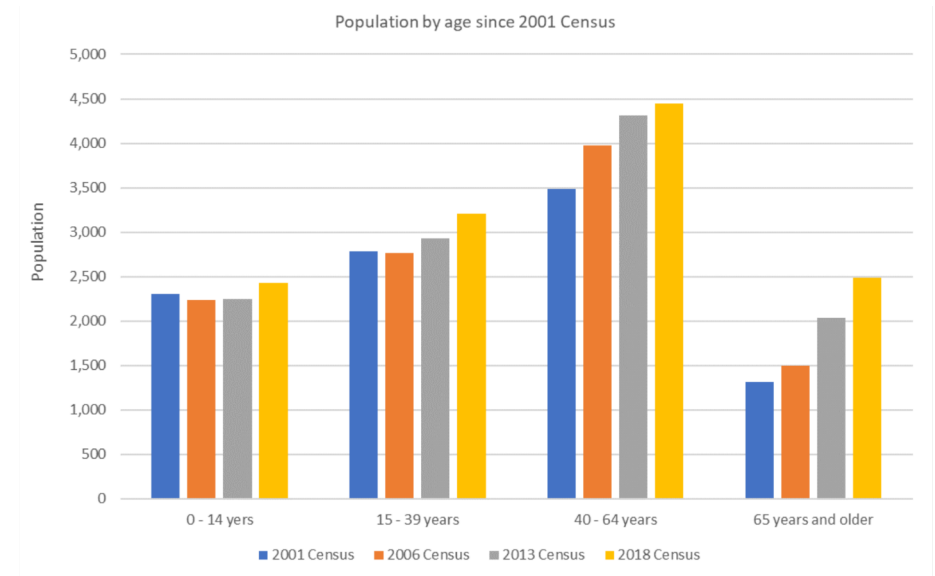
Council assumptions anticipate that the population of the district will grow to 14,734 by the start of the LTP and will continue to increase to 17,505 by the end of the 10-year period.



Population by Age

The Hurunui has an aging population reflected by the increase in the population aged 65 and over since the 2013 Census.

The Graph below shows the movements in numbers of people in particular age groups since the 2001 Census. Note the 2023 Census information is not available.



Ratepayer Growth

The growth in the district's population correlates with the growth in numbers of rateable properties, after making allowance for the differing makeup of the community. For example, the number of rateable properties per head of permanent population in Hanmer Springs is much different to that in Amberley due to the higher number of non-resident ratepayers in Hanmer Springs.

Below is the table of the number of rateable properties projected for the 10-year period:

Year	Number of Rateable Properties	Number of New Properties
2023/2024 (Annual Plan)	8,923	
2024/2025 (Year 1)	9,075	152
2025/2026 (Year 2)	9,250	174
2026/2027 (Year 3)	9,409	159
2027/2028 (Year 4)	9,572	163
2028/2029 (Year 5)	9,739	167
2029/2030 (Year 6)	9,909	170
2030/2031 (Year 7)	10,083	174
2031/2032 (Year 8)	10,261	178
2032/2033 (Year 9)	10,443	182
2033/2034 (Year 10)	10,629	186

It is projected there will be 1,706 new properties over the next 10 years (an average of 171 new properties per annum). The resulting growth projections have been used in preparing the LTP.

Year	Number of Rateable Properties	Number of New Properties	% Growth
2023/2024 (Annual Plan)	8,923		
2024/2025 (Year 1)	9,094	171	1.91%
2025/2026 (Year 2)	9,264	171	1.88%
2026/2027 (Year 3)	9,435	171	1.84%
2027/2028 (Year 4)	9,605	171	1.81%
2028/2029 (Year 5)	9,776	171	1.78%
2029/2030 (Year 6)	9,947	171	1.75%
2030/2031 (Year 7)	10,117	171	1.72%
2031/2032 (Year 8)	10,288	171	1.69%
2032/2033 (Year 9)	10,459	171	1.66%
2033/2034 (Year 10)	10,629	171	1.63%

CHANGES IN LAND USE

The Hurunui District has historically been an agriculture-based district, primarily beef and sheep.

The growth in tourism, especially in Hanmer Springs, centred around the development of the HSTP&S, has resulted in an increased number of accommodation providers and other businesses associated with tourism, as well as more holiday homes. As a result, any significant changes in land use have been in residential or lifestyle properties.

The following table shows the current land use of properties in the Hurunui District as at July 2022 (the date of the last district revaluation):

Category of Land	Number of Assessments July 2022	Number of Assessments September 2019	Number of Assessments September 2016	Number of Assessments September 2013
Arable, Horticultural & Specialist	133	160	163	198
Commercial	288	296	291	296
Dairy & Pastoral	967	1,097	1,097	1,247
Forestry & Mining	105	104	104	107
Industrial	77	72	69	64
Lifestyle	1,514	1,428	1,379	1,376
Other/Utilities	659	753	747	732
Residential	4,834	4,548	4,526	4,332
TOTAL	8,577	8,458	8,376	8,352

Table: Land use in the Hurunui District Since September 2013 (QV Valuation Statistics)

Capital and Operating Costs of providing for changes in Land Use

There has been an increase in residential properties, particularly in the Amberley area. This has prompted an increase in capital expenditure (particularly water) to assist the growth of the township.

REVIEW OF RATING SYSTEM

Through the development of the LTP, we have reflected on the need for any changes to the rating system.

In the 2015-25 LTP, there was a significant change to the way in which Water Supplies and Wastewater were funded. These changes are still being staged in as part of the 2021-31 LTP.

For the 2018-28 LTP, the Council introduced a number of new rates to address particular issues:

- Debt resulting from the earthquakes.
- Building up a fund to carry out earthquake strengthening work on Council-owned buildings
- A district footpath maintenance rate was introduced to address the trip hazard issue across the district.
- A District Urban Stormwater Rate was introduced to meet the testing costs relating to stormwater for all urban areas – not just those which have stormwater assets that need to be maintained or upgraded.
- An operational rate for the Amberley Swimming Pool was introduced.

For the 2021-31 LTP, after consulting with individual Community Committees and the Hanmer Springs Community Board, the only new rate contemplated had been the re-instatement of the Roadside Construction Rates, which provide selected communities funding to construct new footpath in their respective areas.

For the draft 2024-34 LTP, it is proposed to combine all stormwater operational and capital costs (similar to the process adopted for Water Supplies and Sewerage as part of the 2015-25 LTP). The reason for this is that new global stormwater consents are required for each urban area, including those urban areas that have had no requirement to meet a stormwater rate in the past.

Recognising that all ratepayers benefit in some way in the effective control of stormwater, the Council has resolved that the urban ratepayer will be charged 90% of the cost (recognising the greater benefit to urban ratepayers) and that the rural ratepayers will contribute to 10% of the cost.

DEVELOPMENT IMPACT FEES

To address a portion of the cost of growth-related projects, the Council utilises Development Contributions. This is provided for under the Development Contributions Policy, which has been amended for the 2024-34 LTP.

Development Contributions are forecast according to how we expect the district to grow. They contribute to the cost of capital expenditure for network and community infrastructure that is required as a result of growth.

Having significant development contributions can be a disincentive for developers and can adversely impact housing affordability. Equally, large rate increases to fund growth costs would not be fair to our existing ratepayers, so the Council needs to find a balance.

As required by the Local Government Act 2002, we are reviewing our current Development Contributions policy, and we are consulting on any changes that we propose as part of the long-term plan process.

INTERGENERATIONAL EQUITY

Intergenerational equity requires that each generation that benefits from a capital project should contribute to the cost of that investment. An example is the provision of a Wastewater plant which may have a 50-year life. The benefits of that plant are received by not only today's ratepayers but also ratepayers for the next 50 years.

Councils should generally only borrow to fund capital investment such as the building of infrastructure and amenities that benefit current and future generations. Debt is one way of smoothing the cost of construction over the generations that make use of, or benefit from, the service. It is a way of meeting the principle of 'intergenerational equity'.

LEVEL OF SERVICE STATEMENT

Assessment of our ability to provide and maintain existing levels of service and to meet additional demands for service within the proposed rate increase limits:

The Local Government Act requires us to assess whether we have the ability to provide and maintain existing levels of services and meet additional demands for services within the rates and debt limits as set out within the financial strategy.

The Council will be reliant on the level of funding provided by Waka Kothai to ensure that the levels of service are maintained for the roading network. As discussed earlier, the Council had initially allowed for significant increase

in the roading programme with a corresponding increase in subsidies and rates. Waka Kotahi confirmed that the level of subsidies available for our proposed programme will be significantly less than we had initially budgeted for, however, maintaining the rating input at the level consulted will allow for a higher level of service than is currently provided.

For the three waters assets, the Council has allowed for an increased level of renewals for the three waters throughout the Long-Term Plan budget from that allowed for in previous Long-Term Plans. This increased level of renewals is deemed to be required to continue to meet current levels of service.

The continued success of the Hanmer Springs Thermal Pools and Spa is key to ensuring the Council meets levels of service, particularly in respect of expenditure on the reserves.

The Council has made assumptions on the growth of revenue in the Long Term Plan that are deemed to be reasonable.

Assessment of our ability to provide and maintain existing levels of service and to meet additional demands for service within the proposed debt limits:

We are not contemplating taking on debt greater than exceeds the specified covenants dictated by the Council's key funding provider, the Local Government Funding Agency. Therefore, with the exception of the roading network due to circumstances outlined earlier, our assessment is that we do have the ability to maintain the existing levels of service and to meet additional demands for service within those debt limits.

Policies



Table of Contents

Significance and engagement policy	95
Māori contribution to decision-making policy.....	101
Revenue and financing policy	104
Treasury risk management policy.....	113
Internal financing policy	123
Policy for rates remission for biodiversity	125
Rates penalties policy	126
Policy for deferment of rates for drought-affected ratepayers	127
Rates postponement policy	128
Rates remission for Māori freehold land.....	130
Rates remission for non-contiguous agricultural land	132
Rates remission for land affected by natural calamity	133
Development contributions policy.....	134
Audit Report	153

Significance and engagement policy

HURUNUI DISTRICT COUNCIL POLICY SIGNIFICANCE & ENGAGEMENT



Adopted: 26 September 2023
Replaced: Significance and Engagement Policy, 21 December 2017
Review date: December 2027

1. Introduction

Engagement	Engagement is a process of dialogue between decision-makers, partners, communities and stakeholders for the purpose of making better decisions, policies or programmes. Public input into significant decisions, policies or programmes undertaken by the Council is essential to ensure they reflect the aspirations and priorities of communities, Ngāi Tahu and interested groups throughout the Hurunui District.
Objectives	This Significance and Engagement Policy aims to enable a flexible but focused approach to engagement that: • reflects Council's commitment to conducting business in an open, transparent and democratically accountable manner • recognises the importance of involving Hurunui's communities in Council's work • provides options and methods for engagement with different groups and communities and for issues, decisions and proposals with different degrees of significance • demonstrates our commitment to building ongoing relationships and greater understanding of community views and preferences • supports Council compliance with the provisions of the Local Government Act 2002.
Local Government Act requirements	Council is required by Section 76AA of the Local Government Act 2002 (the Act) to adopt a Significance and Engagement Policy, which must set out: • Council's general approach to determining the significance of proposals and decisions in relation to issues, assets and other matters • any criteria or procedures that are to be used by Council in assessing the extent to which issues, proposals, assets, decisions or activities are significant or may have significant consequences • how Council will respond to community preferences about engagement on decisions relating to specific issues, assets or other matters, including the form of consultation that may be desirable • how Council will engage with communities on other matters.
Purpose	The Act specifies the purpose of the Significance and Engagement Policy as: • to enable Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities

- to provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets or other matters
 - to inform Council from the beginning of a decision-making process about:
 - o the extent of any public engagement that is expected before a particular decision is made
 - o the form or type of engagement required.
- The Significance and Engagement Policy must list the assets considered by Council to be strategic assets.

Interpretation

Section 5 of the Act provides the following definitions:

- significance, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—
 - (a) the current and future social, economic, environmental or cultural wellbeing of district or region;
 - (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so
- significant, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance
- strategic asset, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community. It includes the assets designated in this policy as being significant, and any land or building owned by the Council and required to maintain the Council's capacity to provide affordable housing as part of its social policy.

- is clear about why it is making the decision and the issues involved
- has identified and assessed all reasonably practical options for achieving the objective for which the decision is being made
- has information about the community's views on the issues and the options, and in particular, has an understanding of the views and preferences of those likely to be affected by the decision or those who have a particular interest in the matter
- invests an appropriate amount of time, money and effort into researching and evaluating the issues and options, proportionate with the significance of the matter, including its importance to the community.

Decision making checks

In making any decision, Council will be satisfied that:

- it has sufficient information on the relevant issues and options
- it knows enough about and has given adequate consideration to the views of affected and interested parties
- it has taken account of:
 - diversity within the community
 - the interests and reasonably foreseeable needs of future as well as current communities
 - the impact of any decision on social, economic, environmental, and cultural well-being of communities, and
 - the need to maintain and enhance the quality of the environment.

Council is also obliged to ensure:

- efficient and effective use of its resources in the interests of the Hurunui district; and
- that any commercial transactions are undertaken in accordance with sound business practices.

Relevant effort

In exercising its discretion as to how much time, money and effort Council will invest in exploring and evaluating options and obtaining the views of affected and interested parties, the Council may consider:

- the significance of the issue, proposal or decision
- the extent of Council resources and the efficient and effective use of resources
- the extent to which the nature of the decision or the circumstances in which a decision is to be taken, allow the local authority scope and opportunity to consider a range of options or the views and preferences of other persons
- any other matters

Implications for Māori

In some instances, there may be particular requirements to learn about the implications of an issue or decision for Ngāi Tahu as mana whenua¹ and kaitiaki² of the Hurunui District.

2. General approach to making decisions**Determining significance**

On every issue requiring a policy or strategy decision, (other than issues which require processes specified under other legislation - see Section 5 below), Council will consider the degree of significance of the issue and the corresponding level of engagement.

The significance of the issue and appropriate forms of engagement will be considered in the earliest possible stages of a proposal or process, before decision-making occurs. If necessary, significance and engagement will be reviewed as the proposal develops and as community views, preferences and values become better known.

Section 76-82 compliance

In making any decision, Council will comply with sections 76 to 82 of the Local Government Act, regardless of the degree of significance of the decision or issue. These sections prescribe procedural steps to be followed as may be applicable, and ensure that Council:

¹ Mana whenua - territorial rights, power from the land, authority over land or territory, jurisdiction over land or territory - power associated with possession and occupation of tribal land. The tribe's history and legends are based in the lands they have occupied over generations and the land provides the sustenance for the people and to provide hospitality for guests. Source: maoridictionary.co.nz

² Kaitiaki - trustee, minder, guard, custodian, guardian, keeper. Source: maoridictionary.co.nz

	Where any of the practical options involves a significant decision in relation to land or a body of water, the Council will take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga
Limitations	The commitment to invest in exploring options and obtaining the views of communities and affected and interested parties does not mean that Council will have to fully consult with the public for every decision it makes, nor does it bind Council to the views of communities and interested or affected parties.
Inconsistent Decisions	If a decision of the Council is significantly inconsistent with, or is anticipated to have consequences that will be significantly inconsistent with, any policy adopted by the Council or a plan required by the act, in making the decision, the Council will identify: - the inconsistency - the reasons for the inconsistency; and - any intention of the local authority to amend the policy or to plan to accommodate the decision.

3. Criteria and procedures for assessing significance

	In considering the degree of significance of proposals and decisions in relation to issues, assets and other matters, Council will be guided by the following:
Policy and outcomes	- the potential effects on delivery of Council's strategies and/or levels of service - the benefits that will be achieved - any impact on Council's capacity to undertake its statutory responsibilities - any inconsistencies with any existing policy, plan or legislation
Financial costs and rates	- the financial cost of the proposal or decision - the likelihood that rates will change significantly
Communities	- the extent of impact on social, economic, environmental or cultural wellbeing - the level of community interest in the matter - the impact upon community members or groups - the number of people or groups affected - any wider interest or concerns at national or international levels
Ngāi Tahu / Iwi	- the values and interests of Ngāi Tahu whānau, hapū and rūnanga, as mana whenua for the district where proposals or decisions relate to land or a body of water, the implications for the relationships of Ngāi Tahu and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna and other taonga - the nature and extent of potential environmental impacts on community interests

Environment	- whether the proposal or decision impacts a physical or community resource that is scarce, unique and/or under threat - the impact of the proposal or decision on community vulnerabilities to the effects of changing weather patterns - the impact of the proposal or decision on the Council's carbon footprint
Other matters	- level of risk associated with the matter, including relating to health and safety - whether the proposal or decision would be irreversible - the practical demands of efficient decision-making in situations of urgency - the need to be cautious about decision-making in the face of uncertainty, lack of clarity or unresolved matters.

Procedures for assessing significance In determining the degree of significance of proposals and decisions in relation to issues, assets and other matters, and when applying the criteria listed above, Council will balance the requirements of efficient decision-making, and the information requirements of sections 76 to 81 of the Act, across the different levels of significance from low to high.

Every agenda will include a statement of "Significance Consideration" which will include the questions which determine the level of significance.

Every report to Council must state the level of significance of the matter being reported and include a recommendation where necessary. Council officers preparing these reports will use the following significance determinant matrix as well as having regard to this Significance and Engagement Policy.

Number Affected	Medium	High	High
	Low	Medium	High
	Low	Low	Medium
Likely Level of Impact, Implications, or Risk			

Councillors will make the final determination on the level of significance. Unless Council explicitly determines that the subject under consideration is medium or high significance then the subject will be deemed as being of low significance.

When Council is considering the significance of an issue, proposal, decision or other matter, in the event elected members, cannot agree, Council will:

- Reconsider the significance questions, and/or;
- Consider whether a view should be sought from the relevant Ward Committee or Community Board if appropriate to do so.

Agenda reports will include a statement addressing what has been done to ensure compliance with the Act as applicable unless the matter is considered to be of low significance.

4. Processes and methods for engagement

Principles of consultation	While Council is required to have regard for the views and preferences of those who are affected by or have an interest in a matter or decision, it is not required for this reason alone to undertake consultation. Any consultation undertaken by Council will reflect the following principles: - Council will provide those who may be affected by or have an interest in a matter or decision with relevant information - Those who may be affected by or have an interest in a matter or decision will be encouraged to present their views to Council. They will have a reasonable opportunity to do so in a manner and format appropriate to their needs and preferences - Council will consider any such views presented with an open mind - Those presenting views to the Council will have access to a record or description of the relevant decision made.
Method determination	In exercising its discretion regarding the application of the above principles, Council will have regard for: - the nature and significance of the decision or matter, including its likely impact from the perspective of those who may be affected by or have an interest in the matter or decision, - the extent to which current views and preferences of those who may be affected by or have an interest in a matter or decision are already known - the provisions of Part 1 of the Local Government Official Information and Meetings Act 1987 (including the ability to withhold information in specified circumstances); and - the costs and benefits of any consultation process or procedure. Council may also consider: - the objectives of the engagement – - the preferences, capacities, views and values of the community groups and individuals affected by and / or interested in the decision or proposal - the diversity of preferences, capacities, views and values amongst the community groups and individuals affected by and / or interested in the decision or proposal - the benefits and limitations of possible methods for engaging with community groups and individuals affected by or interested in the decision or proposal - timing issues, including any concurrent engagement processes on other matters involving the same, similar or contiguous groups or communities - opportunities provided by innovative technologies for efficient yet effective engagement - opportunities for relatively informal community-based meetings and discussions. Differing levels and forms of engagement may be required during the varying phases of consideration and decision-making on an issue, and for different community groups or stakeholders. Council will review the appropriateness and effectiveness of the engagement strategy and methods as the process proceeds. Council will follow an 'engagement spectrum' approach to determine the most appropriate processes and methods for engagement with affected and interested communities on particular decisions or issues. This approach is based on the International Association for Public Participation (IAP2) framework. The methods

discussed below are not a definitive list, but an indication of the spectrum of engagement opportunities that may be useful for Council and our communities.

Engagement Spectrum				
Inform	Consult	Involve	Collaborate	Empower
To provide the public with balances and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions	To obtain public feedback on analysis, alternatives and/or decisions	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution	To place final decision making in the hands of the public

Statutory obligations	Where, as a result of one or more statutory obligations, there is only one option legally available to the Council, regardless of the level of significance, the Council may inform the community, but is not required to engage with the community in other ways.
Inform communities	Information is primarily a one-way process in which the Council reaches out to communities. It helps ensure communities are kept up to date with developing issues and new proposals. Communications may be targeted to interested and affected groups. The following methods are efficient and practical means to raise awareness of a new or newly significant issue, to provide basic information about the issue, and to build community interest: - distribution of pamphlets or other materials such as newsletters and notices - information provided on Council's website - information provided via social media Some limitations to these methods include the costs of printing and distribution, and the challenges in reaching as widely within the community as may be necessary.
Consult and involve communities	A range of tools and methods can be used to bring communities and particular interested and affected groups into the process to contribute their views, priorities and preferences. For relatively straightforward issues or proposals, methods such as surveys (whether by phone, online or written) or focus groups may be effective. These methods can be targeted and undertaken relatively quickly. However, they can be limited in that there is little ability to address more complex or subtle dimensions of an issue and its implications for communities. Where survey response rates are low, responses may not fully reflect diversity within the community. For more complex issues or proposals, including legislative issues, more technical issues and policy and service reviews, a more comprehensive level of consultation and engagement will be appropriate: - Special Consultative Procedure (under the Act) - other submissions processes - formal public meetings - focus groups, local action groups.

	The public consultation undertaken in the development of Long Term Plans, Annual Plans and other Council Plans helps to ensure robust policies and relevance to communities. These methods allow Council and communities to research and explore the issues and background matters, and to consider the full range of implications of a proposal, policy or decision. However, these processes can be costly and time-consuming. There can be low participation rates with only a narrow range of people and groups engaging. The consultation may be off-putting to people and groups not familiar with the issues or confident with the technicalities or the process.
Collaborate with communities and empower their involvement	The value of a collaborative approach is increasingly recognised in a wide range of policy and decision-making contexts. These kinds of methods and approaches are particularly useful when there is a high degree of significance of the issue or proposal, and when there is strong community interest, capacity and commitment. These kinds of issues and proposals tend to be complex with multiple values, perspectives and interests at stake and often involving complex technical or scientific questions. Methods include: • multi-stakeholder processes such as Citizen Juries or Panels • multi-stakeholder groups such as the Canterbury Water Management Strategy Zone Committees • task groups, local action groups, advisory groups • interactive websites Like the more comprehensive consultation methods outlined in the previous section, these methods allow for research into the issues and background, and exploration of a wide diversity of implications. Multiple goals and values can be recognised and achieved. In addition, a collaborative approach establishes legitimacy through representative community participation, develops and affirms long-term relationships and understanding, and builds trust and community networks for future collaborative initiatives. These processes do require ongoing skilled facilitation and considerable time and resourcing to be effective. Specific processes, such as a Citizen Jury called to address a particular issue, may be focused closely around that issue and the interested and affected groups, and may not sustain continuing engagement over time.

