



Agenda

SOUTH WAIRARAPA DISTRICT COUNCIL

**19 KITCHENER STREET
MARTINBOROUGH**

**ORDER PAPER FOR AN EXTRAORDINARY MEETING
TO BE HELD IN THE
DISTRICT COUNCIL CHAMBERS,
KITCHENER STREET, MARTINBOROUGH
ON
1 May 2015**

**MEMBERSHIP OF COUNCIL
HER WORSHIP THE MAYOR
Mrs A L Staples
(Deputy Mayor Cr V L Napier)**

Cr M A R Craig
Cr D M Davies
Cr B W Jephson
Cr C Olds

Cr D Montgomerie
Cr J E Riddell
Cr S J Robertson
Cr M J Stevens

**RECOMMENDATIONS IN REPORTS ARE NOT TO BE CONSTRUED AS
COUNCIL POLICY UNTIL ADOPTED BY COUNCIL**



SOUTH WAIRARAPA DISTRICT COUNCIL MEETING EXTRAORDINARY MEETING

AGENDA – 1 May 2015

A. Conduct of Business

The meeting will be held in the South Wairarapa District Council Chambers, 19 Kitchener Street, Martinborough and will commence at 2.00pm. The meeting will be held in public.

- A1.** Apologies
- A2.** Conflicts of Interest
- A3.** Public Participation

B. Decision Papers

- B1.** Adoption of Long Term Plan Supporting Information and Consultation Document

Pages 1-20

SOUTH WAIRARAPA DISTRICT COUNCIL

1 MAY 2015

AGENDA ITEM B1

ADOPTION OF LONG TERM PLAN SUPPORTING INFORMATION AND CONSULTATION DOCUMENT

Purpose of Report

To adopt the Consultation Document 2015/25 and Summary of Information for public consultation.

Recommendations

Officers recommend that the Council:

1. *Receives the information.*
2. *Adopts the Community Outcomes as described in para 2.1*
3. *Adopts the Finance Strategy*
4. *Adopts the Infrastructure Strategy*
5. *Adopts Part 3 Significant Activities including service performance levels and targets, projected operating statement, and funding impact statements.*
6. *Adopts Part 4 financial information including Financial Assumptions, Accounting Policies, Prospective financial statements , Prospective Funding Impact Statement, and Capital Projects listing.*
7. *Adopts the draft fees and charges schedule*
8. *Adopts the draft asset management plans*
9. *Adopts the 2015/25 Long Term Plan Supporting Documentation.*
10. *Adopts the Consultation Document 2015/25.*

1. Executive Summary

The 2015/25 Long Term Plan process differs significantly from previous LTP's.

The 2015/25 Long Term Plan process consists of the preparation and audit of a series of documents, collectively known as the "supporting documentation" and a separate Consultation Document (also audited).

There is no draft LTP as in previous years.

The "Supporting documentation" and Consultation Document have been reviewed by Audit New Zealand.

The supporting documentation will be collated into a single pack for ease of review.

2. Discussion

2.1 Policies and Strategies for Adoption

The following policies and strategies have been previously circulated and now require formal adoption.

2.1.1. Community Outcomes

These were discussed at a LTP workshop and were unchanged as:

Five community outcomes have been identified by the community in order to achieve this vision. Council has a role in achieving the community outcomes via significant activities. The community outcomes for the South Wairarapa are as follows:

HEALTHY & ECONOMICALLY SECURE PEOPLE

Working towards healthy and well housed people who are economically secure, active and involved in their community.

EDUCATED AND KNOWLEDGEABLE PEOPLE

Educated and knowledgeable people who feel confident that they can achieve their aspirations.

VIBRANT AND STRONG COMMUNITIES

A place where people feel safe, are proud to live and have a sense of belonging.

SUSTAINABLE SOUTH WAIRARAPA

A sustainably managed district where economic development and environmental management go hand in hand.

A PLACE THAT'S ACCESSIBLE AND EASY TO GET AROUND

Well served by a range of transport options (including roading), local and regional services and telecommunications.

2.1.2. Finance Strategy

There has been some minor disclosure changes since this Strategy was adopted earlier, and the addition of Road commentary in section 3.4.

A copy of the updated strategy is included as appendix 1. Please note that there are still some adjustments to be made, including the addition of expenditure for the reticulation renewals for Wastewater para 3.4.3. This will not impact rates as it is depreciation funded.

