





Part 3

OUR PROJECTS

Major Projects 2018-28

Our Drinking Water

Water quality is extremely important, particularly in light of the campylobacter contamination incident on the Havelock North water supply in 2016 which led to an estimated 5,500 people contracting gastric illness. While there has been no specific direction from central government, we are anticipating that standards will increase therefore we are planning for scenarios which could impact our supply of safe drinking water.

With these factors in mind, we have considered the options carefully and have decided to be proactive and plan and prepare for the future to build resilience and pre-empt any changes which result from the government's review of Water Standards. There will be no financial impact on the ratepayer in the short term with the capital expenditure to be loan-funded, with work beginning from year 1.

Our Economy – Economic Development Strategy

The proposal regarding our Economy was about whether or not we should proceed with our Economic Development Strategy and Action Plan we developed in 2017. The Plan sets out seven key pillars that we believe will encourage innovation and opportunity in the district, helping our community to prosper. Given the majority of the 134 respondents agreed with our proposal, we decided to maintain what we put forward in the Consultation Document and proceed with the Economic Development Strategy Action Plan implementation.

Our Recreation - EA Networks Centre

Climbing Wall

We have budgeted \$307,000 in Year Two (2019/20) to install a climbing wall in the stadium to improve the use of the facility. This will be loan-funded, with operational costs split between 'fees and charges' and rates.

Swim School Extension and Splash Deck

We have budgeted \$5.2 million in Year Three (2020/21) to extend the current learn-to-swim pool and develop a splash deck to meet demand. This will be loan-funded.

EA Networks Centre Sports Fields

We will proceed with fully scoping this proposal and develop accurate costings in years

one and two. We have planned for this project in years four - five (on the proviso that the associated sports contribute \$2.4 million towards the \$4.8 million development). There will be extensive consultation with the community as there will be significant rating implications for this project.

Stadium Extension

During the Revenue and Finance Policy consultation undertaken in early 2018, Council received a number of submissions regarding the extension of the stadium from four courts to six. This project was not included in the draft LTP, however further submissions received during the LTP consultation again signalled a need to increase the court space at EANC. As a result of the deliberation process we decided to include \$4.5million of loan-funding for the extension of the indoor court area of EANC in Year 7 (2024/25) of the LTP. This will mean there are two further LTP consultation periods to allow opportunity for community feedback on this project.



Our Roothing Network

For the past three years, we have taken the approach of including unsubsidised funding through our rates for rehabilitation on our roads. This was in response to having less NZTA funding than what had been budgeted for in our previous LTP (2015-25). For this LTP we asked NZTA for approval to fund a work programme of \$14 million per annum for the next three years, which is an additional \$3 million worth of capital expenditure in order to maintain the current levels of service. This means we will partially fund our share of the \$3 million required to continue to provide this service. While not finalised, it appears there has been some success in lobbying NZTA for additional funding for this activity. The extra funding from NZTA will assist in maintaining the current levels of service.

Our Transportation - Ashburton Urban Second Bridge

We rely on the bridge over the Ashburton River to connect two sides of our district, and as the main route to travel on State Highway 1. We all know that in peak times, traffic can build up around the bridge. This can be frustrating, which is why we have been discussing the option of another bridge with you in recent years. This conversation started as part of the 2012/22 Long-Term Plan. The overall cost of the bridge is estimated at \$35 million (inflation adjusted).

We have looked at options to reduce the cost to ratepayers of building the bridge. A key factor to consider is that Council will opt to loan-fund whatever costs it has for the bridge, and use inter-generational equity principles to ensure current and future users pay their fair share of building the bridge. Therefore the rates collected would be used to offset the loan funding in a similar way the loan for the EA Networks Centre is currently being paid.