5. Engaging with communities on other matters

Local Government Act	The Act prescribes particular processes for Councils to follow to consult and engage with communities on particular matters. Special Consultative Procedure: The Act specifies that a Special Consultative Procedure (SCP), as defined under section 83, must be followed for community engagement on certain plans and processes including: • Long Term Plans • Annual Plans where there are significant or material differences from the Long Term Plan • Bylaws of significant interest. Long Term Plan: Where Council intends to commence a large-scale planning or other project, the commitment will be set out in advance in the Long Term Plan. These matters may also have been foreshadowed in other policy or planning documents and Council may have been made aware of the community's views and preferences through other processes. Section 97 of the Act provides the following decisions may only be made if included in the Long Term Plan: • a decision to transfer the ownership or control of a strategic asset to or from Council • a decision to alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, including a decision to commence or cease any such activity. Annual Plan: Section 95A of the Act sets out engagement requirements in respect of the Annual Plan.
Other legislation	Other decisions made by Council will be made under legislation that prescribes the consultation and decision-making procedures that are required, including the procedures that must be used for public notification, considering submissions and making decisions (e.g. Resource Management Act). Even if a decision is clearly a significant one within the meaning of the Act, where the procedures for decision-making are set out in other legislation, those procedures will be used instead of those contained in this Significance and Engagement Policy. Section 82(5) of the Act broadly allows the authorising legislation's procedures to apply. This Significance and Engagement Policy will not be used in making decisions taken under the RMA on the following matters: • resource consents or other permissions • submissions on plans • decisions required when following the procedures set out in Schedule 1 of the RMA • references to the Environment Court • decisions to proceed with enforcement procedures under various legislation including Council bylaws. There are also numerous administrative and personnel decisions that are entirely internal to Council. This Significance and Engagement Policy will not apply to these processes and decisions.

6. Ngāi Tahu / Iwi

Treaty of Waitangi	The Council recognises and respects the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi.
Māori engagement in decision making	As provided for in sections 14, 81 and 82(2) of the Act, the Council will provide opportunities for Māori to contribute to its decision-making processes, including establishing processes and providing information for this purpose. In considering how it will exercise its responsibilities under these provisions of the Act, the Council will consider its role under section 11 and any other matters the Council reasonably considers relevant.
Ngāi Tahu special status	While the Act sets out provisions relating to all Māori, it is recognized that within the Canterbury region, Ngāi Tahu are the tangata whenua. They have a special status in terms of Council's resource management activities, and are not just another interest group. In addition to the Local Government Act obligations, the Resource Management Act 1991 (RMA) gives regional Councils specific obligations regarding kaitiakitanga, the principles of the Treaty of Waitangi and the relationship between Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu and other taonga. In the Canterbury region, the Ngāi Tahu Claims Settlement Act 1998 includes confirmation of the ability for Ngāi Tahu to express its traditional kaitiaki relationship with the environment.
Memorandum of Understanding	Central to our working with Māori is a Memorandum of Understanding between Te Rūnanga o Ngāi Tahu, Te Ngāi Tūāhuriri Rūnanga, Te Rūnanga o Kaikoura and the Council. This MoU has been in place since 2004 and is an agreement for us to work together to develop appropriate processes that will allow Council to fulfil its statutory responsibilities while recognising Ngāi Tahu as the tangata whenua. In addition to the MoU, Council has also developed policies covering Māori Contribution to Decision Making and protocols covering the accidental discovery of human remains and artefacts.

7. Council's strategic assets

Asset groups	Council has identified a schedule of the strategic physical assets which are considered significant in ensuring Council's capacity to achieve or promote important outcomes. It is important to note that Council manages a number of strategic assets as a whole. This is because these asset classes as a whole, deliver the service. Strategic decisions in these areas, therefore, only concern the whole asset class and not individual components, unless those components substantially affect the ability of Council to deliver the service. It is the principle of the provision of the services that makes these asset groups strategic, not the individual roads, individual toilet blocks, individual halls, etc.
List of assets	The physical assets owned by the Council that are considered strategic assets as a whole are: • The water supply network • The wastewater collection • The stormwater system • The roading and footpath network • The Hanmer Springs Thermal Pools and Spa Reserve • The library network

- The reserves lands as a whole including land held under the Reserves Act and land used for parks, domains, village greens, cemeteries, sports fields and recreational areas
- The lands and buildings including:
 - Social housing
 - Community halls
 - Medical centres and doctors' houses
- The solid waste network

END OF POLICY

Māori contribution to decision-making policy

HURUNUI DISTRICT COUNCIL

POLICY

MĀORI CONTRIBUTION TO DECISION MAKING



Approved:	June 2015
Introduction	The Hurunui District lies within the traditional boundaries of Ngāi Tahu. Ngāi Tahu is the largest iwi in Te Waipounamu (the South Island) and comprises of hundreds of whānau who descend from the tribe’s five primary hapū (Ngāti Kuri, Ngāti Irakehu, Kāti Huirapa, Ngāi Tūāhuriri and Ngāi Te Ruahikihiki) as well as earlier Ngāti Mamoe and Waitaha ancestors. The collective of all of these genealogies is known today as Ngāi Tahu Whānui. Te Rūnanga o Ngāi Tahu (TRoNT) is the mandated Iwi Authority for Ngāi Tahu Whānui and was established by the Te Rūnanga o Ngāi Tahu Act 1996. While TRoNT accepts its statutory responsibilities as the representative voice of Ngāi Tahu Whānui “for all purposes” it also respects the rights of local Ngāi Tahu whānau and hapū to represent and express their own respective rights, values, and interests as mana whenua (i.e., those that hold traditional authority within their recognised takiwā) via their local papatupu rūnanga. The hapū who have mana whenua over the Hurunui District are Ngāti Kuri and Ngāi Tūāhuriri. Their respective rūnanga are Te Rūnanga o Kaikōura and Te Ngāi Tuahuriri Rūnanga. The takiwā of Te Rūnanga o Kaikōura centres on Takahanga Marae in Kaikōura and extends from Te Pari-nui-o-Whiti (White Bluffs) in the north to the Hurunui River in the south, inland to the main divide and seawards. The takiwā of the Ngāi Tūāhuriri Rūnanga centres on Tuahiwi Marae in Tuahiwi and extends from the Hurunui River in the north to the Hakatere/Ashburton River in the south, inland to the main divide and seawards.
Purpose	The Hurunui District Council, as a legal representative of the Crown, seeks to engage meaningfully with Ngāi Tahu in the spirit of the partnership established under Te Tiriti o Waitangi. The Council recognises that Ngāti Kuri and Ngāi Tūāhuriri have rights and responsibilities as mana whenua (e.g., kaitiakitanga) and has worked with their representatives to enter into a Memorandum of Understanding to record and help guide this partnership. It is important that Māori perspectives are heard when it comes to Council decision making and that we have procedures in place to make sure this is the case. In addition, both the Local Government Act and the Resource Management Act include certain requirements for councils to work alongside Māori. The Local Government Act, section 81 requires councils to: a) establish and maintain processes to provide opportunities for Māori to contribute to the decision- making processes of the local authority; and

	b) consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority; and c) provide relevant information to Māori for the purposes of paragraphs (a) and (b). The Resource Management Act 1991, sections 58L to 58U sets out the requirement for Mana Whakahono a Rohe: Iwi Participation Arrangements. The intent of this Part of the Act is to improve working relationships between iwi and councils and enhance Māori participation in resource management processes. This is a relatively new requirement under the Act, the Council is keen to enhance its relationship with iwi and to work together to discuss and agree how this would work for us all. An important relationship has been fostered through having representatives from Te Rūnanga o Kaikōura and Te Ngāi Tuahuriri Rūnanga on the Hurunui Waiau Zone Committee. Working together on water issues for the future of the district under the wider Canterbury Water Management Strategy is an important area of mutual concern.
Ngāi Tahu and the Hurunui District	Ngāi Tahu's historic relationship with the Hurunui district is reflected by the numerous pā (fortified settlements), mahinga kai, taurangawaka (canoe landing sites), nohoanga (seasonal camps associated with mahinga kai), tuhinga-o-nehe (rock art), ara-tawhito (highways) and urupā (burial sites) found throughout the District. Today, Ngāi Tahu maintain a relationship with a number of these sites (particularly remnant mahinga kai) and are becoming more active in discussions and decisions that relate to the management of sites of significance to them.
Protocol	The Council has with Te Ngāi Tūāhuriri Rūnanga, Te Rūnanga o Kaikōura and Te Rūnanga o Ngāi Tahu, a Memorandum of Understanding. The purpose of this is to recognise the role that local Rūnanga has in environmental resource management matters dealt with by our Council, and to provide an opportunity for a working relationship to be enhanced and improved. The Council and representatives of the local Rūnanga have agreed to meet from time to time to review this protocol and explore ways of extending it to ensure that it remains consistent with meeting the wider objectives and mandate of the Local Government Act.
Iwi Management Plans	In order to facilitate the expression of their kaitiaki responsibilities and the understanding of their values, issues, objectives, and policies; Ngāti Kuri and Ngāi Tūāhuriri have their own respective environmental management plans, namely: • Te Poha o Tohu Raumati 2005 (Ngāti Kuri) • Maha-a-nui 2013 (Ngāi Tūāhuriri) The Resource Management Act 1991 (section 74(2A)) requires territorial authorities to take into account planning documents recognised by iwi and lodged with the territorial authority. The content of the Iwi Management Plans has a bearing on District resource management issues under the Resource Management Act 1991. Each Plan provides guidance on specific

Statutory Acknowledgments

issues and locations within the Hurunui District. These are vital resources for the Council and consent applicants to understand how to recognise and provide for the relationship of each hapū with their ancestral lands, water, sites of significance and other taonga (Section 6 of the Resource Management Act 1991).

The Ngāi Tahu Claims Settlement Act 1998 created Statutory Acknowledgement areas as a mechanism to recognise the special relationship Ngāi Tahu has with a given site. The purpose of Statutory Acknowledgments is to improve both the effectiveness of Ngāi Tahu participation within resource management processes, as well as the protection that each such site receives under the Resource Management Act.

The Statutory Acknowledgement areas in the Hurunui District are:

- Waipara River
- Lake Sumner/Hoka Kura
- Kōwai River
- Hurunui River/Huruhurunui Awa
- Conway River/Tūtae Putaputa

Reference: Proposed Hurunui District Plan Chapter 2 Schedule 2.1 map SA
The Council must send copies of resource consent applications to Ngāi Tahu and consider whether Ngāi Tahu is an affected party for all activities within, adjacent to, or impacting directly on a statutory Acknowledgement area.

Archaeological Sites

In addition to the Statutory Acknowledgment areas, there are over 100 Māori archaeological sites throughout the District recorded by the New Zealand Archaeological Association (NZAA). Ngāi Tahu regards these recorded sites as indicators of the existence of other sites that have not been publicly recorded or identified. All archaeological sites, whether recorded or unrecorded, are protected by the Historic Places Act 1993. Māori archaeological sites include pā sites, cultivation areas, gardens, terraces, pits, middens, and rock art sites. Ngāi Tahu considers all archaeological sites related to Māori occupation and activity to be culturally significant regardless of site type. All of these sites are wāhi taonga and some are wāhi tapu – all are significant on account of their association with tipuna (ancestors).

While the primary legislation protecting archaeological sites in New Zealand is the Historic Places Act 1993, the Resource Management Act 1991 also plays an important role. The Council has responsibilities under Sections 5, 6, 7 and 8 of the Act to sustainably manage archaeological sites. Therefore, engagement with Ngāi Tahu when decisions are made on resource management in the vicinity of archaeological sites is required.

Integration with archaeological authority processes under the Historic Places Act 1993 is also an important consideration when assessing effects involving places and areas of significance to Māori under the Resource Management Act 1991. Heritage New Zealand Pouhere Taonga should be contacted in the early stages of a proposal as an archaeological authority from the Heritage New Zealand Pouhere Taonga may be required.

LTP Part 2

Nohoanga Sites

Nohoanga are temporary dwelling sites that are used in the seasonal pursuit of food and other natural resources. Nohoanga have been recognised within the Ngāi Tahu Claim Settlement Act 1998 and provision made for them so that Ngāi Tahu are able to occupy and use these sites for a defined period within any given year to pursue mahinga kai traditions.

The nohoanga within in the Hurunui District are located on:

- Hurunui River/Huruhurunui Awa
- Lake Sumner/Hoka Kura
- Waiaua River/Waiaua Au
- Waipara River and Waipara Rivermouth

As with Statutory Acknowledgements, the Council undertakes to send copies of resource consent applications to Ngāi Tahu and consider whether Ngāi Tahu is an affected party for all activities within, adjacent to, or impacting directly upon a nohoanga site.

END OF POLICY

Revenue and financing policy

HURUNUI DISTRICT COUNCIL	
POLICY	
REVENUE AND FINANCING	
	
Approved:	26 September 2023
Replaces:	Revenue and Financing Policy (30 June 2021)
Background	Under section 102 of the Local Government Act 2002, local authorities are required to have a Revenue and Financing Policy. The purpose of the policy is to state how the capital and operating costs of Council activities will be funded.
Factors considered in determining funding sources for Council activities	For each activity to be funded, the Council considers: (a) the community outcomes to which the activity contributes; (b) the distribution of benefits between the community as a whole, any identifiable part of the community (such as townships or rating areas), and individuals; (c) the period in or over which those benefits are expected to occur; (d) the extent to which the actions or inaction of particular individuals or groups contribute to the need for the activity; (e) the costs and benefits of funding the activity distinctly from other activities; and (f) the overall impact of the funding mechanism(s) on the current and future social, economic, environmental, and cultural well-being of the community. The Council will consult the community regarding any changes to the Revenue and Financing Policy, and will consider any feedback received. Having done so, any decisions regarding the funding of Council activities will rest with the Council.
Explanation of Terms Used	Capital Value: The value a property is expected to receive at the time of valuation if offered for sale on reasonable terms and conditions. Development Contributions: Charges on future lots or units of demand to fund the growth portion of capital expenditure (such as upgraded infrastructure, new reserves, etc). District Wide Rate: District wide collection of revenue based on a set number of cents per dollar of the capital value of every property, or a uniform annual general charge (UAGC). Targeted Rate: Is a rate within a rating area or other defined area and may be based on cents per dollar of capital value of every property or a fixed amount per rating unit (known for the purposes of this policy as a "Uniform Annual Charge"). Money is spent in that area only. Uniform Annual Charge (UAC): Within the context of this policy, this is a

Targeted Rate for a set dollar amount collected for each rateable property (or each separately used or inhabited part of a property) in the District as a whole or within part of the District for a specific Council service (e.g. water supply, sewerage, amenities etc).

Uniform Annual General Charge (UAGC): This is a set dollar amount which is collected for each rateable property or each separately used or inhabited part of a property in the District, irrespective of the value of the property, to cover the combined costs of various Council services.

Units of demand: Units of demand are defined as a rating unit or a separately used or inhabited part of a rating unit.

User Charges: Charges collected from individuals at the time service is used.

Costs and benefits of funding activities separately

The Hurunui District includes diverse urban and rural areas, and covers and extensive geographical area. Hence, the needs of the communities and the levels of service received by different communities vary.

Accordingly, targeted rates are used to fund part or, in some cases, all of many activities, particularly where there are differing levels of service in different locations and/or where the costs of carrying out those activities are identifiable. This supports transparency and promotes equity. While there is **some** administrative cost associated with the use of a number of targeted rates, this is relatively minimal.

For some activities, it is possible to levy user charges to cover some or all of the cost of the activity. In considering whether and/or how much to levy, the Council has regard for the likely costs of collecting the charge, the practicability of doing so for that activity, and any statutory provisions which may apply.

Preamble to Te Ture Whenua Māori Act 1993

This policy has been prepared with regard for the matters in the Preamble to the Te Ture Whenua Māori Act 1993.

The Council acknowledges the special relationship between the Māori people and the Crown arising from the Treaty of Waitangi.

The provisions of the Local Government (Rating of Whenua Māori) Amendment Act 2021 (as modified by any subsequent amendments to those provisions) apply.

TABLE FOR USE IN REVENUE AND FINANCING POLICY

	Community outcomes	Distribution of benefits	Period of benefits	Whose act contributes to need	Funding source: Operating expenditure	Funding source: Capital expenditure	Discussion/Rationale
Water services	- Desirable and safe place to live - Appropriate infrastructure - Environmental responsibility	Water services primarily provide a private benefit to water consumers, particularly owners/occupiers of properties connected to a Council water scheme.	Most benefit from operating expenditure is likely to occur in the year in which funds are obtained. However, some income is used to service and repay debt in relation to which some benefits may have been received in previous years. Capital expenditure is likely to provide benefits primarily in future years.	Water is required by individuals, businesses, agricultural activities and other consumers. Stock water and water for viticulture are of notable significance in the Hurunui district. Property owners connecting to water supplies may contribute to additional capital and operating expenditure, e.g. for expansion of water networks.	- Targeted rates (Urban water rates, Rural water rates and Balmoral rural) - Most - User charges - Some - Borrowing - Some	- Borrowing (serviced by depreciation and funded by targeted rates) - Significant - Development contributions - Significant - Financial contributions - Possible	Only properties which are connected to or in close proximity to Council water schemes are rated for this service. Properties that have the ability to connect to an on-demand supply but are not connected (e.g. vacant sections) are charged half the 1/2 the standard connection charge. Those connected to an on-demand supply are charged a standard charge for each cubic metre of water as recorded by individual water meters. For restricted supplies, except Balmoral, a staged increase in rates is proposed which in time will align all supplies to a common rate for each unit of water. The Balmoral Rural Water Supply is charged as a uniform annual rate per water unit entitlement. The Balmoral water scheme is funded separately due to the significantly different cost structure associated with the scheme. Capital expenditure is initially funded by debt. Where capital expenditure caters for future growth of the scheme, then that portion of the cost that relates to growth may be funded through development contributions. Financial contributions may be charged in accordance with the District Plan. The cost of new connections to Council water supplies is funded by user charges.
Sewerage	- Desirable and safe place to live - Appropriate infrastructure - Environmental responsibility	Sewerage services primarily provide a private benefit to those whose properties are connected to a Council water scheme. The environmental outcomes supported by these schemes are a public benefit to the serviced communities.	Most benefit from operating expenditure is likely to occur in the year in which funds are obtained. However, some income is used to repay debt in relation to which some benefits may have been received in previous years. Capital expenditure is likely to provide benefits primarily in future years.	Most ratepayers have their own self-funded sewerage disposal system, such as septic tanks. Only those properties which are connected or within 30 meters of a Council sewerage system are rated for this service as these properties contribute to the need. Property owners connecting to Council sewerage systems may contribute to additional capital and operating expenditure. Properties with more than one water closet or urinal may create a larger volume of wastewater.	- Targeted rates (Sewerage rates) - Most - User charges - Negligible	- Borrowing (funded by targeted rates)- Significant - Development contributions - Significant - Financial contributions - Possible	Sewerage expenditure is largely funded by targeted rates, recognising that only some parts of the district receive this service. Properties that are within 30 meters of a public sewerage drain but which are not connected are charged half the 1/2 the standard connection charge. Because properties which contain a number of water closets or urinals are likely to generate more wastewater, where there is more than one household occupying a property, there are additional charges for additional water closets or urinals. The significant costs of meeting environmental standards for sewerage systems are such that it is not feasible for smaller communities to fund their own schemes. Accordingly a district wide sewer rate is levied. Capital expenditure is initially funded by debt, and subsequently serviced and repaid by targeted rates. Where capital expenditure caters for future growth of the scheme, then that portion of the cost that relates to growth may be funded through development contributions. Financial contributions may be charged in accordance with the District Plan. The cost of new connections to Council sewerage systems is funded by user charges.
Stormwater	- Desirable and safe place to live - Appropriate infrastructure - Environmental responsibility	Stormwater services primarily benefit the communities serviced by the key drains in the district. Stormwater services may be of greater benefit to those properties at higher risk of flooding. In addition, benefits are experienced by others across the district. Stormwater services reduce inundation of the waste water network and help protect access to properties. All properties benefit from access to townships. Also, gravity results in water from many catchment areas eventually reaching Council networks. However, it is recognised that the benefit to the majority of rural properties is likely to be less than that to urban properties.	Most benefit from operating expenditure is likely to occur in the year in which funds are obtained. However, some income is used to repay debt in relation to which some benefits may have been received in previous years. Capital expenditure is likely to provide benefits primarily in future years.	Excessive vegetation surrounding waterways can inhibit water passage, increasing the risks of flooding. In some cases, agricultural and forestry activities can contribute to the impacts of stormwater.	- Targeted rates - Most - User charges - Negligible	- Borrowing (funded by targeted rates)- Significant - Development contributions - Significant - Financial contributions - Possible	In the 2021-2031 Long Term Plan, capital and operating costs were applied evenly to each ratepayer of a designated township, other than for the Amberley/Amberley Beach area, for which all ratepayers in the South Ward contributed a fixed amount. The costs of funding Jed River stormwater activities were previously funded by a fixed charge per hectare of land within the drainage area and by a rate based on land value. However, this approach did not recognise that all properties in the district benefit from stormwater activities to some extent, whether or not water from the property discharges into the Council network. A new global discharge consent is being obtained, which will cover 13 urban areas in the Hurunui district. Some of these areas had not previously been rated for stormwater activities, other than a small fixed charge levied on all properties in the district. The new global discharge consent is expected to result in increased compliance costs. Having regard for the expected more even spread of costs across the district and the likely benefits, the stormwater rate for the 2024-2034 Long Term Plan is assessed as: - A fixed charge on all urban properties, the total of which makes up 90% of the total required stormwater rating requirement; - A fixed charge on all rural properties, the total of which makes up 10% of the required stormwater rating requirement.