2.1.3. Infrastructure Strategy

This has been previously circulated, there are two additional disclosures required for the finalization of this document. These will be tabled [a lot of the material in the IS is drawn from other documents so I don't propose to supply a hard copy unless one is requested].

2.1.4. Group Activity Summary including Levels of Service

This is the old "Significant Activity" section. And includes narrative for each significant Activity and the statements of service performance. These have been circulated previously.

The Operating Statements and Funding Impact Statements in the Group of Activity Summary will be updated once the final review of the financials has been completed and will be tabled.

2.1.5. Finance Summary

This includes the prospective financial statements – Financial Performance and Position, Cashflow, and Capital projects.

These statements will be updated once a final review has been completed and will be tabled.

The finance summary also includes the significant forecasting assumptions and accounting policies.

Indicative financial Statements and FISs

Prospective Income Statements and Balance Sheet (old section 4).

2.1.6. Fees and Charges

This section has been previously circulated and discussed.

2.1.7. Asset Management Plans

These will be adopted as draft, and adopted as final following community consultation. The current draft is included as a separate attachment.

2.2 2015/2025 Consultation Document

The draft Consultation Document has been pre circulated and it is expected only minor changes to wording will be required, this is subject to the final audit review and changes will depend on their feedback.

2.3 2015/2025 Supporting Documentation

The supporting documentation referred to in recommendation 3 includes:

Part 3 Significant activities which includes:

- Significant Activity description
- Service delivery performance measures
- Projected Operating Statements
- Prospective Funding Impact Statements

Part 4 Financial Information which includes:

- Financial assumptions
- Accounting Policies
- Prospective Financial Statements including:
 - Financial Performance
 - Comprehensive Revenue and Expense
 - Changes in Equity
 - Financial Position
 - Cash Flows
 - Reconciliation of Net Surplus to Operating Activities
 - Capital Expenditure
 - Special and Separate Funds
- Funding Impact Statement

Part 5 Funding and Financing Policies which includes:

- Finance Strategy
- Revenue and Financing Policy
- Liability Management
- Investment
- Financial / Development Contribution
- Remission & Postponement Maori land
- Rates Remission
- Rates postponement
- Draft Asset Management Plans
- Draft Fees & charges Schedule
- Community Outcomes
- Significance & Engagement Policy
- Councillors contact details
- Focus group Summary
- Coastal Reserve Management Plans
- Maori Policy
- Infrastructure Strategy

3. Appendices

Appendix 1 – 2015/16 Annual Plan Timeline

Appendix 2 – Finance Strategy

Contact Officer: Paul Crimp, Chief Executive

Appendix 1 – 2015/25 Annual Plan Timeline

April

22nd Council Meeting/ Policy and Finance Meeting

27th ANZAC

May

1st 2pm Special Council Meeting to Adopt Draft CD & LTP Community outcomes, assumptions, growth forecast, Schedule of Fees and Charges adopted

Customer Service Staff briefed

Consultation Document Distributed

6th LTP Working Party – Public Consultation

12th CD Newspaper

18th Public Consultation 7pm Martinborough – Council Chambers

19th Public Consultation 7pm Featherston – ANZAC Hall

20th Public Consultation 7pm Greytown – Town Centre

25th Public Consultation 7pm Tuteurumuri School

27th LTP Working Group - Public Consultation Feedback

1st pack of submissions with comment to councillors

June

1st **Queens Birthday**

2nd Submissions Close

Audit on site

3rd Council Meeting/ Finance & Policy Meeting

7th Managers complete comments

8th 2nd pack of submissions with comment to councillors

10th Submission Hearings and Deliberation

11th Submission Hearings and Deliberation continue

17th Final LTP Draft for audit including website version

24th Council Meeting/Policy & Finance Meeting – Adopt LTP

Appendix 2 – Finance Strategy



FINANCIAL STRATEGY 2015/2025

1. Introduction

South Wairarapa District Council is a small rural local authority, with a relatively high infrastructural asset base per capita, and a relatively small rate base. Small local authorities generally have very little discretionary expenditure and are therefore required to focus heavily on maintaining current service levels and their infrastructural asset base.

The proposed 2015/2025 LTP will reflect this focus, and we are confident the plan will ensure the longevity of the asset base and maintenance of service levels while retaining financial health.