We consider that the second urban bridge will benefit NZTA's State Highway One by placing less pressure on the existing bridge and associated roading corridor, and providing an alternative roading corridor should the state highway bridge become blocked and/or unusable. As we are seeking to minimise the contribution made by local residents to the bridge, we are planning to invest 20% towards the cost of the bridge. The remaining portion would be sourced via both the NZTA subsidy and the recently implemented Provincial Growth Fund (PGF). Design for the second bridge is currently planned for 2020/21 with physical work beginning in 2026.



Overall Rate Requirement

The overall rate requirement takes in all rates we collect. It is important to note that the rate requirement per property will vary according to the value and location of the property in the district.

Council has looked to keep rate increases to a minimum over the next 10 years; and within the limits set in our Financial Strategy, specifically:

- Total rates in any one year are to be no greater than 1% of the total capital value of the district
- Total rates increase for the 2018/19, and 2019/20 to be no greater than 6% plus LGPI each year
- Total rates increase for the years 2020/21 – 2027/28 to be no greater than 3.0% plus LGPI each year

It is Council's view that existing levels of services can be maintained and any increases to service levels can be managed within these limits. This view is reflected by the financial projections contained in the Long Term Plan 2018-28.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Rates as a % of District capital Value	0.21	0.21	0.21	0.20	0.19	0.19	0.18	0.18	0.17	0.17
Rate Increase (%)	4.5	5.7	5.0	0.4	3.6	2.0	2.1	2.1	1.8	1.3
Average LGCI Adjustment (%)	2.0	2.2	2.2	2.2	2.3	2.4	2.4	2.5	2.6	2.7
Rate increase before LGCI adjustment (%)	2.5	3.5	2.8	-1.8	1.3	-0.3	-0.3	-0.4	-0.7	-1.4

Explaining Council's Rate Limits

We have set a higher rates increase limit for the first two years of the Long Term Plan 2018-28 due in part to changes to the increased operating costs of four activities - roading, drinking water, wastewater and the EA Networks Centre.

The impact on the increase in total rates on the first four years is as follows:

	2018/19	2019/20	2020/21	2021/22
Drinking water	1.0%	1.0%	0.3%	0.1%
Roading	1.8%	0.8%	3.1%	-2.9%
EA Networks Centre	1.0%	-0.3%	0.2%	0.8%
Wastewater	0.1%	1.0%	0.6%	1.1%
Combined impact	4.0%	2.6%	4.2%	-1.0%
Residual rates Increase	0.5%	3.1%*	0.8%	1.3%
Total rates increase	4.5%	5.7%	5.0%	0.4%

Please note: the table above shows total rates and does not reflect the impact on individual ratepayers.

*The higher residual rate increase in year 2 is being caused by the commencement of policy development associated with the District Plan review and the one-off contribution from the forestry activity in year 1 of \$466,000 to offset the general rate.



Overall Rate Summary (GST Exclusive)

ANNUAL PLAN	ACTIVITY	LTP	CHANGE
2017-18		2018-19	From 2017-18
\$000		\$000	
4,402	Drinking Water	4,772	8.4%
4,118	Wastewater	4,155	0.9%
963	Stomwater	1,028	6.7%
979	Stockwater	955	-2.5%
7,575	Transportation	7,602	0.4%
3,302	Rubbish and Recycling	3,049	-7.7%
3,364	Community Governance and Decision Making	4,019	19.5%
(818)	Economic Development	(1,147)	-40.2%
1,796	Recreation and Community Services	1,655	-7.9%
2,622	Parks and Open Spaces	2,823	7.7%
5,684	Recreation Facilities	5,994	5.5%
1,182	Environmental Services	1,675	41.7%
(1,363)	Miscellaneous	(1,251)	-8.2%
33,805		35,328	4.5%

Rates by Community

The following summarises the indicative rate requirements for each rating area for Year 1 (2018/19).