	Community outcomes	Distribution of benefits	Period of benefits	Whose act contributes to need	Funding source: Operating expenditure	Funding source: Capital expenditure	Discussion/Rationale
Roads and footpaths	- Desirable and safe place to live - Appropriate infrastructure - Thriving local economy	The roading network benefits both individual road users and the district as a whole. It supports both individual travel and the transport of goods and services. Levels of service vary across the network, e.g. provision of footpaths in some locations, sealing of some roads.	The benefits of operating expenditure primarily arise during the period in which income is obtained. Capital expenditure is expected to provide benefits over multiple future years.	Road usage contributes to the need for maintenance and renewal of roads. Forestry related activities, particularly post-harvest, have an impact on roading maintenance needs in some parts of the district. In some instances, vehicle accidents and vandalism contribute to the need for repairs to roading assets.	- District wide rates (general rate based on capital value) - Significant - External funding - Significant - Targeted rates - Some - Petrol Tax - Some	- Borrowing - Significant - External funding - Significant - Financial, development and/or lump sum contributions - Some	Most of the Council's contribution to roading costs is funded by a district wide rate based on capital value because all residents and ratepayers benefit from roads and footpaths. Waka Kotahi subsidies for both capital and operating activities are recognised as revenue in the year received. Where possible, additional external funding will be sought. Some footpath costs are funded from a targeted rate for roadside construction. For most locations, this is based on capital value. However, based on community preference, a fixed targeted rate is levied in Waipara township. In addition, a District Footpath Maintenance Rate, calculated as a fixed charge, is applied to all rateable land in the District, which recognises that footpaths may be used by ratepayers from across the district and visitors. The portion of capital expenditure which relates to growth may be funded from development contributions. Financial contributions may be charged in accordance with the District Plan. Where new sealing work is outside the approved roading programme, ratepayers on that particular road(s) are to meet the full cost of sealing.
Coastal Hazards	- Desirable and safe place to live - Appropriate infrastructure - Environmental responsibility	This activity is expected to provide a private benefit to property owners and those occupying properties in coastal communities, contributing to health and safety and economic wellbeing. It may also provide district wide benefits for those visiting coastal communities.	The planning phase is expected to occur over several years. During this phase, the main benefit is greater clarity regarding future direction. However, most benefits will arise in future periods following implementation of the established plan.	The need for this activity arises from increasing natural hazards, including those associated with climate change.	- Targeted rates - Most - External funding - Possible	- Borrowing - Most - Targeted rates - Some - External funding - Possible	Targeted rates are used to fund operating expenditure as the coastal protection activity primarily benefits property owners in identified vulnerable areas. Climate change mitigation is an increasing focus for both central and local government. Where possible, Council will seek external funding to help meet costs associated with this activity. A targeted rate is levied for Amberley Beach Erosion Protection.
Waste minimisation and management	- Desirable and safe place to live - Appropriate infrastructure - Environmental responsibility	The activity provides a private benefit to individuals and businesses who create solid waste. It also provides a public benefit by reducing the risk of environmental harm	Most benefits are experienced in the year in which activities occur. However, waste minimisation services have the potential to change the volume and nature of waste in future years.	All individuals and businesses contribute to the need for waste minimisation and management. A small number of commercial business may have a greater than average adverse impact.	- User charges - Significant - Targeted (Refuse Collection) rates - Significant - District wide rates (Uniform Annual General Charge) - Significant - External funding - Some	- Borrowing (serviced from depreciation funded by district wide rates) - Most - External funding - Some	User charges at transfer stations recognise the direct relationship between the cost of providing this service and the amount of waste disposed of through these sites. Refuse collection rates are levied on properties which receive this service. Household residents are required to pay for refuse and recycling bags separately, reflecting the user pays principle. Township litter bins provide easy disposal of litter by visitors and others outside their homes. The provision of this service provides a benefit to the wider community and as such is funded through the district general rate. Partial funding from a district wide rate (fixed rate) recognises the environmental benefits of this rate. Some external funding is available from central government (Ministry of the Environment). In the event that, following consultation, it is decided to introduce "wheelie bins" for different types of solid waste, there would be a consequential change in the mix of revenue for this activity. However, it is likely that there would continue to be a mix of user charges, targeted rates, district wide rates and external funding.
Community halls	- Desirable and safe place to live - Traditional rural values and heritage make Hurunui unique	This activity primarily benefits those who participate in events being held in the halls. Those living in the area surrounding each hall are more likely to benefit.	The benefits of operating expenditure primarily arise during the period in which income is obtained. Capital expenditure is expected to provide benefits over multiple future years.	Maintenance costs largely arise from the passage of time rather than usage. However, vandalism may increase the level of expenditure required.	- Targeted rates (Amenities rate) - Significant - User charges - Some	Borrowing funded by Targeted rates (Amenities rates) - Significant	As hall users receive greater benefit from the halls, user charges are used to fund part of the service. However, it is not practicable to fully fund all community hall expenditure from user charges. The remaining operating expenditure is funded from Targeted rates (Amenities rate), as those living in proximity to the halls are likely to receive greater benefit. This also recognises that the costs of hall maintenance and operation vary.

	Community outcomes	Distribution of benefits	Period of benefits	Whose act contributes to need	Funding source: Operating expenditure	Funding source: Capital expenditure	Discussion/Rationale
Reserves, parks and playgrounds	- Desirable and safe place to live - Traditional rural values and heritage make Hurunui unique - Environmental responsibility	Reserves, parks and playgrounds provide a direct benefit to those individuals and groups who use them. Most are available for casual use by the whole community.	The benefits of operating expenditure primarily arise during the period in which income is obtained. Capital expenditure is expected to provide benefits over multiple future years.	The actions of most users of reserves, parks and playgrounds have some impact on this activity. Some sporting activities may have greater than average impact on the condition of sports areas.	- District wide rates - Significant - Targeted rates (Amenities rate) - Significant - User charges - Some - Hanmer Springs Thermal Pool and Spa surpluses - Some	- Development and financial contributions including vested assets - Significant - District wide rates - Significant - Targeted rates (Amenities rate) - Significant - Borrowing (funded by Amenities rates) - Some - User charges - Some	The use of district wide rates reflects that reserves, parks and playgrounds are accessible to the whole district. Some reserves, parks and playgrounds are likely to be used more frequently by those living in close proximity and this is reflected in partial funding through targeted rates (Amenities rates are set differentially based on location). Pursuant to the Reserve Act 1977, surpluses derived from the Hanmer Springs Thermal Pool and Spa may only be applied to reserves under the administration of the Council. To promote use and for practical reasons, most reserves, parks and playgrounds are accessible to the public at no cost. Accordingly, user charges are a relatively small income source for this activity. The resurfacing of the Tennis Courts at Leithfield Beach primarily benefits the residents of Leithfield Township and Leithfield Beach Township and as such the capital works are funded via a targeted rate on those two communities (a fixed rate per separately used or inhabited part of a rating unit). As a result of growth in the district, Council may receive reserves from developers (vested assets), financial contributions, and/or development contributions.
Township maintenance and development	- Desirable and safe place to live - Thriving local economy - Environmental responsibility	This activity contributes to amenity and safety benefits for those living in the respective townships. It also provides benefits to those living in locations serviced by the township. The attractiveness of towns can contribute to visitor volumes, and hence support local business activity. There may also be benefits to the district as a whole.	The benefits of operating expenditure primarily arise during the period in which income is obtained. Where capital expenditure occurs, it provides benefits over multiple future years.	The actions of individuals may contribute to costs, such as those associated with maintaining litter bins.	Targeted rates (Amenities rate) - All	- Targeted rates (Amenities rate) - Significant - Development contributions including vested assets - Significant	As properties situated in towns receive greater benefit from township maintenance and development than other properties, operating expenditure is funded from Targeted rates (Amenities rate).
Health buildings	Desirable and safe place to live	Health centres provide a private benefit to those using the medical centres and to those working there. Individuals living in houses provided for medical personnel benefit from the provision of housing.	The benefits primarily arise during the period in which income is obtained. Capital expenditure is expected to provide benefits over multiple future years.	The actions of most residents in the locations where medical buildings are situated contribute to the need for this activity. This need for medical centres is likely to increase in the coming years due to the ageing population.	- Targeted rates (Health centre rates) - Significant - User charges - Significant	- Targeted rates (Health centre rates) - Significant - Borrowing (funded by targeted rates) - Some	Rental income is received in respect of the health centres and an associated house, reflecting the benefit to the medical practices operating from the centres. In addition, because access to medical services is necessary for the wellbeing for those living in the district, and that those living in proximity to the health centres receive greater benefit, the health centres are also partly funded by targeted rates.
Residential housing	Desirable and safe place to live	Residential housing activities primarily benefit tenants. Council's objective is that this activity should be self-funding, although funding coverage varies between years.	The benefits of operating expenditure primarily arise during the period in which income is obtained. Capital expenditure is expected to provide benefits over multiple future years.	All individuals need access to adequate shelter.	- User charges - Significant - District wide rate - Some	- User charges - Significant - District wide rate - Some	Housing tenants pay rent on the properties. While rental income covers most operating expenditure, district wide rates are used to fund any shortfalls.
Social housing	Desirable and safe place to live	Social housing activities confer a private benefit on tenants, most of whom are beneficiaries.	The benefits of operating expenditure primarily arise during the period in which income is obtained. Capital expenditure is expected to provide benefits over multiple future years.	All individuals need access to adequate shelter.	- User charges - Significant - External funding - Significant - District wide rates - Possible	- Borrowing (funded by user charges and external funding) - Significant - District wide rates - Possible	Housing tenants pay rent on the properties. Rental income covers most operating expenditure. District wide rates are used to fund any shortfalls.
Cemeteries	- Traditional rural values and heritage make Hurunui unique - Environmental responsibility	This service provides private benefits to individuals. It contributes to public health by ensuring the safe and dignified disposal of human remains. Cemeteries also provide green spaces which provide amenity value to those living in surrounding areas.	The benefits of operating expenditure primarily arise during the period in which income is obtained. Additional capital investment is expected to provide benefits over a number of future years.	All individuals contribute to the need for this activity. The combined effect of district growth and the aging population is likely to require further investment in this activity.	- District wide rate - Significant - User charges - Significant - Hanmer Springs Thermal Pool and Spa - Some	- District wide rate - Significant - User charges - Significant	Individuals pay user charges for the initial acquisition and use of a burial plot. It is not feasible for individuals purchasing burial plots to fund ongoing maintenance for the site. Both for this reason, and because of the amenity value associated with green spaces, this activity is also partly funded by district wide rates and some of the surpluses from the Hanmer Springs Thermal Pool and Spa.
Public toilets	- Desirable and safe place to live - Essential and appropriate infrastructure - Environmental responsibility	Toilets are primarily used by visitors and those away from their homes. The toilets confer a private benefit to individual users. In addition, the toilets provide environmental benefits experienced by the district as a whole.	The benefits of operating expenditure primarily arise during the period in which income is obtained.	The large number of visitors to the Hurunui district contributes to the need for toilet facilities. The number of people using toilets impacts maintenance costs. In some cases, the activities of vandals may increase operating costs.	- District wide rates - Most - External funding - Some - Hanmer Springs Thermal Pool and Spa surpluses - Some	- District wide rates - Most - External funding - Some	The use of district wide rates to fund most of the cost of public toilets reflects the environmental and amenity benefits provided by this service. In order to promote use, there are no user charges associated with the toilet facilities. The ready availability of public toilets also supports district tourism. Accordingly, this activity is also partly funded by surpluses from the Hanmer Springs Thermal Pool and Spa.

	Community outcomes	Distribution of benefits	Period of benefits	Whose act contributes to need	Funding source: Operating expenditure	Funding source: Capital expenditure	Discussion/Rationale
Libraries	- Desirable and safe place to live - Essential and appropriate infrastructure	The primary benefit from libraries is to those that borrow and use library material and resources. The level of service provided at the district's libraries varies, with the highest levels of service being available at the Amberley library. However, online services potentially benefit the district as a whole. Some libraries also act as community hubs, providing meeting spaces for use by individuals and groups.	The benefits of operating expenditure primarily arise during the period in which income is obtained.	All individuals contribute to the need for this activity.	- District wide rates - Significant - User charges - Some - Hanmer Springs Thermal Pool and Spa surpluses - Some	- District wide rates - Significant - User charges - Some - External funding - Some	If the library were to be fully funded by user charges, the costs may be prohibitive for some users and would discourage use. Accordingly, while some costs are met from user charges, this service is largely funded from district wide rates.
Youth programme	Desirable and safe place to live	This activity primarily benefits the young people who participate in the programme.	Benefits primarily arise during the period in which income is obtained. However, participants may continue to benefit from the impact of the programme in later years.		- External funding - Significant - Hanmer Springs Thermal Pool and Spa income - Significant	- External funding - Significant - Hanmer Springs Thermal Pool and Spa income - Significant	As this programme targets youth, it is not practicable for programme participants to fund expenditure. Where possible, external funding is sought. Income from the Hanmer Springs Thermal Pool and Spa also funds this service. Capital expenditure is minimal.
Civil Defence	- Desirable and safe place to live - Environmental responsibility	Some parts of the district are more vulnerable to some types of disaster events than others. However, civil defence activities potentially benefit everyone in the district.	Expenditure contributes to preparedness for disaster events. Hence the benefit is likely to arise in the event of a future disaster.	Civil defence emergencies may arise from natural events. All individuals contribute to the need for civil defence preparedness. Some individual, agricultural and commercial activities may exacerbate vulnerabilities to some types of disaster events.	- District wide rates - All - External funding - Unlikely unless experience a significant disaster event	District wide rates - All	As this service benefits the whole district, it is considered that a district wide rate is most appropriate.
District promotion	Thriving local economy	District promotion benefits the district as a whole. Some businesses benefit from additional people entering the district. District promotion may contribute to local employment opportunities.		All individuals and businesses contribute to the need for this activity.	District wide rates - All	N/A	As district promotion benefits the whole district, it is considered that a district wide rate is most appropriate.
Tourism	Thriving local economy	Businesses with a significant tourism focus (e.g. accommodation providers and those providing passenger transport and visitor activities) directly benefit from this service. In addition, there are flow on benefits for economic activity for the district as a whole.	Benefits may be spread over a number of years. However, operating expenditure relating to this activity is likely to have most impact in the years in which expenditure is incurred.	All individuals and businesses contribute to the need for this activity.	- Targeted rates - Significant - External funding - Significant - Hanmer Springs Thermal Pool and Spa surpluses - Some	- Targeted rates - Significant - External funding - Some	This service contributes to visitor numbers. Having regard for the varying benefits likely to accrue to different categories of property, targeted rates are levied as fixed charges (five property categories). Many visitors use the Hanmer Springs Thermal Pool and Spa. Hence some surpluses from this activity are applied to offset some tourism costs. Where possible, central government and other external funding is sought.
Swimming pools	- Desirable and safe place to live - Essential and appropriate infrastructure	Swimming pools primarily provide a private benefit to pool users. Those who live in close proximity to the pools are more likely to benefit from this service.	Most benefits occur in the period in which funding is obtained.	The number of pool users can impact operating costs.	- Targeted rates - Significant - Amenity rate - Some - User charges - Some	- Borrowing funded by targeted rates - Significant - External funding - Possible	While user charges contribute to the costs of swimming pool operations, it is not practicable for users to fully fund the cost of operating and maintaining the Amberley swimming pool. The targeted Amberley Swimming Pool Capital Rate and the Amberley Swimming Pool Operational Rate, both of which are fixed rates per separately used or inhabited rating unit, reflect the greater access to this service by those living in proximity to the pool. Part of the cost of the Rotherham, Waiau and Culverden swimming pools is funded by targeted (amenities) rates.
Resource consents	- Desirable and safe place to live - Essential and appropriate infrastructure - Environmental responsibility	Resource consent activities benefit both those applying for consents. In addition there are benefits for nearby property owners. All residents of the district benefit from considered development.	Most benefits to property owners occur in the year in which funding is obtained. Benefits to the district as a whole may be experienced both in the year in which funding is obtained and in future years.	The number and complexity of applications for resource consents contributes to the scale and cost of this activity.	- User charges - Significant - District wide rate - Significant	N/A	Resource consents are requested by identifiable property owners and hence user charges are levied. However, others also benefit, and hence a district wide rate is levied.
Private plan changes	- Desirable and safe place to live - Environmental responsibility	This activity primarily benefits individual and commercial property owners requesting changes to the District Plan, as it enables them to carry out approved activities. A structured approach to private plan changes also provides benefits district wide.	Most benefits to properties owners occur in the year in which funding is obtained. Benefits to the district as a whole may be experienced both in the year in which funding is obtained and in future years.	The number and complexity of applications for private plan changes contributes to the scale and cost of this activity.	User charges - All	N/A	Private plan changes are instigated for the benefit of identifiable property owners. Accordingly, this service is fully funded by user charges.

Community outcomes	Distribution of benefits	Period of benefits	Whose act contributes to need	Funding source: Operating expenditure	Funding source: Capital expenditure	Discussion/Rationale
- Desirable and safe place to live - Essential and appropriate infrastructure - Environmental responsibility	The maintenance and development of the District Plan benefits the district as a whole as it sets out the rights of obligations of all property users.	Planning activities provide benefits both in the year in which funding is obtained and in future years.	The actions of individuals, groups and businesses, including agricultural businesses, contribute to the need for this activity.	- District wide rate (a general rate based on capital value) - Significant - User charges - Negligible	N/A	Coordinated and informed planning activities benefit both current and future property owners across the district and hence this activity is funded from a district wide rate.
Desirable and safe place to live	This activity primarily benefits those homeowners and occupiers who have a swimming pool situated on their property, by ensuring that swimming pools are safe. It may also benefit those visiting or living in proximity to swimming pools.	Most benefits occur in the period in which funding is obtained.	Home owners or occupiers who install swimming pools contribute to the need for this activity.	User charges - All	N/A	Swimming pool owners give rise to the need for this activity and hence this activity is fully funded by property owners with swimming pools on their properties.
Desirable and safe place to live	Building consents primarily benefit individual and commercial property owners seeking to construct/alter buildings on their land. The activity also contributes to the district as a whole by promoting the safety of those who access consented buildings, including future owners and occupiers.	Benefits may be experienced by both current and future property owners and others accessing the buildings.	The need for this activity arises from the actions of individuals and businesses, including developers.	- User charges - Most - District wide rate - Some	- User charges - Most - District wide rate - Some	Identifiable property owners give rise to the need for this activity and hence this activity is largely funded by applicants for building consents. The consenting process also contributes to the safety of others entering buildings, and hence there may be a small district wide rate contribution in the event of a funding shortfall.
Desirable and safe place to live	Public health services provide a private benefit to food retailers and other businesses which are legally required to be inspected. Public health services also benefit members of the public who access goods and services from these businesses.	Most benefits occur in the period in which funding is obtained.	This service is needed by businesses for which there is a regulatory requirement for inspections.	- User charges - Significant - District wide rate - Significant	N/A	User charges are an important source of funding for this activity. It is recognised that businesses are likely to pass on charges to customers/clients, and hence the ultimate beneficiaries effectively contribute. Because public health is a public good, the activity is also partly funded by district wide rates.
Desirable and safe place to live	This activity primarily benefits applicants for liquor licences as licences are required to allow for specific business activities to take place. Monitoring of licence conditions may confer benefits on those situated in close proximity to licenced premises. Liquor licencing also provides a public benefit as it contributes to health and safety across the district.	Most benefits occur in the period in which funding is obtained.	The need for this activity primarily arises from the nature of activities undertaken by some business owners/managers.	- User charges - Significant - District wide rate - Significant	N/A	Business supplying liquor benefit from holding a liquor licence as a licence is a legal requirement. Liquor licensing fees are regulated by central government and hence it is not possible to fully fund this service from licence fees. This service also contributes to the safety and wellbeing of all district residents. Accordingly, any shortfall is funded by a district wide rate.
Desirable and safe place to live	Dog registration benefits dog owners by enabling legal ownership of dogs. It also assists in returning impounded dogs to owners. Animal control activities (e.g. pound keeping, responding to calls about wandering stock, and responding to complaints relating to animals) assist in restoring animals to their owners. Animal control activities also help protect members of the public from risks and negative impacts of animals in the district.	Most benefit from expenditure is likely to occur in the year in which funds are obtained.	The actions of animal owners can increase or decrease the need of animal control callouts. For example, well maintained fences may reduce stock wandering.	- District wide rate - Significant - User charges - Significant	District wide rate - All	It is expected that dog registration activities will be fully funded by user charges, reflecting the benefit to dog owners and that the need to respond to complaints about dogs largely reflect the actions or inactions of animal owners. Where possible user charges contribute to the cost of other animal control activities. As it is not practicable to fund all animal control activities (e.g. where the owner of an animal is not able to be identified), this activity is partly funded by district wide rates.
Desirable and safe place to live	This activity includes assessing and undertaking strengthening of earthquake prone buildings, and engaging with property owners regarding earthquake prone buildings. The primary beneficiaries are users of the buildings. In some cases, such as where the building has historical or amenity value, the surrounding community may also benefit.	Assessment of earthquake prone buildings may contribute to the safety of individuals in the year in which the funding is obtained and in future years. The strengthening of earthquake prone buildings is likely to provide benefits in future years.	The need for strengthening of earthquake buildings arises from both historical and potential future earthquake events, combined with changes in building standards. Accordingly, all individuals contribute to the need for this service.	District wide rate (Uniform Annual General Charge) - All	- District wide rate - All - External funding - Possible	As this activity potentially benefits the whole district, it is funded by district wide rates.