At the same time, Council is cognisant that raising debt locks ratepayers into repayments for 25 to 35 years and takes a prudent approach to raising debt. Debt raising is generally only undertaken for new assets, replacement of existing assets should be made from depreciation reserves built up for that purpose.

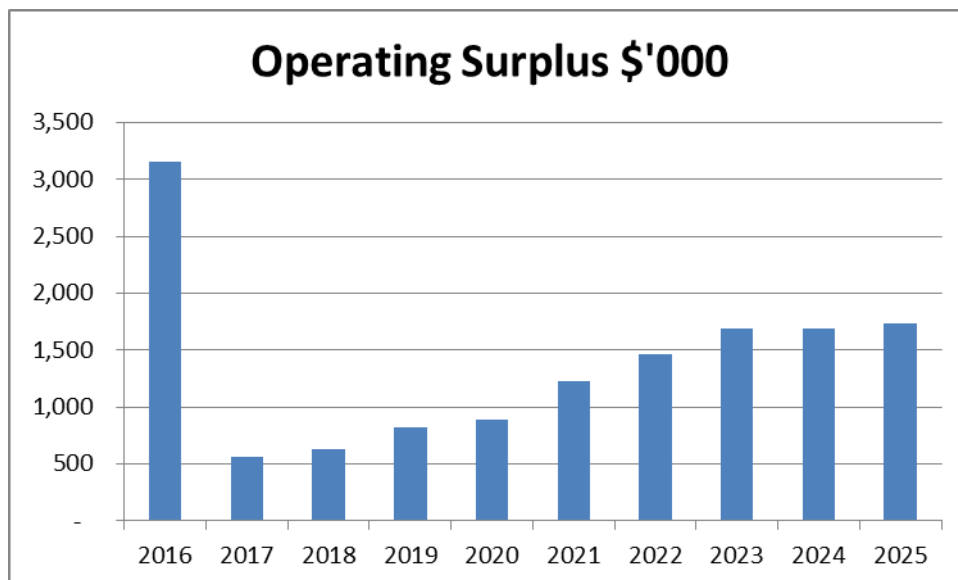
Financial sustainability is fundamental to the long term sustainability of the district, and while this plan has steered away from being austere, the limited revenue base compared to the high asset base requires very careful consideration of operational and capital expenditure.

The forecasts have been prepared on the basis that, as a minimum, existing levels of service will be maintained. The rates and other revenue requirements set out in this LTP are set at levels that will achieve this goal.

This strategy is prepared pursuant to Section 101A of the Local Government Act 2002.

2. Balanced Budget Requirement

The Local Government Act requires us to run a balanced budget. This Plan achieves that requirement and shows consistent surpluses and cash reserves. Future councils may decide to repay debt early or commit more funding to renewals expenditure. There are accumulating cash balances through the ten years which are taken account of in reporting 'Net Debt'. In general, we do not fund all of the depreciation expense. There are a number of reasons for this, including choosing to fund debt repayment instead, deciding not to put aside depreciation funds on certain assets and relying on a modest level of financial contributions income to fund infrastructure renewals. Also, our planned use of carried forward funds and reserves for some operating costs means we risk not achieving the balanced budget. Over the ten years of the Plan we have built in consistent increases in the funding of depreciation, except on assets we do not expect to replace, allowing us to consistently achieve a balanced budget and remain financially sustainable.



3. Statement of the Factors that are Expected to Have a Significant Impact on South Wairarapa District Council

The local government sector is facing significant uncertainty, there are a number of initiatives being mooted, however there is no concrete indication as to the future shape of local government, or how services will be delivered.

The 2015-25 Long term Plan will be based on the existing service delivery model.

South Wairarapa District Council, like many local authorities throughout the country, has been, and will continue to investigate shared services delivery options where the opportunity exists.

One of the key pressures facing all local authorities is the level of borrowing. A significant majority of local authorities have infrastructural assets that will require replacement or upgrade in the short to medium term, and SWDC is no different. Council is very conscious of the long term impact of debt, and has covenants in place to ensure debt is managed to prudent levels.

Council has prepared this LTP with a view to ensuring cash reserves will more closely match the total of “special reserves”, trust funds, depreciation reserves and sinking fund reserves. This plan will continue after the term of this LTP.