RATING AREA	CAPITAL VALUE	RATES 2018-19	CHANGE FROM 2017-18
Ashburton Residential	\$292,000	\$2,105	6.4%
Ashburton Commercial	\$1,149,000	\$4,048	-15.5%
Ashburton Commercial (Inner CBD)	\$1,149,000	\$4,446	-14.0%
Methven Residential	\$293,000	\$1,951	0.0%
Methven Commercial	\$861,750	\$3,251	-19.4%
Rakaia Residential (Lump Sum Paid)	\$295,000	\$1,916	-1.2%
Rakaia Residential (Lump Sum Not Paid)	\$295,000	\$2,108	-1.5%
Rakaia Commercial (Lump Sum Paid)	\$861,750	\$3,115	-14.0%
Rakaia Commercial (Lump Sum Not Paid)	\$861,750	\$3,824	-13.5%
Fairton Residential	\$267,720	\$1,405	-6.6%
Hakatere Residential	\$174,600	\$1,112	-7.4%
Hinds Residential	\$232,800	\$1,390	2.8%
Mayfield Residential	\$232,800	\$1,376	-22.1%
Chertsey Residential	\$232,800	\$1,376	1.4%
Mt Somers Residential	\$232,800	\$1,376	-18.8%
Lake Hood Residential	\$640,200	\$2,411	19.6%
Domore	\$9,044,000	\$8,432	-19.3%
Rural	\$9,044,000	\$8,015	2.7%

Note: The above rates do not include some specific rural water scheme rates or stockwater rates.

The following outlines the indicative rate requirements by area for the next 10 years.

Ashburton Residential

CAPITAL VALUE	\$292,000	% RATES INCREASE
Current Rates (2017/18)	\$1,978	
2018/19	\$2,105	6.4%
2019/20	\$2,214	5.2%
2020/21	\$2,284	3.2%
2021/22	\$2,327	1.9%
2022/23	\$2,372	1.9%
2023/24	\$2,394	0.9%
2024/25	\$2,423	1.2%
2025/26	\$2,459	1.5%
2026/27	\$2,477	0.8%
2027/28	\$2,496	0.8%

Ashburton Commercial

CAPITAL VALUE	\$1,149,000	% RATES INCREASE
Current Rates (2017/18)	\$4,790	
2018/19	\$4,047	-15.5%
2019/20	\$4,129	2.0%
2020/21	\$4,215	2.1%
2021/22	\$4,185	-0.7%
2022/23	\$4,223	1.0%
2023/24	\$4,226	0.0%
2024/25	\$4,272	1.1%
2025/26	\$4,300	0.7%
2026/27	\$4,302	0.0%
2027/28	\$4,283	-0.4%

Ashburton Commercial (Inner CBD)

CAPITAL VALUE	\$1,149,000	% RATES INCREASE
Current Rates (2017/18)	\$5,170	
2018/19	\$4,446	-14%
2019/20	\$4,525	2.0%
2020/21	\$4,610	2.0%
2021/22	\$4,579	-1.0%
2022/23	\$4,624	1.0%
2023/24	\$4,619	0.0%
2024/25	\$4,664	1.0%
2025/26	\$4,698	1.0%
2026/27	\$4,703	0.0%
2027/28	\$4,684	0.0%

Ashburton Commercial (Expanded CBD)

CAPITAL VALUE	\$1,149,000	% RATES INCREASE
Current Rates (2017/18)	\$4,790	
2018/19	\$4,047	-15%
2019/20	\$4,129	2.0%
2020/21	\$4,215	2.0%
2021/22	\$4,185	-1.0%
2022/23	\$4,228	1.0%
2023/24	\$4,226	0.0%
2024/25	\$4,272	1.0%
2025/26	\$4,300	1.0%
2026/27	\$4,302	0.0%
2027/28	\$4,283	0.0%

Lake Hood Residential

CAPITAL VALUE	\$640,200	% RATES INCREASE
Current Rates (2017/18)	\$2,015	
2018/19	\$2,411	19.6%
2019/20	\$2,769	14.8%
2020/21	\$2,856	3.1%
2021/22	\$2,880	0.8%
2022/23	\$2,933	1.9%
2023/24	\$2,953	0.7%
2024/25	\$2,996	1.5%
2025/26	\$3,036	1.3%
2026/27	\$3,053	0.6%
2027/28	\$3,063	0.3%