	Community outcomes	Distribution of benefits	Period of benefits	Whose act contributes to need	Funding source: Operating expenditure	Funding source: Capital expenditure	Discussion/Rationale
Hanmer Springs Thermal Pool and Spa	- Desirable and safe place to live - Traditional rural values and heritage make Hurunui unique - Thriving local economy	Swimming pools provide a private benefit to individual pool users. Because the Hanmer Springs Thermal Pool and Spa attracts people to the Hurunui district, it provides benefits to businesses (particularly in Hanmer Springs) and contributes to employment opportunities. Surpluses generated by the Hanmer Springs Thermal Pool and Spa assist in meeting the costs incurred by specified other services, including reserves, playgrounds, parks and libraries situated on reserves.	The benefits of operating expenditure primarily arise during the period in which income is obtained. Additional capital investment is expected to provide benefits over a number of future years.	The number of pool users can impact operating costs.	- User charges - Most - External funding - negligible	- Borrowing (funded by user charges) - Significant - External Funding - Some	The Hanmer Springs Thermal Pool and Spa is operated as a profit making business. The use of surpluses is restricted to the functions set out in the Reserves Act. Significant surpluses are reinvested into the Pool complex to ensure they remain attractive to visitors. Surpluses are also applied to the repayment of Council debt, particularly that arising from improvements to the complex. The Council is mindful that the Hanmer Springs Thermal Pool and Spa belongs to Hurunui district residents, and hence provides discounted rates for residents to encourage them to use the pools.
Governance	- Desirable and safe place to live - Traditional rural values and heritage make Hurunui unique - Essential and appropriate infrastructure - Thriving local economy - Environmental responsibility	This activities supports all Council services and hence benefits individuals, businesses and groups across the district.	Most benefits are experienced in the year in which activities occur.	These services are an essential component of Council operations. Hence most individuals, groups and businesses have a minor impact.	- District wide rate (General rate based on capital value and UAGC) - Significant - Amenities rate - Some	District wise rate - all	Governance activities support the strategic direction and the delivery of Council services, and hence benefit the district as a whole. The remuneration of Hanmer Springs Community Board members is funded by the Hanmer Springs ward amenities rate.
Treasury	- Desirable and safe place to live - Traditional rural values and heritage make Hurunui unique - Essential and appropriate infrastructure - Thriving local economy - Environmental responsibility	This activities supports all Council services and hence benefits individuals, businesses and groups across the district.	Most benefits are experienced in the year in which activities occur.	These services are an essential component of Council operations. Hence most individuals, groups and businesses have a minor impact.	- Internal interest - Significant - External interest - Some - Rates penalties - Some - Dividends - Some	N/A	The purpose of this activity is to ensure that funds are available for other Council activities, and that the interest rate risk associated with borrowings is well managed.
Corporate Services	- Desirable and safe place to live - Traditional rural values and heritage make Hurunui unique - Essential and appropriate infrastructure - Thriving local economy - Environmental responsibility	This activities supports all Council services and hence benefits individuals, businesses and groups across the district.	Most benefits are experienced in the year in which activities occur.	These services are an essential component of Council operations. Hence most individuals, groups and businesses have a minor impact.	Overhead allocations across other Council activities - All	Overhead allocations across other Council activities - All	
Earthquake recovery	Desirable and safe place to live	Repaying the debt incurred in order to address some of the impacts of the 2016 Hurunui/Kaikoura earthquake will reduce the cost of servicing the remaining earthquake related debt, benefitting ratepayers.	The debt was previously incurred for the purpose of repairing district infrastructure. The restored infrastructure provides benefits in the year in which income is received and in future years. Repaying the earthquake recovery debt will reduce debt servicing costs, both in the year in which the debt is reduced and in future years.	The infrastructure repairs were required as a result of and earthquake.	- District wide rate (Uniform Annual General Charge) - All - Rental income- Some	District wide rate - All	The Hurunui District as a whole is responsible for the debt, and hence this debt is funded from a district wide rate. Some Waiau social housing units were developed for the purpose of accommodating those whose accommodation was adversely impacted by the 2016 earthquake using debt funding. Accordingly, some of the rental from those units is used to fund this activity.
Forestry	- Desirable and safe place to live - Environmental responsibility	All individuals and businesses in the district may benefit from surpluses from Council forestry assets. Those in the Hanmer Springs area also benefit from the use of the forestry block as a sewerage disposal field.	Forestry investments provide benefits over an extended period.	All individuals and businesses contribute to the need.	Sales of timber	Sales of timber	This activity is intended to generate surpluses, and hence it is appropriate that costs are met from sales.
Queen Mary Soldiers' Block Development	- Desirable and safe place to live - Traditional rural values and heritage make Hurunui unique - Thriving local economy	It is expected that, on completion, the Queen Mary Soldiers' Block will attract visitors, including individuals from other parts of the district. The greatest benefits are likely to be to visitors and to businesses which provide goods and services to visitors. However, the flow on effects will benefit the district as a whole.	The benefits will commence following the completion of the development.	Ongoing developments will help ensure that visitors continue to visit the district.	User charges (following opening) - All	- External funding - Most - Development contributions - Some	It is expected that, following completion, the activity will be fully funded by user charges. External funding has already been sourced to support the initial development.

Community outcomes	Distribution of benefits	Period of benefits	Whose act contributes to need	Funding source: Operating expenditure	Funding source: Capital expenditure	Discussion/Rationale
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Other Property	- Desirable and safe place to live - Environmental responsibility	The primary benefits of property assets are tenants, including Council operations.	Most benefits are experienced in the year in which activities occur.	All individuals and businesses contribute to the need.	- District wide rate - Most - Rental income - Some	- District wide rate - Most - Rental income - Some	As this activity is necessary for the provision of most Council services, the whole district benefits from this activity.
Canterbury Museum	- Desirable and safe place to live - Traditional rural values and heritage make Hurunui unique	This activity includes the payment of grants to the Canterbury Museum Trust Board for the operation and development of the Canterbury museum. Although the museum is situated outside the Hurunui District, it confers a benefit on all district residents.	The benefits of the Canterbury museum development will commence following the completion of the development.	All individuals and businesses contribute to the need.	District wide rate (Uniform Annual General Charge) - All	District wide rate (Uniform Annual General Charge) - All	Under the Canterbury Museum Trust Board Act 1993, the Hurunui District Council is required to contribute to the costs of the Canterbury museum. This activity is rated as a fixed amount per separately used or inhabited part of a rating unit, as each unit has equal access to the museum.



Treasury risk management policy

TREASURY RISK MANAGEMENT POLICY

INCLUDING THE LIABILITY MANAGEMENT
POLICY AND INVESTMENT POLICY

ADOPTED BY COUNCIL

25 June 2024

1. Introduction

1.1 Objectives and Scope

The purpose of the Treasury Risk Management Policy ("Policy") is to outline approved policies and procedures in respect of all treasury activity to be undertaken by Hurunui District Council ("Council").

The policy outlines permitted and non-permitted treasury activities and the manner in which interest rate, liquidity, funding, credit and other associated activities will be managed. The formalisation of such policies and procedures will help ensure treasury risks within the Council are prudently managed.

This policy does not cover other aspects of Hurunui District Council's operations, particularly transactional banking management, internal controls and financial management, as these are covered by other policies and procedures.

1.2 Statutory context

Under the section 102(2) of the Local Government Act 2002, the Council is required to have a Liability Management Policy and an Investment Management Policy. This policy incorporates both of these policies.

Under section 104 of the Local Government Act 2002, the Liability Management Policy is required to include the Council's policies in respect of the management of both borrowing and other liabilities, including:

- (a) Interest rate exposure
- (b) liquidity
- (c) credit exposure
- (d) debt repayment.

Under section 105 of the Local Government Act, the Investment Policy is required to state the Council's policies in respect of investments, including:

- (a) The mix of investments
- (b) the acquisition of new investments
- (c) an outline of the procedures by which investments are managed and reported to the Council
- (d) an outline of how risks associated with investments are assessed and managed.

Council is not allowed to guarantee loans to CCTOs under section 62 of the Local Government Act 2002.

This policy also reflects the:

- Local Government (Financial Reporting and Prudence) Regulations 2014
- Trustee Act 1956, which outlines the responsibilities of those acting as a trustee or investing money on behalf of others.

The Council is also required to satisfy financial covenants agreed with the Local Government Funding Agency (LGFA),

1.3 Glossary

Annual Rates Income	Total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 (including volumetric water charges levied) together with any revenue received from other local authorities for services provided (and for which the other local authorities rate).
Core debt	Total external debt less liquid investments
Liquid investments	The sum of: • Overnight bank cash deposits • Wholesale/retail bank term deposits no greater than 30 days • Bank term deposits. • New Zealand dollar denominated sovereign and non-sovereign bonds
Net external debt	Total external debt less liquid financial assets/investments.
Net interest	Gross interest is calculated as external interest expense less external interest income.
Net interest on external debt	The sum of all interest and financing costs (on external debt) less external interest income for the relevant period.
Total revenue	Earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue. It excludes non-government capital contributions (e.g. developer contributions and vested assets).

2. Liability Management Policy

2.1 Purpose of this policy

This policy primarily focuses on borrowing (external and internal) as this is the main component of the Council's liabilities and exposes the Council to the most significant risk. The policy outlines how the Council will raise debt to finance investment in council assets. Approaches to risk management are described in subsequent sections.

The policy contributes to compliance with statutory obligations and external financing covenants, thereby helping ensure ongoing access to external debt.

2.2 Purpose of liability management activities

The general objectives of the Council's liability management activities are to:

- Ensure access to funding required in order to carry out Council activities.
- Support access to external funding at favourable margins/costs.
- Assess and minimise/mitigate the Council's risks in managing its liabilities.
- Manage exposures to potentially adverse interest rate movements.
- Help ensure appropriate internal and external accountability in respect of liability management activities.
- Ensure compliance with relevant statutory and contractual obligations.

2.3 Permitted external liabilities

Subject to the limits and other matters outlined in this policy, permitted sources of funding may include:

- Direct bank borrowing (e.g. overdraft, fixed term loans).
- Borrowing from the Local Government Funding Agency (including commercial paper).
- Issuing stock/bonds.
- Accessing the short- and long-term wholesale and retail debt capital markets.
- Credit or deferred purchase of goods, providing:
 - The period of indebtedness is less than 91 days (including rollovers); or
 - The goods or services are obtained in the ordinary course of operations on normal terms.

Council may only enter into the following approved financial instruments:

Category	Instrument
Cash management and borrowing	Bank overdraft Committed cash advance and bank accepted bill facilities (short-term and long-term loan facilities) Uncommitted bank facilities LGFA debt (including commercial paper) Local authority debt instruments issued by the Council (e.g. fixed rate bonds and floating rate notes) Commercial paper/promissory notes issued by the Council

Interest rate risk management	Forward rate agreements (FRAs) on bank bills Interest rate swaps including: - Forward start swaps - Amortising swaps (whereby notional principal amount reduces) Interest rate options including: - Caps (purchased caps only)
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Any other financial instrument must be specifically approved by the Hurunui District Council on a case-by-case basis and only be applied to the one singular transaction being approved.

2.4 Prohibited liabilities and instruments

Hurunui District Council will not enter into any of the following:

- Debt denominated in a foreign currency (other than immaterial amounts owed to offshore creditors for the procurement of goods and services as part of normal operating activities).
- Transactions with any Council Controlled Trading Organisations (CCTO) on terms more favourable than those achievable by Hurunui District Council itself.
- Sold interest rate options.

2.5 Internal Financing

Hurunui District Council will manage debt on a net portfolio basis. Subject to other matters outlined in this policy, where there are available funds, it will generally borrow internally prior to seeking external borrowings. *[Refer Internal Financing Policy]*.

2.6 New Zealand Local Government Funding Agency Limited Investment (LGFA)

Despite anything elsewhere in this policy, the Hurunui District Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA, e.g. borrower notes;
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- Subscribe for shares and uncalled capital in the LGFA; and
- Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Hurunui District Council's rates and rates revenue.

2.7 Trust Funds

From time to time, where in line with Hurunui District Council's strategy and policies, the Council may hold funds in trust for community organisations. Any such arrangement will be reflected in a formal agreement between the Council and the organisation concerned (such agreement to be reviewed by Council's legal representatives). The associated investments will be separately identifiable.

2.8 Debt Limits

Debt will be managed within the following limits:

Ratio	Limit
Net external debt as a percentage of total revenue	<175%
Net Interest on external debt as a percentage of total revenue	<20%
Net Interest as a percentage of annual rates income (debt secured under debenture)	<25%
Liquidity (External, term debt + committed loan facilities + available liquid investments/cash equivalents to existing external debt)	>110%

2.9 Matters to be taken into consideration in evaluating strategies for new borrowing:

- Available terms from banks, LGFA, debt capital markets and loan stock issuance
- Council's overall debt maturity profile.
- Prevailing interest rates and margins relative to terms for loan stock issuance, LGFA, debt, capital markets and bank borrowing.
- Both the market's outlook and the Council's outlook on future interest rates and credit margins.
- Legal documentation and financial covenants together with security and credit rating considerations.
- The Council is likely to borrow internally in the first instance unless there is a compelling reason for establishing external debt (e.g. where external debt can be obtained on more favourable terms than internal borrowing).
- As appropriate, consideration may be given to funding using alternative funding mechanisms such as leasing. Any such proposals should be evaluated with financial analysis.
- Any other matters which the Council considers relevant for the purposes outlined in this policy.

2.10 Security

Under a Debenture Trust Deed, the Council's borrowing, committed bank facilities and potential liabilities under International Swaps and Derivatives Association (ISDA) contracts are secured by a floating charge over all rates levied by Hurunui District Council under the Local Government (Rating) Act 2002. Creditors holding that security under the Debenture Trust Deed rank equally or *pari passu* with other lenders.

With prior Council approval on a case-by-case basis, security may be offered by providing a charge over one or more physical assets. Physical assets will be charged only where:

- There is a direct relationship between the debt and the purchase or construction of the asset which it funds, e.g. project finance; and
- the Council considers a charge over physical assets to be more appropriate than a pledge of rates.

2.11 Guarantees and other financial arrangements

On a case-by-case basis, where the purposes of the loan are in line with the Council's strategic objectives, and it considers it prudent to do so, the Council may agree to act as a guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, trusts, or similar legal entities.

For any outstanding guarantees, the Council will ensure that sufficient financial capacity exists relative to LGFA lending covenants. The total value of such guarantees in respect of any organisation will not exceed \$0.5 million.

2.12 Debt repayment

Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the provisions in this policy, a loan may be rolled over and/or renegotiated as and when appropriate.

3. Investment Policy

3.1 Objective

Hurunui District Council primarily holds investments for strategic reasons where there is some community, social, physical or economic benefit accruing from the investment activity. Generating a commercial return on strategic investments is usually a secondary objective.

Specific purposes for maintaining investments include:

(a) Liquidity

Maintaining a prudent level of liquidity and flexibility to meet both planned and unforeseen cash requirements, including:

- Holding short term investments for working capital requirements;
- Ensuring sufficient funds are available to conduct Hurunui District Council operations consistent with Long Term Plans and Annual Plans;
- Ensuring that, in the event of a natural disaster, there is adequate liquidity to bridge any revenue gap until normal income streams/assets are available.

(b) Investment returns

- To generate investment income, thereby reducing the current ratepayer burden;
- Holding assets (such as property) for commercial returns;

(c) Investment of available funds

- Investing amounts allocated to accumulated surplus, Hurunui District Council created restricted reserves and general reserves.
- Investing proceeds from the sale of assets.

(d) To support intergenerational entity.

Hurunui District Council's primary objective when investing is the protection of its investment capital. Hence a prudent approach to managing risk is applied within the confines of this Policy. It is recognised that low risk investments generally generate lower long-term returns.

3.2 Investment Mix

Subject to the objectives and limits contained in this policy, including those relating to credit ratings, permitted external investments include:

- New Zealand Registered Bank deposits (short term bank deposits, bank certificates of deposit (RCDs))
- Equity investments, including investments held in CCO/CCTO and other shareholdings as approved by Council on a case by case basis
- New Zealand Government bonds and Floating Rate Notes (secured/senior)
- Local authority promissory notes and commercial paper (secured/senior)
- SOE bonds and corporate bonds
- LGFA borrower notes/commercial paper/bills/bonds/floating rate notes
- Advances to CCOs, CCTOs, charitable trusts and community organisations
- Property investments incorporating land, buildings, a portfolio of ground leases and land held for development

- Forestry investments
- Carbon credits

3.2.1 Prohibited investments

The following investments are prohibited:

- Investments denominated in foreign currency
- Cryptocurrency
- Financial investments for speculative purposes.

3.2.2 Internal lending [*Refer Internal Financing Policy*]

Hurunui District Council will make loans from internal funds to provide funding for other Council activities in the first instance, unless there is a compelling reason for establishing external debt. One such reason might be where it is more cost effective to borrow externally.

3.2.3 Financial Investments

Hurunui District Council will only acquire financial investments in organisations with at least the minimum credit ratings set out below.

3.2.4 Equity Investments

Equity investments may be held where Hurunui District Council considers these investments will fulfil various strategic, economic development and financial objectives as provided for in the Long Term Plan. Any purchase or disposition of equity investments requires prior Hurunui District Council approval.

3.2.5 Property Investments

In general, Hurunui District Council will not acquire or hold a property investment unless it is necessary for the delivery of services. Hurunui District Council reviews property ownership by assessing the advantages and disadvantages (both financial and non-financial) of continued ownership compared with other options which could deliver the same outcomes.

3.2.6 Forestry

Hurunui District Council acquires and holds forestry assets for the primary purpose of service delivery (e.g. weed control), with income generation as a secondary purpose. In evaluating the acquisition and retention of forestry assets, regard will be had for net positive discounted cashflows, factoring in projected market prices and maintenance and cutting costs, along with other matters.

Any disposition of forestry investments requires Hurunui District Council approval. Unless financial analysis suggests otherwise, it is likely that Council owned forestry blocks will be replanted following harvesting.

3.2.7 Carbon credits

The Hurunui District Council may acquire/hold carbon credits from time to time. The primary objective is to minimise the financial impact of movements in the carbon credit prices on Council, particularly following harvesting of Council forestry assets.

3.2.8 Special funds or reserve funds

Liquid assets will not be required to be held against special funds or reserve funds unless such funds are held within a trust requiring such. Instead, Hurunui District Council will manage these funds using internal borrowing facilities.

3.2.9 Advances to CCTOs, charitable trusts and community organisations

Council may provide advances to CCOs, CCTOs, community organisations for strategic and commercial purposes. New loan advances are by Council resolution only.

Council does not lend money, or provide any other financial accommodation, to a CCO or CCTO on terms and conditions that are more favourable to the CCO than those that would apply if Council were borrowing the money or obtaining the financial accommodation.

Advances to CCOs and community organisations do not have to be on a fully commercial basis. Advances to a CCTO are on a commercial basis.

All advances are made on a fully secured basis and executed under approved legal documentation.

3.2.10 Trust Funds

Where Hurunui District Council hold funds as a trustee, or manages funds for a trust then such funds must be invested on the terms provided within the trust deed (or equivalent), provided the terms of the trust deed are lawful. If not specified, then this Treasury Risk Management Policy will apply.

4. Risk Management

4.1 Overall risk management

The following procedures support risk management across both investment and borrowing activities:

- Hurunui District Council seeks external professional advice regarding its equity investments when it considers this appropriate.
- Council monitors financial performance regularly to ensure compliance with this policy and that specified objectives are being met.
- The Audit and Risk Committee receives and reviews a quarterly report about market conditions.
- Exception reporting is required in the event of any departures from this policy.

4.2 Interest rate risk

Interest rate risk is the risk that funding costs (due to adverse movements in market interest rates) will materially exceed or fall short of projections included in Council's Long Term Plan and Annual Plan so as to adversely impact revenue projections, cost control and capital investment decisions/returns/and feasibilities.

Interest rate risk management has the objective of containing Hurunui District Council's interest rate exposures in order to:

- Give a sufficient level of certainty to Hurunui District Council's funding costs while, at the same time, allowing the Council to participate if interest rates and credit spreads move favourably.
- Control variations in interest expense for the debt portfolio from year to year, taking into consideration any relevant budgetary assumptions.
- Recognise Hurunui District Council's exposure to the local and international economies and maintain sufficient flexibility in its interest rate risk management profile to enable the Council to respond when considered appropriate.

The proportion of fixed rate obligations to core debt will fall within the limits shown below.

"Fixed rate" obligations are defined as all known interest rate obligations on forecast external debt, including where hedging instruments have converted floating rate obligations into firm commitments.

"Floating rate" obligations are defined as any interest rate obligation subject to movements in the applicable reset rate.

Fixed Rate Cover Percentages		
Period	Minimum	Maximum
0 to 2 years	40%	100%
2 to 4 years	25%	80%
4 to 8 years	0%	60%
8 to 12 years	0%	30%

Any fixed rate hedge with a maturity beyond 12 years must be approved by Council.

Within the above limits, Council may pre-hedge in advance of a projected physical drawdown of new debt, providing such drawdown is expected to occur within 3 months of the expected date of the physical drawdown.

Interest rate options that have a strike rate (exercise rate) higher than 2.00% above the appropriate swap rate, cannot be counted as part of the fixed rate cover percentage calculation.

4.3 Liquidity and Funding Risk

Council must ensure it has sufficient funds available to meet its obligations as they fall due. Accordingly, liquidity risk management focusses on the ability to access committed funding at the appropriate time to fund cash flow deficits in various future periods based on long term forecasts.

Funding risk management centres on the ability to re-finance or raise new debt at a future time at acceptable pricing (fees and borrowing margins) and maturity terms. Several risk factors can arise to cause an adverse movement in borrowing margins, term availability and general flexibility including:

- Local Government risk is priced to a higher fee and margin level
- Hurunui District Council's own credit standing or financial strength as a borrower deteriorates due to financial, regulatory or other reasons
- A large individual lender to Hurunui District Council experiences their own financial/exposure difficulties resulting in Hurunui District Council not being able to manage their debt portfolio as optimally as desired
- New Zealand investment community experiences a substantial "over supply" of Hurunui District Council investment assets
- Financial market shocks from domestic or global events.

A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time so that if any of the above events occur, the overall borrowing cost is not unnecessarily increased and desired maturity profile compromised due to market conditions.

4.4 Counterparty credit risk

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where the Hurunui District Council is a party. The credit risk to the Hurunui District Council in a default event will be weighted differently depending on the type of instrument entered into.

Credit risk will be regularly reviewed by the Council.

4.4.1 Investments

Treasury related transactions will only be entered into with organisations specifically approved below.

The following table sets out the minimum credit ratings for counterparties:

Debt maturity	Standard & Poor's	Moody's	Fitch
Long Term	A and above	A2 and above	A and above
Short term	A-1 and above	P-1 and above	F1 and above

The following matrix outlines the limits for classes of counterparties:

Counterparty/ Issuer	Minimum long term credit rating – stated and possible	Investments maximum per counterparty (\$m)	Interest rate risk management instrument maximum per counterparty (notional principal \$m)	Total maximum per counterparty (\$m)
NZ Government	N/A	Unlimited	None	unlimited
Local Government Funding Agency	A-	50.0	None	unlimited
State Owned Enterprises	A-	5.0	None	5.0
NZ Registered Bank	A-	20.0	20.0	30.0
Corporate Bonds	A-	2.0*	None	2.0
Local Government Stock	A- (if rated) Unrated	2.0** 0.5**	none none	2.0 0.5

Limits should be spread amongst a number of counterparties to avoid concentrations of credit exposure and maturities should be well spread. Consideration should be given to the liquidity of the market and the prevailing market conditions applying in the markets in which the instrument is traded.