3.1 Statement of Factors

In terms of the known factors expected to have a significant impact the following is a summary from SWDC perspective:

3.1.1. Governance

1. As indicated above, the structure of Governance arrangements within the region is under review. The Local Government Commission has released a preferred option and at the time of writing is consulting on that option.
2. At the time of preparation of this LTP, the consultation process has not been finalized.
3. No changes to the governance model have been factored in to this LTP, however funding of \$29,000 in 2016 has been set aside for participation in options analysis.

3.1.2. Land Transport

1. Land Transport is Council's largest, by dollar value, output.
2. Council policy is to only fund those activities that attract a subsidy from New Zealand Transport Agency (NZTA), apart from 1km seal extension each year which is unsubsidized and will be funded from rates.
3. The two key factors impacting the land transport output are oil prices, and availability of roading contractors to deliver services.
4. This LTP has used the cost indices promulgated by BERL. These indices indicate that the cost of delivering the land transport programme (which includes projected oil prices, and contractors costs) will increase by an average of 2.5% each year for the term of this LTP.

3.1.3. Water Supply

1. There is significant pressure to provide a higher standard of water supply, ultra violet treatment plants have been installed.
2. The Featherston and Greytown emergency supplies require additional investment, and this has been factored into this LTP.
3. The main supply pipe from Woodside to Greytown is due for replacement during the first three years of this LTP.

3.1.4. Wastewater

1. This is the output that is under the most pressure.
2. Council is under increasing pressure to increase the quality of discharge well above the levels that have been included in the previous resource consent.
3. The Government recently released the National Policy Statement (Freshwater). This policy statement clearly signals that discharges to freshwater systems need to be reduced and eliminated over time.
4. To achieve this increased environmental standard, and in line with Council's policy, Council has recently purchased two blocks of land with which, over time, to distribute treated wastewater.

5. Added to the availability of Pain Farm land, and including the Lake Ferry scheme, South Wairarapa District Council will be able to distribute 100% of the wastewater to land except in exceptional circumstances.
6. The timing and level of expenditure required to meet the terms of the resource consents is uncertain at present.
7. The timing and level of expenditure has been included in this LTP is based on an estimate of the quantum and timing of the consents that have been lodged and are under negotiation.
8. The levels of expenditure are expected to be the maximum spent.

3.1.5. Debt Levels

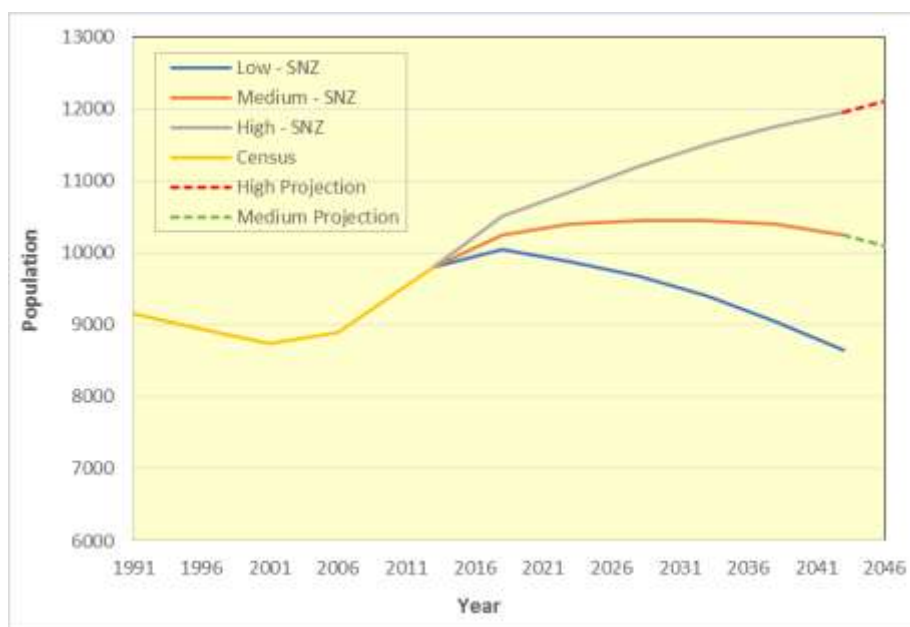
1. Current forecast will result in significant increases in debt levels, but within SWDC debt cap which states interest expense cannot exceed 12% of rates revenue.