Methven Residential

CAPITAL VALUE	\$293,000	% RATES INCREASE
Current Rates (2017/18)	\$1,951	
2018/19	\$1,951	0.0%
2019/20	\$2,036	4.4%
2020/21	\$2,077	2.0%
2021/22	\$2,080	0.1%
2022/23	\$2,115	1.7%
2023/24	\$2,120	0.3%
2024/25	\$2,160	1.9%
2025/26	\$2,179	0.8%
2026/27	\$2,186	0.4%
2027/28	\$2,240	2.5%

Methven Commercial

CAPITAL VALUE	\$861,750	% RATES INCREASE
Current Rates (2017/18)	\$4,032	
2018/19	\$3,250	-19.4%
2019/20	\$3,306	1.7%
2020/21	\$3,333	0.8%
2021/22	\$3,274	-1.8%
2022/23	\$3,297	0.7%
2023/24	\$3,296	0.0%
2024/25	\$3,325	0.9%
2025/26	\$3,314	-0.3%
2026/27	\$3,316	0.1%
2027/28	\$3,345	0.9%

Rakaia Residential (lump sum paid)

CAPITAL VALUE	\$295,000	% RATES INCREASE
Current Rates (2017/18)	\$1,938	
2018/19	\$1,915	-1.2%
2019/20	\$2,030	6.0%
2020/21	\$2,040	0.5%
2021/22	\$2,043	0.1%
2022/23	\$2,080	1.8%
2023/24	\$2,112	1.5%
2024/25	\$2,123	0.5%
2025/26	\$2,207	3.9%
2026/27	\$2,236	1.3%
2027/28	\$2,252	0.7%

Rakaia Residential (lump sum not paid)

CAPITAL VALUE	\$295,000	% RATES INCREASE
Current Rates (2017/18)	\$2,140	
2018/19	\$2,108	-1.5%
2019/20	\$2,217	5.2%
2020/21	\$2,221	0.2%
2021/22	\$2,218	-0.1%
2022/23	\$2,249	1.4%
2023/24	\$2,275	1.2%
2024/25	\$2,280	0.2%
2025/26	\$2,248	-1.4%
2026/27	\$2,236	-0.5%
2027/28	\$2,252	0.7%

Rakaia Commercial (lump sum paid)

CAPITAL VALUE	\$861,750	% RATES INCREASE
Current Rates (2017/18)	\$3,621	
2018/19	\$3,115	-14.0%
2019/20	\$3,298	5.9%
2020/21	\$3,233	-2.0%
2021/22	\$3,201	-1.0%
2022/23	\$3,222	0.6%
2023/24	\$3,260	1.2%
2024/25	\$3,249	-0.3%
2025/26	\$3,304	1.7%
2026/27	\$3,305	0.0%
2027/28	\$3,297	-0.2%

Rakaia Commercial (lump sum not paid)

CAPITAL VALUE	\$861,750	% RATES INCREASE
Current Rates (2017/18)	\$3,824	
2018/19	\$3,308	-13.5%
2019/20	\$3,484	5.3%
2020/21	\$3,414	-2.0%
2021/22	\$3,376	-1.1%
2022/23	\$3,390	0.4%
2023/24	\$3,423	1.0%
2024/25	\$3,406	-0.5%
2025/26	\$3,345	-1.8%
2026/27	\$3,305	-1.2%
2027/28	\$3,297	-0.2%

Chertsey

CAPITAL VALUE	\$232,800	% RATES INCREASE
Current Rates (2017/18)	\$1,356	
2018/19	\$1,376	1.4%
2019/20	\$1,446	5.1%
2020/21	\$1,488	3.0%
2021/22	\$1,485	-0.3%
2022/23	\$1,521	2.4%
2023/24	\$1,543	1.5%
2024/25	\$1,557	0.9%
2025/26	\$1,582	1.7%
2026/27	\$1,601	1.2%
2027/28	\$1,620	1.2%