4.5 Operational risk

Operational risk is the risk of loss as a result of human error (or fraud), system failures and/or inadequate procedures and controls.

Some measures taken by Council to manage operational risk are detailed below:

4.5.1 Delegated authorities

Transactions will only be executed by those persons and within limits approved by the Hurunui District Council.

To reduce the risk of transactions being entered into by unauthorised personnel, it is critical that all relevant banks and other counterparties have current lists of personnel authorised to bind the Council. Accordingly:

- Delegated authorities and signatories must be reviewed at least annually to ensure they remain current
- A letter must be sent to all bank counterparties at least annual to confirm details of personnel authorised to bind the Council
- In the event that a person with delegated authority leaves or is no longer authorised to bind the Council, all relevant banks and other counterparties must be advised in writing as soon as possible.

4.5.1.1 Debt

Delegated authorities for debt and associated interest rate risk management instruments are shown below:

Activity	Delegated Authority	Limit
Approving new and reviewing re-financed bank facilities with New Zealand registered banks	CEO	Unlimited
Negotiating bank facilities with New Zealand registered banks	CFO	N/A
Maximum daily transaction amount (debt and interest rate risk management), including re-financing existing debt and managing debt maturities	Two members of the Executive Leadership Team (ELT) provided that at least one is either the CEO or CFO	\$10m per day, subject to limits in this policy

4.5.1.2 Investments

Delegated authorities for investments are shown below:

Activity	Delegated Authority	Limit
Maximum daily transaction amount (investing, interest rate risk management and cash management)	Two members of the Executive Leadership Team (ELT) provided that at least one is either the CEO or CFO	\$10m per day, subject to limits in this policy

4.5.1.3 Other relevant financial delegations

Additional delegations are shown below

Activity	Delegated Authority	Limit
Opening/closing bank accounts with New Zealand registered banks	CEO	Unlimited
Authorising bank signatories	CEO	Unlimited
Managing cash/liquidity requirements	CFO or CEO	Subject to limits in this policy

4.5.1.4 Activities which have not been delegated by Council

For the avoidance of doubt, the Hurunui District Council has not delegated the following activities:

- Changing and approving the Treasury Risk Management Policy
- Approving projected external debt in the Long Term Plan/Annual Plan
- Acquisition and disposal of investments other than financial investments, e.g. forestry
- Approval for charging assets as security over borrowing
- Appointing a debenture trustee
- Approving transactions outside the Treasury Risk Management Policy
- Investing in equities
- Investing in property
- Disposition of forestry investments
- Guaranteeing commitments of other organisations, e.g. community groups.

4.5.2 Expert advice

- The Council receives expert advice relating to its borrowing and interest rate risk management activities on an ongoing basis.
- Council's advisor meets with the Audit and Risk Committee/Council on request, and no less frequently than once a year.
- Council's financial assets and liabilities are valued externally.

4.5.3 Segregation of Duties

A number of the processes detailed contribute to segregation of duties. For example:

- The CEO and CFO both sign all external transaction confirmations received
- All payments are required to be authorised by two signatories
- There is separation of duties between those entering into transactions and those maintaining financial records
- Council's borrowings and financial investments are valued externally.

4.5.4 Transaction and record keeping procedures

- All borrowing, interest rate and investment activity must be properly authorised
- All counterparties are provided with a list of personnel approved to undertake transactions, standard settlement instructions and details of personnel able to receive confirmations
- Deal capture and reporting must be done immediately following execution/confirmation
- All transactions are either carried out or confirmed in writing
- The CFO verifies that external transaction confirmations are as per the instructions given to the counterparty
- The CEO and CFO both sign all external transaction confirmations received
- Transaction confirmations are received by the Financial Accountant, who enters them into a treasury software package
- The transactions are also advised to the Management Accountant who is responsible for bank reconciliations and for ensuring the general ledger is correct
- At the end of each month, the Management Accountant verifies information in the Council's treasury software package against the general ledger. Any differences are investigated and resolved.
- Bank reconciliations and other account reconciliations are reviewed and signed off by the CFO
- Each quarter, the Financial Accountant receives a position statement from external counterparties and verifies that it aligns with the position shown in the treasury software package. Any differences are discussed with the CFO and advised to the CEO.

Some of the above procedures are documented in detail in the Council's process mapping software. It is expected that over time, all relevant processes will be documented.

4.5.5 Settlement

- All borrowing, interest rate and investment payments are settled by direct debit authority or direct credit
- Dual signatures are required for all payments and/or the set up of direct debit authorities

4.6 Legal Risk

Legal and regulatory risks relate to the unenforceability of a transaction (e.g. due to a counterparty not having the legal capacity or power to enter into the transaction).

Hurunui District Council seeks to minimise this risk by:

- Using standing dealing and settlement instructions (including bank accounts, authorised persons, standard deal confirmations, contacts for disputed transactions) to be sent to counterparties.
- Matching of transaction confirmations and position reports and the immediate follow-up of differences.
- Obtaining expert advice.

4.6.1 Agreements

Financial instruments can only be entered into with banks that have in place an executed ISDA Master Agreement with Hurunui District Council.

Hurunui District Council's legal advisor(s) must sign off on all documentation for new external borrowing, legal documentation supporting financial instruments, and investment structures prior to any transactions being executed.

4.6.2 Financial Covenants and Other Obligations

Hurunui District Council must not enter into any transactions where it would cause a breach of financial covenants under existing contractual arrangements.

Hurunui District Council must comply with all obligations and reporting requirements under existing funding facilities and legislative requirements.

Accountability

4.7 Reporting

The following reports will be produced:

Report Name	Frequency	Prepared by	Recipient
Treasury Report	Monthly	CFO	Council
Quarterly market report	Quarterly	CFO/Financial advisor	Audit and Risk Committee
Half-yearly Financial Statements Half-yearly Reporting Certificate	Six monthly	CFO	Trustee
Annual Report Annual Reporting Certificate Auditors' Report Annual Plan/Long Term Plan	Annual	CFO	Trustee
Revaluation of financial instruments	Annual	CFO	Audit and Risk Committee
LGFA compliance report	Annual	CFO	LGFA

The monthly treasury report will include the following matters:

Debt	• Total debt facility and utilisation • Treasury transactions • Debt maturity profile • Interest rate maturity profile vs limits • New hedging transactions completed – interest rate risk management • Weighted average cost of funds • Funding profile against the policy limits • Liquidity profile against the policy limits
Investments	• Term of investments • Interest rates • Portfolio movements • Any other appropriate measures
Overall	• Statement of policy compliance • Exception reporting as required

4.8 Valuation of Treasury Instruments

All treasury financial instruments must be revalued (marked-to-market) at least annually. This includes those instruments that are used only for hedging purposes.

4.9 Accounting Treatment of Financial Instruments

Hurunui District Council uses financial arrangements ("derivatives") for the primary purpose of reducing financial risk to fluctuations in interest rates. The purpose of this section is to articulate Hurunui District Council's accounting treatment of derivatives in

a broad sense. Further detail of accounting treatment is contained within the appropriate operations and procedures manual.

Under New Zealand Public Benefit Entity (PBE) International Public Sector Accounting Standards (IPSAS) changes in the fair value of derivatives go through the Statement of Comprehensive Revenue and Expense unless derivatives are designated in an effective hedge relationship.

Hurunui District Council's principal objective is to actively manage its interest rate risks within approved limits. The Council chooses not to use hedge accounting treatments and accepts that the marked-to-market gains and losses on the revaluation of derivatives can create potential volatility in its annual accounts.

The CFO is responsible for advising the CEO of any changes to relevant New Zealand Public Sector PBE Standards, which may result in a change to the accounting treatment of any financial derivative product.

Dividends received from CCO's and unlisted companies not controlled by Hurunui District Council are recognised when they are received in the consolidated revenue account.

Any profit or loss arising from the sale of equity investments is to be recorded in accordance with appropriate accounting standards.

4.10 Departures from this policy

4.10.1 Departures from policy by Council

The Council may depart from this policy where it considers that the departure would advance its broader social or other policy objectives. As required by section 80 of the Local Government Act, any resolution authorising a decision under this provision shall note that it departs from the Council's ordinary policy and the reasons justifying that departure.

4.10.2 Departures from policy by Council officers

Council officers shall not intentionally breach this policy without prior agreement of Council.

In the event of an inadvertent breach (e.g. arising from movements in interest rates), officers shall advise Council of the breach at the next Council business meeting, and shall advise the manner and timing of rectification. Such rectification shall normally occur within 90 days of the initial breach unless Council determines otherwise.

Internal financing policy

HURUNUI DISTRICT COUNCIL POLICY INTERNAL FINANCING



Adopted by:	Council dated 27 February 2024
Replaces:	Internal Financing Policy dated 25 June 2020
Objectives	Council has developed a system of internal financing for various activities within the organisation. Positive balances held by some Council activities offset the negative balances of others. Accordingly it is only necessary to seek external funding (debt) for the net amount. The objectives of this system are: (a) It facilitates the funding of capital expenditure over several years, rather than funding both capital and operating expenditure from rates in the year in which expenditure is incurred. This helps to smooth the peaks and troughs in rating which might otherwise occur. (b) By only seeking external funding for net debt, it is not necessary to pay interest margins to financial institutions/other counterparties. (c) The notional margin on internal debt offsets the costs of treasury activities and is applied to reduce district wide rates.
Relevant Activities	The internal financing system is applicable to those activities that are funded by a targeted rate, which requires the Council to ensure that the funds generated from rates are only applied to that activity, or there are reasons to separately account for an activity. As a result, the internal financing system is applied to the following: • Ward Amenities • Roadside Construction • Household Refuse Collection • Water Supplies • Sewerage Schemes • Stormwater and Drainage Schemes • Medical Centres • Foreshore Protection Schemes • Special Funds including Development Contribution Funds • Hanmer Springs Thermal Pools and Spa In addition, interest charges are applied to the balance in the Earthquake Recovery account.

LTP Part 2

Mechanics of the System

Each activity has an internal account. Receipts for that activity – Rates, Fees & Charges, Development Contributions etc. – are deposited into that account. Payments for that activity – Employment Costs, Direct Operating Expenditure, Internal Interest Charges, Council Overheads and Capital Expenditure – are withdrawn from that account. The result is that, at any stage, that account may be in funds, or it could be overdrawn.

If there are funds in the account for that activity, then the Council will pay interest to that activity. Conversely, if the account is overdrawn, then that activity will be charged interest.

Debt Repayment and Depreciation Funding

There is also a need for those activities whose accounts are overdrawn to make provision to get out of overdraft. This is most likely done by setting rates at a level to not only pay the annual operating costs and interest charge, but to also fund additional amounts that will offset the overdraft.

The Council's policy is that internal debt should be repaid over 10 years (or such term Council deems appropriate in particular circumstances having regard for factors such as the lifespan of assets acquired using the funds and feasibility).

For Three Waters Assets (Water, Sewer and Stormwater) and the Hanmer Springs Thermal Pools and Spa Assets, there is the requirement for the activity to fully fund depreciation, although implementation of this requirement may be staged. The cash generated by increasing rates to cover the cost of depreciation will be used to repay internal debt.

Positive balances

For some activities, the Council may agree that an activity may build up a positive balance over time in anticipation of major future expenditure.

Interest Rates

To ensure consistency throughout the entire organisation, with the exception of the Hanmer Springs Thermal Reserve, the interest rates have been set as follows:

- Interest on Overdrawn Activity Accounts is charged at 100 basis points (1%) above the base interest rate.
- As the Hanmer Springs Thermal Pools and Spa activity is of a commercial nature, there is an increased level of risk involved and as such, the interest rate charged has been increased to reflect this level of risk. The rate charged for any debt drawn down by the Hanmer Springs Thermal Pools and Spa is set at 200 basis points (2%) above the base interest rate.
- The base interest rate is the "All Up Weighted Average Cost of Funds Including Margin" as reported in the Council's Treasury Reporting Dashboard at the end of each quarter.

- The resulting interest rates shall be charged on any overdrawn activity account for the succeeding three months.

For those Activity accounts that have funds on hand, the rate of interest credited to the account shall be set at the rate the Council's transactional bank advertised as their three month term deposit rate at the applicable reset dates above. The resulting interest rates shall be applicable for the succeeding three months.

Use of Interest

All interest derived from internal financing is accumulated by the Council's treasury function. Costs associated with treasury activities, such as any external interest charges or fees, external advice, and Council overheads, are paid from the interest derived. The overall surplus from the treasury function used to offset the District Rate requirement.

END OF POLICY

HURUNUI DISTRICT COUNCIL

POLICY

RATES REMISSION FOR BIODIVERSITY



Approved:

By Council on 29 August 2023

Replaces:

Rates remission for Biodiversity - 15 April 2021

Background	The purpose of this rates remission policy is to recognise voluntary protection of the District’s indigenous flora and fauna via Queen Elizabeth II covenants and to promote and encourage more land owners to participate in this process.
QEII Covenants & Nature Heritage Trust	Council will grant 100% rates remission to those rating units or portions of rating units which are granted Open Space Covenant status by the Queen Elizabeth II National Trust. Rates remission will be granted on receipt of notification from the Queen Elizabeth II National Trust that an Open Space Covenant has been completed.

END OF POLICY

Policy for rates remission for biodiversity

Rates penalties policy

HURUNUI DISTRICT COUNCIL POLICY RATES PENALTIES



Approved: Council on 26 September 2023

Replaces: Rates Penalties Policy (15 April 2021)

Introduction This policy sets out the financial penalty for rates payments received past the instalment due date in all cases where no prior arrangement has been made with the Council.

Instalment Penalty A 10% additional charge will be added to those rates instalments (or portions thereof) remaining unpaid on the day following the due date:

<u>Instalment Number</u>	<u>Due Date*</u>	<u>Penalty Date*</u>
One	20 August	21 August
Two	20 November	21 November
Three	20 February	21 February
Four	20 April	21 April

**Or next applicable business day*

Arrears Penalty A further additional charge of 10% will be added to all rates and additional charges from previous rating years remaining unpaid on 1 July. A further additional charge of 10% will be added to any rates to which the additional charge referred to in this paragraph is added and remains unpaid on 1 January.

Remission of Penalties Additional charges may be remitted in accordance with the following criteria:

- Application can be made in writing for a remission of a penalty that has arisen due to sickness, death, age, or other reasons acceptable to the Chief Financial Officer.
- Application can be made to the Chief Financial Officer for remission of a penalty for no substantial reason (a maximum of one such remission every two years).
- All rates must be paid in full, as a general rule, before remission is considered.
- The Chief Financial Officer may remit subsequent additional charges where satisfactory arrangements are in place for regular payment of arrears.

At the Chief Financial Officer's discretion, an application for remission of rates penalties may be referred to the Council for consideration.

END OF POLICY

Policy for deferment of rates for drought-affected ratepayers

HURUNUI DISTRICT COUNCIL

POLICY

RATES DEFERMENT FOR DROUGHT AFFECTED RATEPAYERS



Adopted by: Council on 25 June 2025

Introduction	The purpose of this policy is to provide rates relief for property owners in cases of extreme hardship as a result of the declared drought. Deferment of rates means that the rates for the property must still be paid in the future when the ratepayer is in a position to meet their obligations to pay outstanding rates or a date determined by the Council.
Criteria	Only the owner of the property, or their authorised agent, may make an application for the deferment of rates, for extreme financial circumstances. The Council will consider, on a case-by-case basis, all applications received that meet the above criteria. The Council has delegated authority to a subcommittee consisting of the Chief Financial Officer (or Chief Executive Officer as alternate) and the Mayor (or the Chair of the Audit and Risk Committee as alternate) with appropriate input from the local Councillor, to approve applications for rates deferment. Before approving an application, the subcommittee must be satisfied that the applicant is unlikely to have sufficient funds left over after the payment of rates: for normal health care; proper provision for maintenance of his/her home and chattels at an adequate standard; as well as providing for normal day to day living expenses.
Timeframe	The period in which the ratepayers are able to apply is within 12 months after the drought declaration has been lifted. Subject to any agreed extension, the ratepayer may defer rates for up to 24 months at which stage all outstanding rates must be paid.
Deferment Fee	Ratepayers who qualify for a deferment will have until 24 months from acceptance of the application to clear all outstanding rates without incurring any further changes. A qualifying ratepayer may apply to extend the period of deferment for a further 12 months but will incur a deferment fee set at the internal interest rate applicable for the additional period, calculated on a daily basis. As at 25 June 2024, the internal interest rate is 6.28%.
Security	No additional security is required (other than the normal provisions Council has to collect rates), therefore no need to register the debt on the title of the property.
Reporting	As part of the monthly Rates Arrears Report to the Council, details of the number of deferments and the total value of deferments will be provided. A detailed report shall be provided to the Public Excluded section of the Audit and Risk Committee agenda.

END OF POLICY

Rates postponement policy

HURUNUI DISTRICT COUNCIL POLICY RATES POSTPONEMENT



Approved:	Council on 26 September 2023
Replaces:	Rates Postponement Policy (15 April 2021)
Objective	The purpose of this policy is to provide Council the ability to postpone the payment of rates as a method of providing relief to ratepayers who are experiencing extreme financial hardship.
Statutory context	Section 102(3)(b) of the Local Government Act 2002 provides that the Council may adopt a Rates Postponement Policy. Section 110(1) states any postponement policy must state the objectives sought to be achieved by a postponement of the requirement to pay rates; and the conditions and criteria to be met. Section 110(2A) requires that any postponement policy must be reviewed at least once every six years. Section 87 of the Local Government (Rating) Act 2002 provides that the Council must postpone the requirement to pay all or part of the rates on a rating unit if it has adopted a rates postponement policy, the ratepayer has applied in writing for a postponement, and the Council is satisfied that the conditions and criteria in the policy are met. Sections 88-90 contain additional provisions regarding rates postponement including the ability to charge a fee in respect of postponed rates.
Criteria	Other than in exceptional circumstances, rates postponement will only be considered for rating units that are used as the residence of the applicant. The Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over after the payment of rates for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard, as well as providing for normal day to day living expenses. Where rates are postponed, the ratepayer will still be required to pay a minimum of \$500 towards the annual rates, in addition to any government rebate which may be available in respect of the property.
Procedural requirements	The Council will consider, on a case-by-case basis, all applications received. Only the owner of the property, or their authorised agent, may make an application for the postponement of rates for extreme financial hardship. Prior to approving an application for postponement of rates under this policy, the Council will require evidence that: The applicant has had access to independent financial advice (at the applicant's own cost, if any) and understands the effects of rates postponement on their equity in the property,

- All joint property owners agree to rates postponement,
- Where there is a mortgage on the property, the mortgagee agrees to rates postponement.

However, Council at its discretion may waive one or more of these requirements in the case of applications in respect of Māori freehold land.

Where the Council decides to postpone rates, the ratepayer must first make acceptable arrangements for the payment of future rates, e.g. by setting up a system for regular payments.

Having regard for the circumstances, Council may specify any other conditions it considers appropriate, and shall advise these to the applicant of any such additional conditions prior to finalisation of the postponement arrangements.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have the first call on the proceeds of any revenue from the sale or lease of the rating unit.

Additional unpaid amounts

Where the Council has agreed to a ratepayer's application for rates postponement, any subsequent unpaid amounts will be added to the ratepayer's balance and will be subject to the statutory land charge on the rating unit title. Any such amounts will be payable at the end of the postponement period, if not paid prior.

Postponement fee

At the end of each rating year, the Council will charge a postponement fee of 10% on the ratepayer's average balance for the year (where the balance comprises the sum of all unpaid postponed rates and any previous postponement fees/penalties).

No penalties will be applied in respect of a rating year in which the Council has charged a postponement fee. Where a postponement arrangement is initiated or terminated part way through the year, the penalties will be pro-rated.

Ratepayer statement

Where a rates postponement arrangement is in place, following the end of each financial year, the Council will send an annual statement to the ratepayer showing the outstanding postponed rates and the amount of the postponement fee charged during that financial year.

Requirement to pay postponed rates

Postponed rates and any postponement fees, as well as any unpaid penalties applied prior to the establishment of the rates postponement agreement, will become payable on the earliest of the following dates:

- The death of the applicant(s); or
 - Until the applicant(s) ceases to be the owner of the rating unit; or
 - Until the applicant(s) ceases to use the property for his/her residence; or
 - Until a date specified by Council.
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END OF POLICY

Rates remission for Māori freehold land

HURUNUI DISTRICT COUNCIL

POLICY

RATES REMISSION AND POSTPONEMENT FOR MĀORI FREEHOLD LAND



Approved: By Council on 29 August 2023

Replaces: Rates Remission for Māori Freehold Land (15 April 2021)

Background	Under the Local Government Act 2002, the Council is required to adopt a policy on the remission and postponement of rates on Māori Freehold Land, stating its objectives in doing so, and explaining the extent to which these objectives are facilitated by any rates remission and are desirable and important.
Criteria for rates remission	Māori Freehold Land, as defined by section 5 of the Local Government (Rating) Act 2002, is land whose beneficial ownership has been determined by the Māori Land Court by freehold order. Māori Freehold Land in the District is not subject to the general rate unless such land is used for commercial purposes, in which case the general rate will apply. Targeted rates for water, sewer, and solid waste services will apply to all Māori Freehold Land for which these services are provided. In the event that land loses its status as Māori Freehold Land, or where Māori Freehold Land is leased, the ratepayer(s) will no longer be eligible for rates remission under this policy.
Preamble to Te Ture Whenua Māori Act 1993	The Council acknowledges the special relationship between the Māori people and the Crown arising from the Treaty of Waitangi. This policy has been prepared with regard for the matters in the Preamble to the Te Ture Whenua Māori Act 1993. This policy contributes to the objective of promoting the retention of Māori freehold land by its owners, their whanau and their hapu.
Process	In order to be eligible for rates remission under this policy, the ratepayer(s) shall write to the Hurunui District Council requesting rates remission and providing a copy of the order from the Māori Land Court. In the event that the status of the land loses its status as Māori Freehold Land, or where Māori Freehold Land is used for commercial purposes (including leased), the ratepayer(s) must advise the Hurunui District Council.
Objectives	The objectives sought to be achieved by the remission of rates are those set out in Schedule 11 of the Local Government Act 2002. The Council's position on the desirability and importance of these objectives and how the remission of rates according to the above criteria contributes towards them is as follows (for explanatory purposes, objectives have been grouped according to the above criteria for rates remission): 1) Objectives due to which rates remission will be provided: - Supporting the use of the land by the owners for traditional purposes - Recognising and supporting the relationship of Māori and their culture and traditions with their ancestral lands

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- Avoiding further alienation of Māori freehold land
 - Recognising and taking account of the presence of wāhi tapu (sacred places) that may affect the use of the land for other purposes
 - Recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere)
 - Recognising and taking account of the importance of the land for community goals relating to:
 - o the preservation of the natural character of the coastal environment
 - o the protection of outstanding natural features
 - o the protection of significant indigenous vegetation and significant habitats of indigenous fauna

These objectives are desirable and important to provide for the wellness of the district in terms of its cultural and environmental wellbeing and heritage. Remission of the general rate upon Māori Freehold Land is justified in relation to them because they are not dependent upon the services for which the Council charges by way of the general rate. Traditional activities and the relationship of Māori and their culture and traditions with their ancestral lands (including the tradition of protecting wāhi tapu and natural features and the support of papakainga housing) are likely to be hindered by charging the general rate upon Māori Freehold Land, in that they are unlikely to generate sufficient income to pay the general rate. They will thus be facilitated by remission of the general rate.