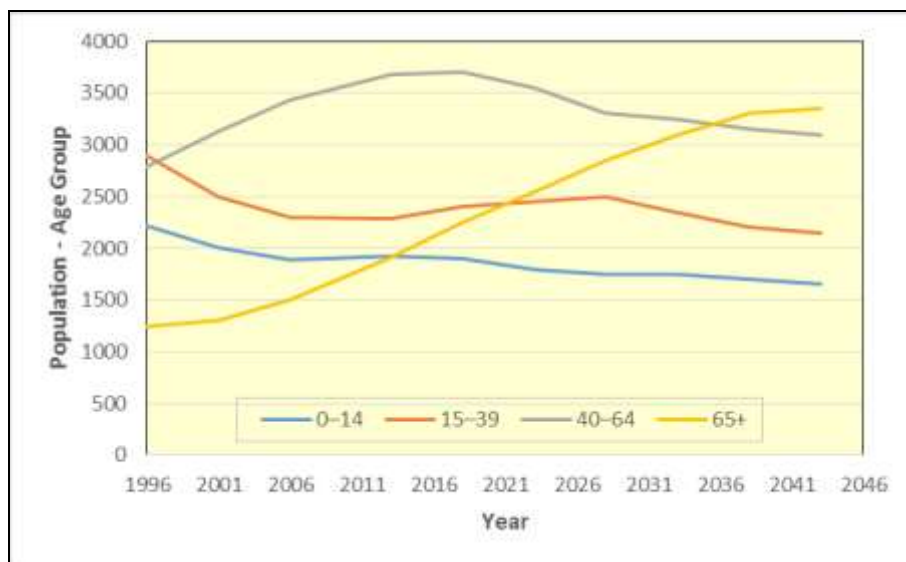
3.2 Expected Changes in Population

As at the last full census taken during 2013, the resident population of South Wairarapa District was 9,528. This was an increase of 639 over the 2006 census.

Statistics New Zealand has estimated the population of South Wairarapa will increase to 10,200 in 2043.

The following table, prepared with information provided by Statistics New Zealand outlines the population projection. The high, medium, and low factors relate to the different projection levels.





SWDC does not anticipate changes in population demographics will alter to any significant extent; accordingly it is confident existing infrastructure will have sufficient capacity to meet future needs.

3.2.1. Capital Costs of Providing for Those Changes

As SWDC does not anticipate population growth will exceed existing infrastructure capacity, no allowance has been made for capital to build additional capacity.

3.2.2. Operating Costs of Providing for Those Changes

As SWDC does not anticipate population growth will exceed existing infrastructure capacity, no allowance has been made for additional operating costs, apart from normal inflation.

3.3 Expected Changes in Use of Land

The following table summarises the numbers of rateable units by land type identified by Quotable value.

LAND CATEGORY ASSESSMENTS		
	2011	2014
Arable	0	0
Commercial	205	198
Dairy	241	240
Forestry	19	24
Horticulture	142	137
Industrial	130	131
Lifestyle	975	1065
Minings	2	2
Other/Utilities	412	431
Pastoral	604	604
Residential	3948	4038
Specialist Livestock	7	7

Historical changes in land use have been relatively low, and it is anticipated this low rate of change will continue.

Existing budget and infrastructural levels have been adequate to meet the historical land use changes without the need for substantial investment.

There are two areas of change in land use that put pressure on infrastructure and cost, these are dairy conversions, and rural subdivisions.

While dairy conversions result in a significant increase in vehicle movements, the rate of these conversions has slowed considerably and current levels of expenditure are sufficient to maintain serviceability of the infrastructure.

Rural subdivisions and 'urban sprawl' creates pressure for seal extensions. As this activity no longer attracts New Zealand Transport Authority (NZTA) subsidy, the full cost of any extensions fall on the ratepayer. However in mitigation of these pressures, expenditure on seal extensions is entirely discretionary.

In summary, it is not anticipated land use will change to the extent that additional expenditure is required.

SWDC existing infrastructure levels have sufficient capacity to meet anticipated future growth levels.

3.3.1. Capital Costs of Providing for Those Changes

As SWDC does not anticipate significant change in land use, no allowance has been made for capital to build additional capacity. The majority of capital works required for sub divisional activity is funded from financial contributions by the sub divider.

3.3.2. Operating Costs of Providing for Those Changes

As SWDC does not anticipate significant change in land use, no allowance has been made for increased operating costs to cover land use changes.