Fairton

CAPITAL VALUE	\$267,720	% RATES INCREASE
Current Rates (2017/18)	\$1,504	
2018/19	\$1,404	-6.6%
2019/20	\$1,475	5.0%
2020/21	\$1,520	3.0%
2021/22	\$1,513	-0.4%
2022/23	\$1,550	2.4%
2023/24	\$1,573	1.5%
2024/25	\$1,586	0.8%
2025/26	\$1,612	1.6%
2026/27	\$1,631	1.2%
2027/28	\$1,649	1.1%

Hakatere

CAPITAL VALUE	\$174,600	% RATES INCREASE
Current Rates (2017/18)	\$1,200	
2018/19	\$1,111	-7.4%
2019/20	\$1,174	5.7%
2020/21	\$1,207	2.8%
2021/22	\$1,201	-0.5%
2022/23	\$1,227	2.2%
2023/24	\$1,245	1.5%
2024/25	\$1,253	0.7%
2025/26	\$1,272	1.5%
2026/27	\$1,286	1.0%
2027/28	\$1,300	1.1%

Hinds

CAPITAL VALUE	\$232,800	% RATES INCREASE
Current Rates (2017/18)	\$1,352	
2018/19	\$1,389	2.8%
2019/20	\$1,459	5.0%
2020/21	\$1,502	2.9%
2021/22	\$1,497	-0.3%
2022/23	\$1,533	2.4%
2023/24	\$1,555	1.5%
2024/25	\$1,569	0.8%
2025/26	\$1,594	1.7%
2026/27	\$1,613	1.2%
2027/28	\$1,632	1.2%

Mayfield

CAPITAL VALUE	\$232,800	% RATES INCREASE
Current Rates (2017/18)	\$1,765	
2018/19	\$1,376	-22.1%
2019/20	\$1,446	5.1%
2020/21	\$1,488	3.0%
2021/22	\$1,485	-0.3%
2022/23	\$1,521	2.4%
2023/24	\$1,543	1.5%
2024/25	\$1,557	0.9%
2025/26	\$1,582	1.7%
2026/27	\$1,601	1.2%
2027/28	\$1,620	1.2%

Mt Somers

CAPITAL VALUE	\$232,800	% RATES INCREASE
Current Rates (2017/18)	\$1,695	
2018/19	\$1,376	-18.8%
2019/20	\$1,446	5.1%
2020/21	\$1,488	3.0%
2021/22	\$1,485	-0.3%
2022/23	\$1,521	2.4%
2023/24	\$1,543	1.5%
2024/25	\$1,557	0.9%
2025/26	\$1,582	1.7%
2026/27	\$1,601	1.2%
2027/28	\$1,620	1.2%

Dromore

CAPITAL VALUE	\$9,044,000	% RATES INCREASE
Current Rates (2017/18)	\$10,444	
2018/19	\$8,431	-19.3%
2019/20	\$8,617	2.2%
2020/21	\$9,133	6.0%
2021/22	\$8,475	-7.2%
2022/23	\$8,681	2.4%
2023/24	\$8,826	1.7%
2024/25	\$8,778	-0.5%
2025/26	\$8,747	-0.4%
2026/27	\$8,897	1.7%
2027/28	\$8,766	-1.5%

Rural

CAPITAL VALUE	\$9,044,000	% RATES INCREASE
Current Rates (2017/18)	\$7,805	
2018/19	\$8,014	2.7%
2019/20	\$8,168	1.9%
2020/21	\$8,673	6.2%
2021/22	\$8,014	-7.6%
2022/23	\$8,217	2.5%
2023/24	\$8,353	1.7%
2024/25	\$8,301	-0.6%
2025/26	\$8,254	-0.6%
2026/27	\$8,405	1.8%
2027/28	\$8,258	-1.8%