2) Objectives due to which rates remission will not be provided.

- facilitating any wish of the owners to develop the land for economic use
- recognising the level of community services provided to the land and its occupiers
- recognising matters related to the physical accessibility of the land

The development of Māori Freehold Land for economic use will likely draw upon services charged for by the Council by way of the general rate. (e.g., for access to the land by way of roading). It is unlikely to be hindered by remission of the general rate, in that the profit margins of any successful enterprise will need to be well in excess of the amount charged by way of the general rate. When water, sewer, or solid waste services are provided by the Council, it is not desirable that there should be a remission of the targeted rates that pay for these services.

Remission of rates for Māori freehold land under development

In the event that a ratepayer for Māori freehold land writes to the Hurunui District Council advising that the ratepayer or another person is developing, or intends to develop, the land, and requesting rates remission on the land, the provisions of section 114A of the Local Government (Rating) Act 2002 shall apply.

The purpose of that section is to facilitate the occupation, development and utilisation of Māori freehold land for the benefit of its owners.

Criteria for rates postponement

The criteria for rates postponement for Māori Freehold Land in the District are the same as for other land in the Hurunui District *[refer Rates Postponement Policy]*.

END OF POLICY

Rates remission for non-contiguous agricultural land

HURUNUI DISTRICT COUNCIL

POLICY

RATES REMISSION FOR NON-CONTIGUOUS FREEHOLD LAND



Approved: 29 August 2023

Replaces: Rates Remission of Non-Contiguous Freehold Land (15 April 2021)

Background	All ratepayers will pay at least one uniform annual general charge and the targeted rates that are set on a uniform basis. Properties eligible under this policy shall be deemed to be one rating unit for the purposes offsetting any uniform annual charge.
Interpretation	<i>Non-contiguous:</i> Not sharing an edge or boundary; not touching. <i>Agricultural:</i> Land used for horticultural, viticultural, row, close grown, pasture, and hay land crops; growing nursery stocks, animal feedlots; farm yards; associated building sites; located on any of the foregoing.
Purpose	The purpose of this policy is to ensure that agricultural properties on separate titles are not unduly penalised by Council's rating system. This policy provides for the remissions of rates where two or more uniform annual general charges and two or more sets of targeted uniform annual charges are set on rating units that are: 1. Non-contiguous 2. Owned by the same person(s) or body 3. Used jointly as an economic unit for an agricultural practice
Conditions and Criteria	1. All properties must be used for the purpose of agriculture and be located outside of the urban area as defined in the Hurunui District Plan, and 2. The policy applies to ratepayers who are recorded as ratepayers of two or more separate rating units. Each separately used or inhabited rating unit will attract a uniform annual general charge and the targeted rates that are set on a uniform basis. Any additional dwelling on the rating unit will attract a uniform annual general charge and the targeted rates that are set on a uniform basis. 3. The rating unit for which the remission is sought must: a) Be separately occupied by the same ratepayer/s that use the rating units jointly for an agricultural purpose; and b) Not carry sufficient improvements to allow it to be operated as a separate agricultural unit; and c) Not be occupied by a habitable dwelling; and d) Be an economic farming unit as at 1 July of the year being applied for applied for. 4. This policy will only apply for the year that the application is made and will continue until the ownership of that land changes.

END OF POLICY

Rates remission for land affected by natural calamity



Approved: 15 April 2021

Introduction	The purpose of the policy is to give the Council discretion to remit rates where a rating unit has been detrimentally affected by a natural calamity.
Policy	The Council may remit rates either wholly or in part where land has been detrimentally affected by erosion, subsidence, submersion or other natural calamity to an extent the Council considers that it would be unfair or unreasonable to require that the rates be paid as assessed. 1. Applications must be made in writing and signed by the owner(s) of the rating unit. 2. Full details must be provided of the nature of the event that caused the damage and the degree of damage to the land. If the damage is temporary and the land is expected to return to its former use in the future, an estimate of the time it will take the land to recover to a useable state and the steps that the owner will take to achieve this should be provided. The Council may ask for a report from a Registered Engineer or other similarly qualified expert. 3. The amount of remission given in any case will be set by the Council having regard to the severity of the event, the degree of damage to the subject land and other land in the district and other financial assistance available. Consideration will also be given to the effect of remissions on the remaining rating base.

END OF POLICY



DEVELOPMENT CONTRIBUTIONS POLICY

Development contributions policy

ADOPTION, APPLICATION AND REVIEW OF THE POLICY

This Development Contributions Policy (the Policy) will be adopted by Hurunui District Council (Council) on June 25, 2024, with effect from 1 July 2024.

The policy must be reviewed at least every three years and may be amended at any time if required. Any review of the policy must be undertaken using a consultation process that gives effect to the requirements of section 82 of the Local Government Act 2002 (LGA02).

This policy has been prepared to comply with relevant legislation including the requirements of the LGA02 and all subsequent amendments.

See the Council website www.hurunui.govt.nz for further information.

INTRODUCTION

PURPOSE OF THE POLICY

Population and business growth create the need for new subdivisions and developments, and these place increasing demands on the assets and services provided by Hurunui District Council (Council). As a result, significant investment in new or upgraded assets and services is required to meet the demands of growth. The purpose of the Policy is to ensure that a fair, equitable, and proportionate share of the cost of that infrastructure is funded by development. The Council intends to achieve this by using:

Development contributions under the LGA02 for growth-related projects that are identified in the Long Term Plan (LTP) and Financial Contributions (levied under the Resource Management Act) designed to offset adverse effects of a particular development as identified in the Hurunui District Plan.

NAVIGATING THIS DOCUMENT

The Policy outlines the Council's approach to funding development infrastructure via development contributions under the LGA02. Financial contributions under the RMA are set out in the Operative Hurunui District Plan.

The Policy has three main parts:

Part 1: Policy operation

Part 2: Policy background and supporting information

Part 3: Catchment maps for the development contributions

PART 1: POLICY OPERATION

Part 1 provides information needed to understand if, when, and how development contributions will apply to developments. It also explains people's rights and the steps required to properly operate the Policy.

The key sections of Part 1 are:

The charge

Liability for development contributions

When development contributions are levied

Determining infrastructure impact

Review rights

Other operational matters

Financial contributions

Definitions

PART 2: BACKGROUND AND SUPPORTING INFORMATION

Part 2 provides the information needed to meet the accountability and transparency requirements of the LGA02 for the Policy, including explaining the Council's policy decisions, how the development contributions were calculated, and what assets the development contributions are intended to be used towards.

The key sections of part 2 are:

Requirement to have the Policy

Funding summary

Funding policy summary

Catchment determination

Significant assumptions of the Policy

Cost allocation

Calculating the development contributions

Schedule 1 – Development contribution charge calculations and schedule of future projects for which development contributions will be used

Schedule 2 – Development Contribution Schedule for Years 1-3 and 10 of this plan.

PART 3: CATCHMENT MAPS

Part 3 provides the catchment maps that show where the development contributions in the Policy apply.

List of Tables

TABLE 1: DEVELOPMENT CONTRIBUTION CHARGE PER HUE 1 JULY 2024 (GST INCLUSIVE)5

TABLE 2 : INVOICE TIMING.....9

TABLE 3: PAYMENT DUE DATE.....10

TABLE 4: HUE DEMAND MEASURES10

TABLE 5: HUE PER 100 M² GFA11

TABLE 6: STANDARD CREDITS12

TABLE 7: TOTAL COST OF CAPITAL EXPENDITURE (CAPEX) FOR GROWTH AND FUNDING SOURCES (GST EXCLUSIVE).....19

TABLE 8: COMMUNITY OUTCOMES TO WHICH THE ACTIVITY PRIMARILY CONTRIBUTES22

TABLE 9: OTHER FUNDING DECISIONS FACTORS23

TABLE 10: ACTIVITY FUNDING SOURCES27

SCHEDULE 1 – DEVELOPMENT CONTRIBUTION CHARGE CALCULATIONS AND SCHEDULE OF FUTURE PROJECTS FOR WHICH DEVELOPMENT CONTRIBUTIONS WILL BE USED.....31

SCHEDULE 2 – DEVELOPMENT CONTRIBUTION SCHEDULE FOR YEARS 1-3 AND 10 OF THIS PLAN.....32

PART 1: POLICY OPERATION

DEVELOPMENT CONTRIBUTIONS

Development contributions are charged to ensure that an appropriate proportion of the growth-related capital expenditure identified in the LTP is recovered from those who benefit from it, rather than only current ratepayers. Development contributions will only be charged when the effect of the development, or the cumulative effect of developments, contribute to the need for the development of physical works or Council services and when these works or services have been allowed for in the LTP.

THE CHARGE

There are seven different catchments in Hurunui District for development. Catchments are outlined in Table 1 and mapped in Section 3 of the Policy.

Table 1: Development contribution charge per Household Unit Equivalent (HUE) 1 July 2024 (GST Inclusive¹)

	Catchment						
Service	Urban Water Area	District Wastewater Area	Rural Water Area	Amberley Township	South Ward	Hanmer Springs Ward	Hurunui District
Water	\$1,660		\$4,460				
Wastewater		\$3,190					
Community Infrastructure				\$670		\$2,020	\$1,190
Reserves				\$1,900	\$2,300	\$1,000	\$630

These charges may be adjusted for inflation annually in line with the Producers Price Index outputs for Construction on 1 July each year, so please check the Council’s website www.hurunui.govt.nz for the latest charges.

¹ GST has been applied at the rate of GST as at 1 July 2024 (15%). Should the rate of GST change, the charges will be adjusted accordingly. The GST exclusive charge per activity for each catchment can be found in schedule one.

Water

Urban Water area includes:

1. Amberley Township
2. Hanmer Springs Township
3. Amberley - Township Water Supply
4. Culverden - Township Water Supply
5. Hanmer - Township Water Supply
6. Hawarden & Waikari - Township Water Supply
7. Leithfield Beach - Township Water Supply
8. Waiau - Township Water Supply
9. Waipara - Township Water Supply

Rural water area includes:

1. Amuri Plains - Rural Water Supply
2. Blythe, Cheviot, Parnassus & Kaiwara – Rural Water Supply
3. Hurunui #1 - Rural Water Supply
4. Lower Waitohi - Rural Water Supply
5. The Peaks - Rural Water Supply
6. Upper Waitohi - Rural Water Supply
7. Waiau - Rural Water Supply

Reticulated Wastewater

Wastewater Scheme	Township Serviced
Amberley	Amberley Amberley Beach Leithfield Leithfield Beach
Cheviot	Cheviot
Greta Valley	Greta Valley
Hanmer Springs	Hanmer Springs
Hawarden	Hawarden
Motunau Beach	Motunau Beach
Waikari	Waikari

- a) the development (subdivision, building, land use, or work) generates a demand for community infrastructure or network infrastructure; and
- b) the effect of that development (together with other developments) is to require new or additional assets or assets of increased capacity in terms of community infrastructure or network infrastructure; and
- c) the Council has incurred or will incur capital expenditure to provide appropriately for those assets. This includes capital expenditure already incurred by the Council in anticipation of development.

The Council has identified the assets and areas that are likely to meet the requirements of (b) and (c), and these are outlined in Schedule 2 (Past and future assets funded by development contributions) and Part 3 (Development contribution catchment maps). In general, if a development is within one of the areas covered by the catchment maps it is likely that development contributions will be required.

Development contributions may be waived or reduced if:

- a) a resource consent or building consent does not generate additional demand for any community facilities (such as a minor boundary adjustment); or
- b) one of the circumstances outlined in the section *Limitations on imposing development contributions* apply; or
- c) credits apply as outlined in the *Credits* section.

If a subsequent resource consent (including a change to a condition of a resource consent), building consent, certificate of acceptance, or service connection is sought, a new assessment may be undertaken using the Policy in force at that time. Any increase or decrease in the number of HUEs, relative to the original assessment, will be calculated and the contributions adjusted to reflect this.

This means the Council will require additional development contributions where additional units of demand are created, and development contributions for those additional units of demand have not already been required.

Examples of where additional development contributions may apply after a subsequent trigger event include:

- a) Minimal development contributions have been levied on a commercial development at subdivision or land use consent stage as the type of development that will happen will only be known at building consent stage.
- b) The nature of use has changed, for example from a low infrastructure demand commercial use to a high infrastructure demand commercial use.

NOTICE

Development contribution notices do not constitute an invoice or an obligation to pay for the purposes of the Goods and Services Tax Act 1985.

INVOICE

An invoice for development contributions will be issued to provide an accounting record and to initiate the payment process. The timing of the invoice is different for different types of consents or authorisations (see Table 3).

LTP Part 2

Table 2: Invoice timing

Network Infrastructure	Contributions for rural water schemes will be collected at the point of making an application to connect to the scheme in question. Contributions for wastewater and township water will be collected when a subdivision consent is granted. Where an additional HUE is added to a lot for which development contributions have already been collected, contributions will be collected at the time a building consent is granted.
Community Infrastructure	Contributions for community infrastructure will be collected on granting a subdivision consent and where subsequently an additional HUE is added to a lot for which development contributions have already been collected, contributions will be collected at the time a building consent is granted. All new subdivisions will be subject to the community infrastructure contributions set out in Table 1.
Reserves	Contributions for community infrastructure will be collected on granting a subdivision consent and where subsequently an additional HUE is added to a lot for which development contributions have already been collected, contributions will be collected at the time a building consent is granted. All new subdivisions will be subject to the community infrastructure contributions set out in Table 1.

PAYMENT

Development contributions must be paid by the due dates in Table 3.

Table 3: Payment due date

	PAYMENT DUE DATE
Building consent	20 th of the month following the issue of the invoice
Certificate of acceptance	At issue of the certificate of acceptance
Resource consent for subdivision	Prior to release of the certificate under section 224(c) of the RMA
Resource consent (other)	20 th of the month following the issue of the invoice
Service connection	At issue of the connection approval

DETERMINING INFRASTRUCTURE IMPACT

All new or additional HUEs should contribute equally to either district or amenity reserves irrespective of whether they are urban based or rural based. This assumption is based on the fact that the capital expenditure being proposed on reserves for growth is likely to be used on an equal basis by both urban and rural dwellers.

In order to have a consistent method of charging for development contributions, the Policy is centred around the concept of a household unit equivalent or “HUE” for infrastructure. In other words, an average household in a standard residential unit and the demands they typically place on community facilities. Table 4 summarises the demand characteristics of each HUE.

Table 4: HUE demand measures

ACTIVITY	UNIT OF MEASUREMENT	DEMAND PER HUE
Water	Litres per day	770 litres per day
Wastewater	Litres per day	693 litres per day
Community infrastructure	Occupancy	2.7 people

RESIDENTIAL DEVELOPMENT

Residential Activities

Absent any indication to the contrary, the Council will assume that one HUE of demand is created by each new subdivision lot and charge development contributions accordingly. Additional HUEs established on the same lot will be charged a separate development contribution.

Multi-Unit Residential Developments

The payment for multi-unit residential housing including flats, town houses, retirement villages and apartments, will be applied on the basis that each separate residential unit shall be treated as a separate HUE and be charged accordingly.

NON-RESIDENTIAL DEVELOPMENT

Non-residential subdivisions, land uses, or building developments are more complicated as they do not usually conform with typical household demands for each service.

In these cases, the Council makes a HUE “equivalent” assessment based on the characteristics of the development and demand loadings likely to be placed on the services. To provide consistency, the demand measures in Table 4 have been converted for assessing non-residential developments based on gross floor area (GFA) (Table 5). The Council will use these rates for determining HUEs for non-residential developments for water and wastewater unless it seeks or accepts a special assessment.

Table 5: HUE per 100 m² GFA

DEVELOPMENT TYPE	WATER	WASTEWATER	COMMUNITY INFRASTRUCTURE	RESERVES
Industrial	0.4	0.4	0.4	0.4
Commercial	0.4	0.4	3.0	3.0
Retail	0.4	0.4	1.0	1.0
Places of assembly	1.0	1.0	1.0	1.0
Other non-residential	Special assessment	Special assessment	Special assessment	Special assessment

If no proper assessment of the likely demand for activities is able to be carried out at the subdivision consent stage, a development contribution based on one HUE will be charged for each new allotment created and the Council will require an assessment to be carried out at the building consent stage or at the point additional service connections are applied for. This later assessment will credit any development contributions paid at the subdivision consent stage.

LTP Part 2

Travellers' Accommodation Including Hotel/Motel Units

For each hotel, motel unit or separate unit of travellers' accommodation (excluding home stays accommodating less than six visitors) a payment of 50% of the standard community infrastructure contribution will be applied to each separate unit of accommodation let for tariff.

For camping grounds, hostels, bunkhouses and backpackers' accommodation or comparative travellers' accommodation a contribution shall be determined on the basis of payment of 50% of the standard community infrastructure contribution for each four visitors the premises/camping ground can accommodate.

Any manager's accommodation associated with travellers' accommodation shall be charged at the full rate.

SPECIAL ASSESSMENTS

Developments sometimes require a special level of service or are of a type or scale which is not readily assessed in terms of HUEs – such as large-scale primary sector processors or service stations. In these cases, the Council may decide to make a special assessment of the HUEs applicable to the development. In general, the Council will evaluate the need for a special assessment for one or more activities where it considers that:

- the development is of relatively large scale or uses; or
- The development is likely to have less than half or more than twice the demand for an activity listed in Table 5 for that development type; or
- a non-residential development does not fit into an industrial, retail or commercial land use and must be considered under the other category in Table 5; or
- a non-residential development may use more than 5m³ of water per day.

The demand measures in Table 4 will be used to help guide special assessments.

If a special assessment is sought, the Council may require the developer to provide information on the demand for community infrastructure generated by the development. The Council may also carry out its own assessment for any development and may determine the applicable development contributions based on its estimates.

CREDITS

Credits are a way of acknowledging that the lot, residential activity or business may already be connected to, or lawfully entitled to use, one or more Council services, or a development contribution has been paid previously. Credits can reduce or even eliminate the need for a development contribution. Credits cannot be refunded and can only be used for development on the same site and for the same service for which they were created.

Credits will be given for properties when:

- a development contribution for a lot has already been paid (at least in part). For example, most new subdivision lots will already have had development contributions levied and paid for at least one HUE; or
- [the lot existed before [effective date] and was within a settlement boundary at that time under the District Plan (i.e. residential, business, open space or industrial zoning). This excludes rural or rural residential properties; or
- the property was otherwise lawfully connected to a service as at [effective date]; or
- a rural lot existed before [effective date] (roading, community infrastructure and reserves only).

Table 6: Standard credits

	CREDIT FOR EACH SERVICE FOR WHICH A DEVELOPMENT CONTRIBUTION HAS BEEN PAID	CREDIT FOR URBAN LOTS THAT EXISTED BEFORE [EFFECTIVE DATE]	CREDIT FOR LAWFULLY CONNECTED SERVICE AS AT [EFFECTIVE DATE]		RURAL LOTS THAT EXISTED BEFORE * [EFFECTIVE DATE]
Residential units or lots	The number of HUEs	1 HUE for all services	1 HUE for the service(s) connected		1 HUE for any residential units on a lot as at [effective date]
Non-residential buildings or lots		A 'before and after' assessment of demand, using a special assessment or the conversion factors set out in Table 4, will be undertaken to determine credits and any increase in demand on services. The Council will be guided by actual use over the period [date – date] when making this assessment.			

REVIEW RIGHTS

Developers are entitled under the LGA02 to request a reconsideration or lodge a formal objection if they believe Council has made a mistake in assessing the level of development contributions for their development.

RECONSIDERATION

Section 199A of the Local Government Act provides that a request for reconsideration may only be made on the following grounds:

- the development contribution was incorrectly calculated or assessed under the territorial authority's development contributions policy; or
- the territorial authority incorrectly applied its development contributions policy; or
- the information used to assess the person's development against the development contributions policy, or the way the territorial authority has recorded or used it when requiring a development contribution, was incomplete or contained errors.

The reconsideration request must be made:

- within 10 working days after the date on which the person lodging the request receives notice from the Council of the level of development contribution the Council requires; and
- by making a written request and sending it with any relevant supporting information by email to info@hurunui.govt.nz, or posting it to Hurunui District Council, P O Box 13, Amberley 7441.

If the Council believes further relevant information is required from the applicant before it can make a decision, a *further information request* will be requested in writing from the applicant as soon as possible after the reconsideration request is received.

No *reconsideration request* will be accepted by the Council if it is received after the 10 day period above, or if an objection has been lodged under section 199C of the LGA02. The applicant will receive written notice if the request for reconsideration cannot be made for one of these reasons.

The Council reserves the right to reconsider an assessment if it believes an error has been made.

OBJECTIONS

A formal objections process enables any person who has been required to pay a development contribution, to object to the assessed amount of the development contribution.

Objections will be decided by development contributions commissioners selected by the Council from a register of commissioners appointed by the Minister of Local Government.

Under section 199D an objection can only be made on the grounds that a territorial authority:

- a) failed to take into account features of a development that, on their own or cumulatively with other developments, would substantially reduce the impact of the development on requirements for community facilities.
- b) required a development contribution for community facilities not required by, or related to, the objector's development;
- c) was in breach of section 200 (limitations applying to requirement for development contribution); or
- d) incorrectly applied its developments contributions policy to the development.

Once objections are lodged with the Council, it is the Council's responsibility to administer the objections process and select and support the development contributions commissioners.

Note that the Council has the ability to recover costs incurred by it from the objector, including the costs of:

- a) selecting, engaging, and employing development contributions commissioners.
- b) secretarial and administrative support of the objection process; and
- c) preparing for, organising and holding the hearing.

OTHER OPERATIONAL MATTERS

REFUNDS

In the event that planned community infrastructure upgrades are not undertaken within the "maximum period", or alternative upgrades are not completed within that timeframe, development contributions will be refunded, after allowing for the costs of investigating the upgrade options and associated administrative costs.

LIMITATIONS ON IMPOSING DEVELOPMENT CONTRIBUTIONS

The Council is unable to require a development contribution in certain circumstances, as outlined in section 200 of the LGA02, if, and to the extent that:

- a) it has, under section 108(2)(a) of the RMA, imposed a condition on a resource consent in relation to the same development for the same purpose; or
- b) the developer will fund or otherwise provide for the same reserve, network infrastructure or community infrastructure; or
- c) a third party has funded or provided, or undertaken to fund or provide, the same reserve, network infrastructure or community infrastructure; or
- d) the Council has already required a development contribution for the same purpose in respect of the same building work, whether on the granting of a building consent or a certificate of acceptance.

In addition, the Council will not require a development contribution in any of the following cases:

- a) [Where, except in the case of a new dwelling, the value of any building work for which a building consent is required is [less than \$20,000] exclusive of GST, unless the building consent is for a change of use.]
- b) Where, in relation to any dwelling, replacement development, repair or renovation work generates no additional demand for reserve or network infrastructure.
- c) The application for a resource or building consent, authorisation, or certificate of acceptance is made by the Crown.

MAXIMUM DEVELOPMENT CONTRIBUTIONS FOR RESERVES

Contributions are calculated per lot by dividing the cost of the capital expenditure due to by the number of units of growth expected in the target period.

These amounts are capped as per statutory requirements at the greater of 7.5% of the value of the additional allotments created by a subdivision or the value equivalent of 20 square metres of land for each additional household unit created by the development

This value will be calculated on an individual basis based upon estimated market value at the time that the contributions are collected.

POSTPONEMENT AND REMISSIONS

There will be no postponements of payments or remissions of payments

DEVELOPMENT AGREEMENTS

The Council may enter into specific arrangements with a developer for the provision and funding of particular infrastructure under a development agreement, including the development contributions payable, as provided for under sections 207A-207F of the LGA02. For activities covered by a development agreement, the agreement overrides the development contributions normally assessed as payable under the Policy.

FINANCIAL CONTRIBUTIONS

The purposes for which financial contributions may be taken under the Resource Management Act 1991 are related to section 5 of the Act (the sustainable management of natural and physical resources). A financial contribution can be imposed on a resource consent as long as it is in accordance with a rule in the District Plan. These rules are found in Chapter 19 of the Hurunui Operative District Plan 19 at <https://dp.hurunui.govt.nz/eplan>.

DEFINITIONS

In the Policy, unless the context otherwise requires, the following applies:

Accommodation unit has the meaning given in section 197 of the LGA02.

Activity means the provision of facilities and amenities within the meaning of network infrastructure, reserves, or community infrastructure for which a development contribution exists under the Policy.

Allotment (or lot) has the meaning given to allotment in section 218(2) of the RMA.

LTP Part 2

Asset Management Plan means the Council plan for the management of assets within an activity that applies technical and financial management techniques to ensure that specified levels of service are provided in the most cost-effective manner over the life-cycle of the asset.

Capacity life means the number of years that the infrastructure will provide capacity for and associated HUEs.

Catchment means the areas within which development contributions charges are determined and charged.

Community facilities means reserves, network infrastructure, or community infrastructure as defined by the LGA02, for which development contributions may be required.

Community infrastructure means:

- e) land, or development assets on land, owned or controlled by Council for the purpose of providing public amenities; and
- f) includes land that the Council will acquire for that purpose.

Council means Hurunui District Council.

Development means any subdivision, building, land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure (but does not include the pipes or lines of a network utility operator).

District means the Hurunui District.

Gross floor area (GFA) means the sum of the total area of all floors of a building or buildings (including any void area in each of those floors, such as service shafts, liftwells or stairwells) measured:

- g) where there are exterior walls, from the exterior faces of those exterior walls;
- h) where there are walls separating two buildings, from the centre lines of the walls separating the two buildings;
- i) where a wall or walls are lacking (for example, a mezzanine floor) and the edge of the floor is discernible, from the edge of the floor.

Household unit equivalent (HUE) means demand for Council services equivalent to that produced by a nominal household in a standard residential unit.

Industrial activity means the premises used for manufacturing, fabricating, processing, parking or storing of substances, materials or products, into new products, and includes the servicing and repair of goods, vehicles and machinery, whether by machine or hand, with: – Primary industry meaning industry listed in [Appendix 3.4](#) of the Councils operative District Plan – Secondary industry meaning any other industry

LGA02 means the Local Government Act 2002.

Network infrastructure means the provision, water, wastewater and stormwater infrastructure.

Policy means this Development Contributions Policy.

Reserve means land vested as recreation reserve under the Reserves Act for public open space and improvements to that land needed for it to function as an area of usable green open space. This land is used for recreation, sporting activities and the physical welfare and enjoyment of the public, as well as for the protection

of the natural environment and beauty of the countryside (including landscaping, sports and play equipment, walkways and cycleways, carparks, and toilets).

Residential unit means building(s) or part of a building that is used for a residential activity exclusively by one household, and must include sleeping, cooking, bathing and toilet facilities. [See the National Planning Standards 2019.](#)

Retail activity means any activity trading in goods, equipment or services that is not an industrial activity or commercial activity.

Retirement unit means any dwelling unit in a retirement village but does not include aged-care rooms in a hospital or similar facility.

Retirement village means a managed comprehensive [residential](#) complex or facilities used to provide [residential](#) accommodation for people who are retired and any spouses or partners of such people. It may also include any of the following for residents within the complex: recreation, leisure, supported [residential](#) care, welfare and medical facilities (inclusive of hospital care) and other non-[residential](#) activities.

RMA means the Resource Management Act 1991.

Service connection means a physical connection to an activity provided by, or on behalf of, the Council (such as water, wastewater or stormwater services).

PART 2: POLICY DETAILS

This section provides further Development and Financial Contribution Policy details, including those needed to fully comply with the requirements of the LGA02.

REQUIREMENT TO HAVE A POLICY

Council is required to have a policy on development contributions and financial contributions as a component of its funding and financial policies in its LTP under section 102(2)(d) of the LGA02. The Policy meets this requirement.

This Policy will be adopted in conjunction with the LTP 2024 – 2034. This Policy will be reviewed on a three yearly basis but may be updated at shorter intervals if Council considers it necessary. Any review of the Policy will take account of:

- a. any changes to significant assumptions underlying this Policy;
- b. any changes in the Capital Development Works Programme for growth;
- c. any changes in the pattern and distribution of development in the District;
- d. any changes that reflect new or significant modelling of the networks;
- e. the result of reviews of the funding and financial policies, and the LTP; and
- f. any other matters Council considers relevant.

FUNDING SUMMARY

Council plans to incur \$44.1 million (before interest costs) on infrastructure partially or wholly needed to meet the increased demand for community facilities resulting from growth.

This includes works undertaken in anticipation of growth, and future planned works out to 2054 (although most of it is within the next 10 years). Of this cost, approximately 78% will be funded from development contributions. Including interest costs, the total amount to be funded is \$32 million.

Table 7 provides a summary of the total costs of growth-related capital expenditure and the funding sought by development contributions for each activity. A breakdown by activities and catchment is available in Schedule 1.

Table 7: Total cost of capital expenditure (capex) for growth and funding sources (GST exclusive)

	Water	Wastewater	Community Infrastructure	Reserves	Total
Growth/DC funded capex	\$24.1 million	\$4.2 million	\$7.1 million	\$8.7 million	\$44.1 million
Total capex proportion funded by development contributions	76%	74%	76%	57%	72%
Capex proportion funded from other sources	24%	26%	24%	43%	28%
Amount to be funded by development contributions	\$18.3 million	\$3.1 million	\$5.4 million	\$5.0 million	\$31.8 million

FUNDING POLICY SUMMARY

The Council is required to have a Revenue and Financing Policy that outlines how all activities will be funded, and the rationale for the Council’s preferred funding approach after taking into account the matters specified in section 101 (3) of the LGA02.

The Revenue and Financing Policy is Council’s primary and over-arching statement on its approach to funding its activities.

In addition, the Council is required under section 106(2)(c) of the LGA02 to explain within this Policy why it has decided to use development contributions, financial contributions, and other sources to fund capital expenditure relating to the costs of growth.

The Hurunui District has experienced steady population and economic growth. Population and business growth creates the need for new subdivisions and development, placing increasing demand on the assets and services provided by the Council. Significant investment in new or upgraded assets and services is accordingly required to meet the demands of growth. The Council intends to fund the portion of capital expenditure that is attributable to growth by recovering these costs from development and growth.

The Council considers that the best mechanisms for ensuring the cost of growth sits with those who have created the need and benefit from the work are:

- a. Development Contributions for water, wastewater, stormwater, Community Infrastructure and Reserves;
- b. Financial Contributions (levied under the Resource Management Act) designed to offset adverse effects of a particular development as identified in the Hurunui District Plan

In forming this view, the Council has taken into account the following factors as required by section 101(3) of the LGA02.

FUNDING GROWTH EXPENDITURE

1. Development Contribution for Network Infrastructure

Network infrastructure for the purposes of development contributions includes water, sewer and stormwater / drainage services under the control and management of the Hurunui District Council.

The policies for the assessment of development contributions for water, sewer, and stormwater / drainage have been developed on the broad principle that infrastructure costs incurred to meet demands associated with growth should be spread as equitably and as practicable among the beneficiaries of the expenditure.

The primary beneficiaries of expenditure on new network infrastructure are developers, builders, and new property / building owners. Hence development contributions are collected for the costs involved.

Water Infrastructure

The Council provides potable water to avoid the risk of water-borne diseases affecting public health. The growth of the district will result in additional connections to the system, which will increase the demand on existing services. The Council believes it should be developing long-term, sustainable solutions that cater for users of today and tomorrow; therefore, any scheme it develops or extends will have a planned growth component within it.

The Hurunui District Council operates several different water supply schemes across the district and the funding rationale is affordability. The methodology for calculating development contributions for water projects is to combine all water projects. Each individual project has the percentage of growth calculated to it but is added and divided by the total number of projects to find the average development contribution cost.

Wastewater Infrastructure

Reticulated sewer treatment and disposal systems are provided to minimise public health issues and adverse effects on the environment. There is an expectation from the community that high environmental standards will be met.

The growth of the district and the resulting additional connections to the system will increase the demand on existing services. The Council believes it should be developing long-term, sustainable solutions that cater for users of today and tomorrow; therefore, any scheme it develops or extends will have a planned growth component within it.

The district operates wastewater schemes in Amberley and Hanmer Springs which are subject to the pressures of growth and require extra capacity. The policies and methodology for calculating development contributions are the same for each scheme, but the actual level of contribution is the same across the district. The calculation is the same as for water infrastructure above.

2. Development Contribution for Community Infrastructure

The community infrastructure projects identified are essential to the ongoing economic, social, cultural and environmental wellbeing of the district, especially the Hanmer Springs and Amberley Townships. The capital projects proposed will add considerable improvements to the existing network of facilities.

The Hanmer Springs projects will enhance community facilities, provide access to health care, and result in an improved and pleasant environment, which will meet the demands of future growth.

Extending and improving Amberley's walkway and cycleway network will help create connectivity between the existing township and new development areas.

The Council has planned for considerable capital investment on community infrastructure that is under its management and control. A proportion of this expenditure relates to catering for the increased demands of growth.

The Council has considered whether development contributions or financial contributions are an appropriate source of funding in relation to the activity, the outcomes sought, and their links to growth infrastructure. A summary of this assessment is below in Table 9.

Development contributions are collected for the following purposes:

- Land purchase to facilitate expansion of community infrastructure
- Development of Council land, including:
 - Construction of buildings.
 - Safe and accessible walking and cycling routes within settlements and between settlements
 - Fencing, gates and paths
 - Developing access to reserves and recreational spaces, including paths, roads, car parking and cycleways
 - Park furniture including seats, litter bins, picnic tables and lighting
 - Information signage
 - Infrastructure, water, irrigation, power and sewage.
- Particular projects are the:
 - Hanmer Springs town centre development
 - Amberley walking and cycleway network extension routes
 - Hurunui library expansion
 - Transfer Station.

3. Development Contribution for Reserves

The reserves projects identified are essential to the ongoing economic, social, cultural and environmental wellbeing of the district, especially the Hanmer Springs and Amberley Townships. The Council also aims to add to and develop its reserve network to provide areas that allow people to enjoy physical and passive recreation, while at the same time retaining areas of conservation value. The capital projects proposed will add considerable improvements to the existing network of reserves and facilities.

Within the Hurunui District, development contributions for reserves apply to land and the development of land that is under the control and management of the Hurunui District Council or is being managed under the Reserve Management Act 1977.

The Hanmer Springs projects will enhance community facilities, provide access to health care, and result in an improved and pleasant environment, which will meet the demands of future growth.

The Council has considered whether development contributions or financial contributions are an appropriate source of funding in relation to the activity, the outcomes sought, and their links to growth infrastructure. A summary of this assessment is below in Table 9.

Overall, Development Contributions, for reserve and community services, as a dedicated growth funding source, offer more secure funding for community outcomes that are affected by growth, or through which Council can deliver on aspects of the outcomes for new communities.

Development contributions are collected for the following purposes:

- Land purchase of reserves for the reserves network including linkage strips
- Development of Council land, including:
 - Construction of recreation facilities including buildings
 - Fencing, gates and paths
 - Sport surfaces
 - Development and upgrading of reserves to meet growth
 - Developing access to reserves and recreational spaces, including paths, roads, car parking and cycleways
 - Planting of major trees
 - Public toilets associated with the use of the reserve
 - Playgrounds and play equipment
 - Park furniture including seats, litter bins, picnic tables and lighting
 - Information signage
 - Infrastructure, water, irrigation, power and sewage
 - Any site-specific requirements.
- Particular projects are the:
 - Acquisition and development of South Ward and Amberley Township Reserves
 - Development and upgrade of the Queen Mary Hospital Historic Reserve for community use
 - Development of facilities on the Hanmer Springs Domain,

There are two types of development contributions for reserves:

- One for district-wide reserves applicable to all new residential units of demand. This is based on a wider sphere of use of the land.
- The other is for amenity reserves, which is primarily based around use by the residents of a ward or township.

Table 8: Community outcomes to which the activity primarily contributes

	Water	Wastewater	Community Infrastructure	Reserves
A desirable and safe place to live	✓	✓	✓	✓
A place with essential and appropriate infrastructure:	✓	✓	✓	✓
A place that demonstrates environmental responsibility:	✓	✓	✓	✓
A place where our traditional rural values and heritage make Hurunui unique:			✓	✓
A place with a thriving local economy:	✓	✓	✓	✓

Other funding decision factors (sections 101(3)(a)(ii) – (v))

The Council has considered the funding of growth infrastructure against the following matters:

The distribution of benefits between the whole community; any identifiable part of the community, and individuals, and the extent to which the actions or inaction of individuals or a group contribute to the need to undertake the activity.

The period in or over which those benefits are expected to occur.

The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

Table 9: Other Funding Decisions Factors

WHO BENEFITS / WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	FUNDING SOURCES AND RATIONALE INCLUDING RATIONALE FOR SEPARATE FUNDING
A significant portion of the Council's work programme is driven by development or has been scoped to ensure it provides for new developments. The extent to which growth benefits from a project, as well as how much it benefits existing ratepayers, is determined for each project. The Council believes that the growth costs identified through this process should be recovered from development, as this is what creates the need for the expenditure and /or benefit principally from new assets and additional network capacity. Where, and to the extent, that works benefit existing residents, those costs are recovered through rates.	The assets constructed for development provide benefits and capacity for developments now and in the future. In many cases, the "capacity life" of such assets spans many years, if not decades. Development contributions allow development related capital expenditure to be apportioned over the capacity life of assets. Developments that benefit from the assets will contribute to its cost, regardless of whether they happen now or in the future. Similarly, financial contributions for reserves and community services also allows funding of these assets to be spread over benefiting developments over time.	The cost of supporting development in Hurunui is significant. Development contributions send clear signals to the development community about the true cost of growth and the capital costs of providing infrastructure to support that growth. The benefits to the community are significantly greater than the cost of policy making, calculations, collection, accounting, and distribution of funding for development and financial contributions for reserves and community services.

Overall impact of liability on the community (section 101(3)(b))

The Council has also considered the impact of the overall allocation of liability on the community. In this case, the liability for revenue falls directly with the development community. At the effective date of this Policy, the Council does not perceive any undue or unreasonable impact on the social, economic and cultural wellbeing of this particular section of the community.

Development in Hurunui is thriving, and demand is high, as is demand for the infrastructure these funding sources helps secure. Conversely, shifting development costs onto ratepayers is likely to be perceived as unfair and would significantly impact the rates revenue required from existing residents - who do not cause the need, or benefit from the growth infrastructure, needed to service new developments.

Overall, the Council considers it fair and reasonable, and that the social, economic and cultural interests of Hurunui's communities are best advanced through using development contributions and reserve and community services financial contributions, to fund the costs of growth-related capital expenditure for services and activities covered by this Policy.

CATCHMENT DETERMINATION

When setting development contributions, the Council must consider how it sets its catchments for grouping charges by geographic areas. The LGA02 gives the Council wide scope to determine these catchments, provided that:

- the grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and
- grouping by geographic area avoids grouping across an entire district wherever practical

There are eight different catchments in Hurunui District for development. Catchments are outlined in Table 1 and mapped in Section 3 of the Policy.

SIGNIFICANT ASSUMPTIONS OF THE POLICY**METHODOLOGY**

In developing a methodology for the Development Contributions in this Policy, the Council has taken an approach to ensure that the cumulative effect of development is considered across the district and catchments.

PLANNING HORIZONS

In reviewing this policy, the projected units of demand have been updated for all projects that have remained the same as in the 2018/28 LTP. Where the capital cost of a project has increased or decreased from the amount previously projected, the capital expenditure on which the development contributions are calculated has been amended.

All figures have been inflation adjusted as shown in Table 1. The projected development contribution payable for each year of the 10-year financial planning period of this plan is set out in Table 2 (GST added and figures rounded).

PROJECTING GROWTH

The 2013 census confirmed an increase in the Hurunui District’s resident population. High rates of absentee ownership of lifestyle blocks and holiday homes (especially in Hanmer Springs) complicate the process of forecasting growth in the district, but statistical correlations indicate a significant relationship between the census data (the “usually resident population”) and overall growth in the district (the number of properties added to the rating database from which development contributions may be collected, including holiday homes, seasonal accommodation etc).

In some localities, this correlation is stronger with census data in the surrounding area (ward), or even with that for the district as a whole. In such cases it has been assumed that population growth in these wider areas is more of a driver of growth (i.e. that there will be more migration into the area than the Statistics New Zealand (SNZ) data for that area indicates).

The Council has used the medium/high series of growth projections (SNZ) for the period of the LTP. Instead of reducing the number of new units of growth to be collected (in the defined period to calculate the resulting level of the individual development contribution), the collection period has been extended to achieve that same level of growth.

BEST AVAILABLE KNOWLEDGE

Unfortunately, the “area unit” boundaries used by SNZ do not always align with the areas that the Council wants to collect development contributions. A number of assumptions have been used for calculating the population projections for these areas (for example: subtracting or adding areas we do have population data for; extrapolating mapping data for unknown areas in cases where there is a good correlation between this and known areas).

This procedure and all of the assumptions mentioned above are potential sources of error for this policy, but they are necessary approximations given the information and resources that we have to work with.

There is obviously a large degree of uncertainty in any attempt at predicting the future with variances in population estimates and the large number of assumptions for this policy, the future is difficult to quantify.

The accuracy of the growth projections is further complicated by not knowing how long demand for land in the Hurunui District will continue following recent earthquakes (Canterbury earthquakes in 2010 and 2011, Hurunui/Kaikoura earthquake in 2016).

KEY RISKS/EFFECTS

If the growth predictions do not eventuate, it will change the assumed rate of development. In that event, the Council will continue to monitor the rate of growth and will update assumptions in the growth and funding predictions, as required

If the time lag between expenditure incurred by the Council and contributions received from those undertaking developments is different from that assumed in the funding model, and that the costs of capital are greater than expected, this would result in an increase in debt servicing costs.

To guard against that occurrence, the Council will continue to monitor the rate of growth and will update assumptions in the growth and funding models, as required.

SERVICE ASSUMPTIONS

That methods of service delivery will remain substantially unchanged.

FUNDING MODEL

A funding model has been developed to calculate development contributions under the Policy. It accounts for the activities for which contributions are sought, the assets and programmes related to growth, forecast growth and associated revenue. The funding model embodies several important assumptions, including that:

All capital expenditure estimates are inflation adjusted and GST exclusive.

The levels of service (LOS)/backlog, renewal and maintenance portions of each asset or programme will not be funded by development contributions. See the *Cost allocation* section below.

The growth costs associated with an asset are spread over the capacity life of the asset and any debt incurred in relation to that asset will be fully repaid by the end of that capacity life.

Interest expenses incurred on debt accrued will be recovered via development contributions and shared equally over all forecast HUEs over a 20-year period for each activity/catchment

COST ALLOCATION

The Council must consider how to allocate the cost of each asset or programme between three principal drivers: growth, LOS/backlog, and renewal. The following sources of funding are used by the Council.

Table 10: Activity Funding Sources

Activity	Loans	Rates	Development contributions
Water	Yes	Yes	Yes
Wastewater	Yes	Yes	Yes
Community Infrastructure	Yes	Yes	Yes
Reserves	Yes	Yes	Yes

Water

Current users and future users benefit equally from the maximum capacity of a water supply system. Based on the assumption that one current user will consume the same amount of system capacity as a future user, they should equally share the cost of providing that maximum capacity.

Basis for assessment

Residential & Business Activities (Urban Areas)

Each new standard connection or subdivision lot established will be charged one development contribution as identified in the schedule.

Multi-Unit Residential Developments

The payment for multi-unit residential housing including minor dwelling units, family flats, town houses, retirement villages and apartments, will be applied on the basis that each separate residential unit shall be treated as a separate unit of demand and be charged accordingly.

Travellers' Accommodation Including Hotel/Motel Units (Urban Areas)

For each hotel, motel unit or separate unit of travellers' accommodation (excluding home stays accommodating less than six visitors) a payment of 50% of the standard water development contribution will be applied to each separate unit of accommodation let for tariff.

For camping grounds, hostels, bunkhouses and backpackers' accommodation or comparative travellers accommodation a contribution shall be determined on the basis of payment of 50% of the standard water development contribution for each four visitors the premises/camping ground can accommodate.

Any manager's accommodation associated with travellers' accommodation shall be charged at the full rate.

The contribution will be calculated on the cost of the capital expenditure associated with increasing the capacity of the systems to enable growth (divided by the number of new units of demands (including business and residential use development) that the area is capable of servicing. The resulting cost is added and divided by the number of projects. The result is the cost that will apply to each new unit of demand across the district.

Wastewater

Current users and future users benefit equally from the maximum capacity of a wastewater system. Based on the assumption that one current user will consume the same amount of system capacity as a future user, they should equally share the cost of providing that maximum capacity.

The contribution for all wastewater schemes is calculated on the cost of the capital expenditure associated with increasing the capacity of the system to provide for growth, divided by the number of units of demand that are expected. The result is the cost that will apply to each new lot.

Basis for assessment

Residential & Business Activities (Urban Areas)

Each new standard connection or subdivision lot established will be charged one development contribution as identified in the schedule. Additional dwelling units established on the same lot will be charged an additional development contribution.

Multi-Unit Residential Developments

The payment for multi-unit residential housing including minor dwelling units, family flats, town houses, retirement villages and apartments, will be applied on the basis that each separate residential unit shall be treated as a separate unit of demand and be charged accordingly.

Travellers' Accommodation Including Hotel/Motel Units (Urban Areas)

For each hotel, motel unit or separate unit of travellers' accommodation (excluding home stays accommodating less than 6 visitors) a payment of 50% of the standard sewer development contribution will be applied to each separate unit of accommodation let for tariff.

For camping grounds, hostels bunkhouses and backpacker's accommodation or comparative travellers accommodation a contribution shall be determined on the basis of payment of 50 % of the standard sewer development contribution for each four visitors the premises/camping ground can accommodate. Any managers' accommodation associated with travellers' accommodation shall be charged at the full rate.

Community Infrastructure

The Council has planned for considerable capital investment on community infrastructure that is under its management and control. A proportion of this expenditure relates to catering for the increased demands of growth. The four projects listed below relate to planned capital development associated with community infrastructure demands within the LTP.

Hanmer Springs town centre development: There has been some benefit to existing residents, but the development was required due to increasing infrastructure to cope with the expected growth over the planning period. The Council has determined that it is fair and equitable that development contributions fund those areas of development which are necessitated by growth, not driven by community desire. The Council recognises that renewals or upgrades of existing facilities will also benefit new residents but considers that the demand for these are from the existing population are therefore should be funded by existing HUE's.

Amberley walkway and cycleway network extension: This work is in the new development areas of Amberley and each new unit of demand should contribute to the development of the network. Where the infrastructure is an upgrade to existing areas it will be met by existing HUE's.

Amberley Transfer Station: Amberley transfer station is currently nearing capacity to deal with current levels of demand from the local community. Waste and recycling throughput and customer numbers are continually increasing and expected growth across the district will require an expansion of activities. Amberley Transfer Station is considered a very important asset as it serves a major function in the provision of waste and recycling services district-wide. It is used to combine waste from kerbside collections, litter bins and the four northern transfer stations sites for transport to Kate Valley. Recycling from throughout the district is consolidated at Amberley for onward transport to recycling processors. The Council's waste contractor operates out of the Amberley Transfer Station site as its main base of operations. Equipment to support the Council's district-wide waste activities is stored at the site. The cost will be spread across all new HUE's across the district for the specified period.

Hurunui District Library: The Hurunui District library in Amberley is experiencing ongoing demand for community space for both teaching and public use, as well as the library's growing collections. With the growth in the South Ward and an ageing population, there is increasing demand for all of the services that libraries provide. While the library is based in Amberley, it is the district library — servicing all the smaller community libraries — and therefore the cost will be spread across all new HUEs across the district for the specified period.

Basis for assessment

Residential & Business Activities

Each new subdivision lot established will be charged one development contribution for each item of community infrastructure as identified in the schedule. Additional dwelling units established on the same lot will be charged a separate development contribution.

Multi-Unit Residential Developments

The payment for multi-unit residential housing including minor dwelling units, family flats, town houses, retirement villages and apartments, will be applied on the basis that each separate residential unit shall be treated as a separate unit of demand and be charged accordingly.

Travellers Accommodation Including Hotel/Motel Units

LTP Part 2

For each hotel, motel unit or separate unit of travellers' accommodation (excluding home stays accommodating less than six visitors) a payment of 50% of the standard community infrastructure development contributions identified in the schedule will be applied to each separate unit of accommodation let for tariff.

For camping grounds, hostels, bunkhouses and backpackers' accommodation or comparative travellers' accommodation a contribution shall be determined on the basis of payment of 50 % of the standard community infrastructure development contribution for each 4 visitors the premises/camping ground can accommodate. Any manager's accommodation associated with travellers' accommodation shall be charged at the full rate.

Reserves

The Council has planned for considerable capital investment on reserves that are under its management and control. A proportion of this expenditure relates to catering for the increased demands of growth. The four projects listed below relate to planned capital development associated with community infrastructure demands within the LTP.

Queen Mary Hospital Historic Reserve: This site is envisaged as providing for future recreational opportunities for a 20-year planning horizon from 2004. There is a need to add to and improve this land and expand its potential for recreation use. It is a district reserve and, as such, all expenditure on development will be spread across both existing and future HUEs across the district over the specified period.

Hanmer Springs Domain: The development of the facilities at the Domain was identified by the Hanmer Springs Community Board as a key project to undertake after discussions with the community. The portion of the costs that is deemed to be growth related will be spread across the future HUEs from within the Hanmer Springs Settlement Area.

South Ward (formerly Amberley) Reserves: The acquisition and development of these reserves are to provide additional recreation facilities and sports grounds due to growth over the foreseeable future. Its cost will thus be recovered from development occurring within the South Ward.

Amberley Township Reserves: The acquisition and development of these are to provide for additional neighbourhood reserves, passive reserve areas and linkage strips. These reserves will be required due to growth within the Township. The cost will be spread across the future HUEs from within the Amberley Settlement Area.

Basis for assessment

Residential & Business Activities

Each new subdivision lot established will be charged one development contribution for each item of community infrastructure as identified in the schedule. Additional dwelling units established on the same lot will be charged a separate development contribution.

Multi-Unit Residential Developments

The payment for multi-unit residential housing including minor dwelling units, family flats, town houses, retirement villages and apartments, will be applied on the basis that each separate residential unit shall be treated as a separate unit of demand and be charged accordingly.

Travellers' Accommodation Including Hotel/Motel Units

For each hotel, motel unit or separate unit of travellers' accommodation (excluding home stays accommodating less than six visitors) a payment of 50% of the standard community infrastructure development contributions identified in the schedule will be applied to each separate unit of accommodation let for tariff.

For camping grounds, hostels, bunkhouses and backpackers' accommodation or comparative travellers' accommodation a contribution shall be determined on the basis of payment of 50 % of the standard community infrastructure development contribution for each four visitors the premises/camping ground can accommodate. Any manager's accommodation associated with travellers' accommodation shall be charged at the full rate.

CALCULATING THE DEVELOPMENT CONTRIBUTIONS

PROCESS

The detailed basis for assessment for developments is explained for each contribution. There are two broad groups of contributions:

One applies to services and facilities that have a district wide benefit and the costs are apportioned across the whole district.

The second group has more tangible benefits for a defined group of users and the costs are apportioned to the direct beneficiaries.

SUMMARY OF CALCULATIONS

Schedule 1 summarises the development contribution charge calculations and Schedule 2 summarises the unit of demand for years 1 to 10 of the plan.

LTP Part 2

Schedule 1 – development contribution charge calculations and schedule of future projects for which development contributions will be used

Project	Funded From	Total Capital Cost of Project (including non-growth related components) in 2025 dollars	Est. Proportion of Project funded from other sources	Est. Proportion of Growth attributable to Development (net result of estimates for each capital item in project)	Est. Total Units of Demand by end of target period (to spread Development Cost if applicable)	Est. (actual when available) Total Capital Cost due to growth, inflation adjusted to 2025	Est. (actual when available) Total Capital Cost due to growth, inflation adjusted to 2026	Est. (actual when available) Total Capital Cost due to growth, inflation adjusted to 2027	Est. (actual when available) Total Capital Cost due to growth, inflation adjusted to 2034
District Sewer	District Sewer Area	\$4,241,653	28%	72%	4,967	\$3,052,654	\$3,118,210	\$3,192,318	\$3,691,117
District Urban Water	Urban Water Area	\$11,573,688	17%	83%	10,371	\$9,619,370	\$9,825,948	\$10,059,472	\$11,631,264
District Rural Water	Rural Water Area	\$12,546,298	31%	69%	8,421	\$8,675,800	\$8,862,115	\$9,072,732	\$10,490,347
Amberley Township Reserves	Amberley Township	\$1,516,698	10%	90%	2,434	\$1,365,028	\$1,394,343	\$1,427,480	\$1,650,524
Amberley Walking & Cycling Routes	Amberley Township	\$609,920	20%	80%	2,434	\$487,936	\$498,414	\$510,260	\$589,988
South Ward Reserves	South Ward	\$1,877,732	11%	89%	3,118	\$1,666,903	\$0	\$0	\$0
Hanmer Springs Town Centre Development	Hanmer Springs Rating Area	\$2,788,569	40%	60%	2,321	\$1,673,142	\$1,709,073	\$1,749,690	\$2,023,080
Hanmer Springs Domain	Hanmer Springs Rating Area	\$518,202	50%	50%	1,936	\$259,101	\$264,665	\$270,955	\$313,292
Queen Mary Development	Hurunui District	\$4,790,496	64%	36%*	10,629	\$1,710,478	\$1,747,211	\$1,788,735	\$2,068,225
Library Expansion	Hurunui District	\$2,000,000	0%	100%	12,739	\$2,000,000	\$2,042,951	\$2,091,503	\$2,418,301
Transfer Station Expansion	Hurunui District	\$1,667,000	25%	75%	12,739	\$1,250,250	\$1,277,099	\$1,307,451	\$1,511,740

* Spread based on a ratio of new units of demand / total units of demand

LTP Part 2

Schedule 2 – Development Contribution Schedule for Years 1-3 and 10 of this plan.

Project	Funded From	Relevant Subsection of Policy (Category of Contribution)	Point at which Contribution is collected (number refers to options in NOTES below)	Start Year for Contributions	Maximum No. of years from start year until project is undertaken	Target period (years from start year) over which to collect contributions	Est. Num of New Units to Collect From in target period based on growth model	Development Contribution (GST added) 2023/2024	New Development Contribution (GST added) 2024/2025	New Development Contribution (GST added) 2025/2026	New Development Contribution (GST added) 2026/2027	New Development Contribution (GST added) 2033/2034
District Sewer	District Sewer Area	Network Infrastructure	3	2016	10	15	1,099	\$3,240	\$3,190	\$3,260	\$3,340	\$0
District Urban Water	Urban Water Area	Network Infrastructure	3	2016	10	44	6,654	\$1,630	\$1,660	\$1,700	\$1,740	\$2,010
District Rural Water	Rural Water Area	Network Infrastructure	5	2016	10	20	2,235	\$4,490	\$4,460	\$4,560	\$4,670	\$5,400
Amberley Township Reserves	Amberley Township	Reserves	1	2008	25	32	824	\$1,850	\$1,900	\$1,940	\$1,990	\$2,300
Amberley Walking & Cycling Routes	Amberley Township	Community Infrastructure	4	2008	20	32	824	\$660	\$670	\$680	\$700	\$810
South Ward Reserves	South Ward	Reserves	1	2008	25	17	832	\$2,890	\$2,300	\$0	\$0	\$0
Hanmer Springs Town Centre	Hanmer Springs Rating Area	Community Infrastructure	4	2004	10	30	954	\$1,980	\$2,020	\$2,060	\$2,110	\$2,440
Hanmer Springs Domain	Hanmer Springs Rating Area	Reserves	1	2013	10	13	299	\$1,170	\$1,000	\$1,020	\$0	\$0
Queen Mary Development	Hurunui District	Reserves	1	2004	20	30	3,795	\$620	\$520	\$530	\$540	\$630
Library Expansion	Hurunui District	Community Infrastructure	4	2024	20	20	3,816	n/a	\$600	\$620	\$630	\$730
Transfer Station Expansion	Hurunui District	Community Infrastructure	4	2024	20	20	3,816	n/a	\$380	\$380	\$390	\$460

NOTES: Points at which Contributions are payable and maximum contribution for reserves**

1. At the time of granting a subdivision consent, or if a separate certificate of title exists against which no development levy has been paid, at the time of issuing a building consent.
2. At time of granting subdivision consent or if no development levy has been paid, at the time of issuing a building consent or resource consent or at time of connection to service.
3. When subdivision consent is granted and or where subsequently an additional dwelling house or business premise is promoted on the same lot at the time when either a resource consent or a building consent is granted.
4. Upon granting a subdivision consent or Building Consent or Resource Consent. All new subdivisions will be subject to the community infrastructure contributions set out in this table. Where allotments already exist but have not been built on the contribution will be collected on the granting of the building consent or resource consent.
5. At time of application to the Rural Water Scheme.

** In the case of reserves contributions, the contribution payable will be capped at the greater of 7.5% of the value of the additional allotments created by a subdivision or the value equivalent of 20 square metres of land for each additional household unit created by the development.

Totals:

Hanmer Springs Township	\$8,640	\$9,370	\$9,570	\$8,750	\$6,270
Hanmer Springs Rating Area (excluding Township)	\$3,770	\$4,520	\$4,610	\$3,670	\$4,260
Amberley Township	\$10,270	\$11,220	\$9,110	\$9,330	\$6,940
Leithfield Township & Amberley Beach Township	\$11,240	\$11,450	\$9,350	\$9,570	\$7,220
Leithfield Beach Township	\$8,380	\$8,650	\$6,490	\$6,640	\$3,830
Amberley Rating Area (excluding Townships)	\$3,510	\$3,800	\$1,530	\$1,560	\$1,820
Glenmark Rating Area (excluding Rural Water)	\$620	\$1,500	\$1,530	\$1,560	\$1,820
Cheviot Rating Area (Including Rural Water)	\$5,110	\$5,960	\$6,090	\$6,230	\$7,220
Hurunui Rating Area (including Rural Water)	\$5,110	\$5,960	\$6,090	\$6,230	\$7,220
Amuri Rating Area (excluding Rural Water)	\$620	\$1,500	\$1,530	\$1,560	\$1,820

* In the case of land taken for reserve purposes, this figure will be negotiated with the land owner at the time the contribution is made.

PART 3: CATCHMENT MAPS

The maps in this section outline the boundaries of the catchments within which development contributions will apply.

URBAN WATER CATCHMENT MAPS

Catchment area for urban water is determined on the ability to connect to an on-demand supply. This is not confined to township or rating area boundaries.

RURAL WATER CATCHMENT MAPS

Catchment area for rural water is determined on the ability to connect to a restricted supply. This is not confined to township or rating area boundaries.

WASTEWATER CATCHMENT MAPS

Catchment area for wastewater is determined on the ability to connect to the wastewater reticulation network. This is not confined to township or rating area boundaries.

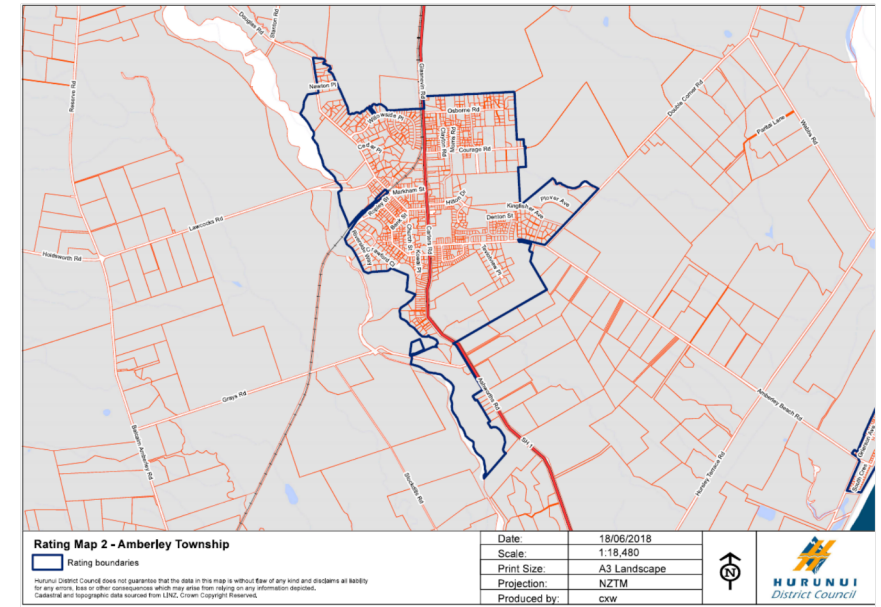
COMMUNITY CATCHMENT MAPS

HURUNUI DISTRICT:

Catchment area for contributions from the Hurunui District (Queen Mary Development; Library Expansion; and Transfer Station Expansion) is applicable to all properties with the Hurunui District.

AMBERLEY TOWNSHIP:

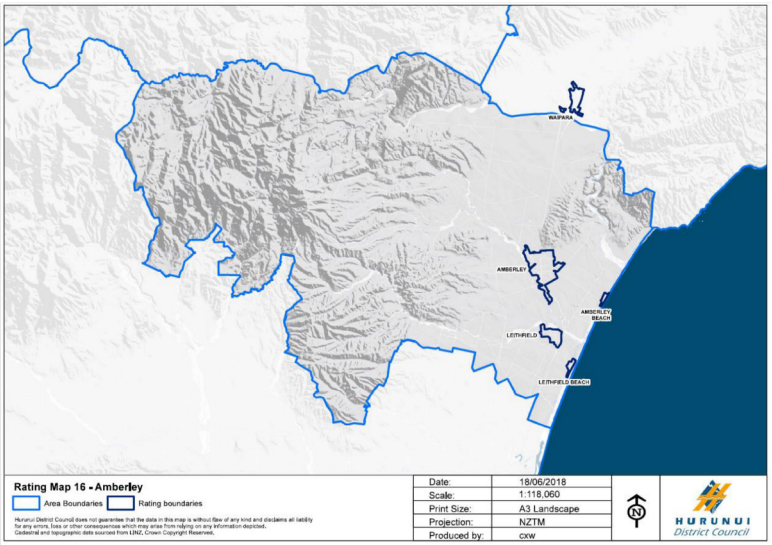
Catchment area for contributions from the Amberley Township (Amberley Township Reserves and Amberley Township Walking and Cycling Routes) is applicable to all properties with the Amberley Township Boundary.



This matches the Rating Map for Amberley Township.

SOUTH WARD (FORMERLY AMBERLEY WARD):

Catchment area for contributions from the South (Amberley) Ward (Amberley Ward Reserves) is applicable to all properties with the South Ward (Amberley) Ward Boundary.

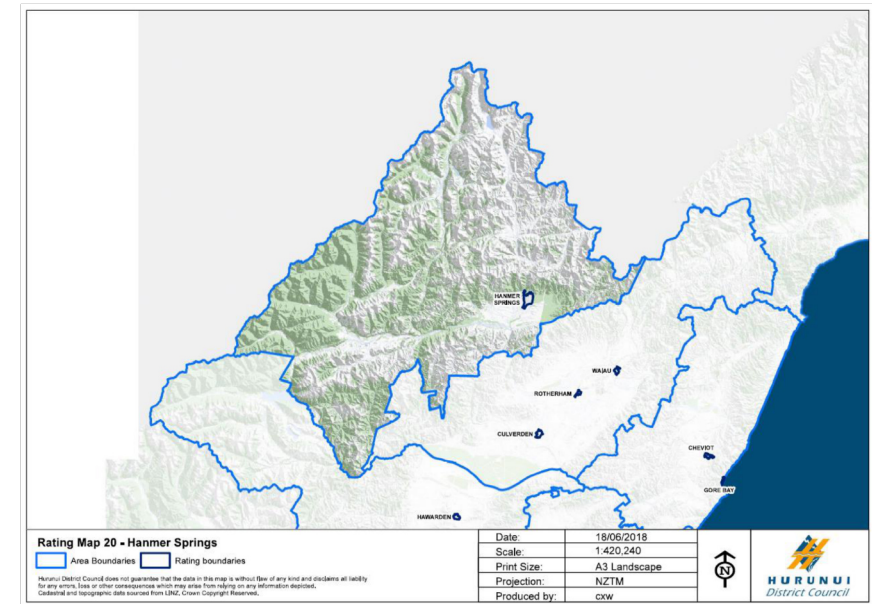


This matches the Rating Map for Amberley Rating Area.

LTP Part 2

HANMER SPRINGS WARD:

Catchment area for contributions from the former Hanmer Springs Ward (Hanmer Springs Town Centre Development and Hanmer Springs Domain) is applicable to all properties with the former Hanmer Springs Ward Boundary.



This matches the Rating Map for Hanmer Springs Rating Area.

To the readers

Independent Auditor's report on Hurunui District Council's 2024-34 Long-term Plan

I am the Auditor-General's appointed auditor for Hurunui District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our audit on 15 July 2024.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 124 to 126 of Part 1 of the long-term plan represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

In accordance with clause 45 of Schedule 1AA of the Local Government Act 2002, the consultation document on the Council's plan did not contain a report from the Auditor-General. The consultation document is therefore unaudited. Our opinion on the plan does not provide assurance on the consultation document or the information that supports it.

Our opinion on the plan also does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Audit Report

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality management

We have complied with the Auditor-General's independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (PES 3)* issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Other than our work in carrying out all legally required external audits, and a limited assurance engagement in respect of the Council's Debenture Trust Deed, we have no relationship with or interests in the Council.



Chris Genet
Audit New Zealand
On behalf of the Auditor-General, Christchurch, New Zealand