3.4 Expected Capital Expenditure Required to Maintain Existing Levels of Service on Network Infrastructure

3.4.1. Land Transport

The capital value of SWDC land transport assets as at 30 June 2014 is \$319.5M.

The following table highlights the capital requirement to maintain existing levels of service for Roding.

Capital requirements to maintain Roding service										
	2015/ 2016 \$000	2016/ 2017 \$000	2017/ 2018 \$000	2018/ 2019 \$000	2019/ 2020 \$000	2020/ 2021 \$000	2021/ 2022 \$000	2022/ 2023 \$000	2023/ 2024 \$000	2024/ 2025 \$000
Roding (all aspects)	2,490	1,966	2,011	2,064	2,111	2,164	2,218	2,273	2,329	2,387

3.4.2. Water

The capital value of SWDC water assets at 30 June 2014 is \$21.6M.

The following table highlights the capital requirement to maintain existing levels of service for water supply.

CAPITAL REQUIREMENTS TO MAINTAIN WATERSUPPLY SERVICE										
	2015/ 2016 (\$000)	2016/ 2017 (\$000)	2017/ 2018 (\$000)	2018/ 2019 (\$000)	2019/ 2020 (\$000)	2020/ 2021 (\$000)	2021/ 2022 (\$000)	2022/ 2023 (\$000)	2023/ 2024 (\$000)	2024/ 2025 (\$000)
Universal metering		0	0	12	12	13	13	13	14	14
Reticulation renewals	551	565	322	330	339	348	358	368	378	389

3.4.3. Wastewater

The capital value of SWDC wastewater assets at 30 June 2014 is valued at \$13.9M.

The following table highlights the capital requirement to maintain existing levels of service for wastewater.

Capital requirements to maintain Wastewater service										
	2015/ 2016 \$000	2016/ 2017 \$000	2017/ 2018 \$000	2018/ 2019 \$000	2019/ 2020 \$000	2020/ 2021 \$000	2021/ 2022 \$000	2022/ 2023 \$000	2023/ 2024 \$000	2024/ 2025 \$000
Reticulation Renewals	355	314	214	220	226	232	238	245	252	259

3.4.4. Flood protection

The majority of flood protection services are carried out by Greater Wellington Regional Council; however SWDC does provide urban drainage services.

The capital value of SWDC storm water assets at 30 June 2014 is \$2.8M

The following table highlights the capital requirements to maintain existing levels of service for stormwater. No capital improvements are planned for the period of this LTP. The storm water assets will be maintained in accordance with the Asset Management Plan.

Capital requirements to maintain Stormwater service										
	2015/ 2016 \$000	2016/ 2017 \$000	2017/ 2018 \$000	2018/ 2019 \$000	2019/ 2020 \$000	2020/ 2021 \$000	2021/ 2022 \$000	2022/ 2023 \$000	2023/ 2024 \$000	2024/ 2025 \$000
Reticulation Renewals	51	52	54	55	56	58	60	61	63	65

3.4.5. Flood control works

Flood control works are generally the responsibility of Greater Wellington Regional Council.

3.5 Other significant factors affecting the Local Authorities ability to:

1. Maintain existing levels of service.

There are no other significant factors not covered above that are known to affect SWDC's ability to meet existing levels of service.

Adopted 4 April 2012
Review: 4 April 2018
Adopted 24 June 2018

2. Meet additional demands for services.
There are no other significant factors not covered above that are known to affect SWDC's ability to meet existing levels of service.

3.6 Rates Requirements

Future Rates Requirements										
	2015/ 2016 \$000	2016/ 2017 \$000	2017/ 2018 \$000	2018/ 2019 \$000	2019/ 2020 \$000	2020/ 2021 \$000	2021/ 2022 \$000	2022/ 2023 \$000	2023/ 2024 \$000	2024/ 2025 \$000
Rates Increase	2.98%	3.42%	2.89%	2.24%	2.02%	3.14%	3.94%	2.10%	1.56%	2.24%
Rates Revenue	12,258	12,677	13,043	13,335	13,605	14,032	14,586	14,892	15,125	15,464

Note: These limits do not anticipate additional costs that are the result of changes in legislation, or unexpected requirements to increase service levels.

Based on provision of existing levels of service, SWDC anticipates it will be able to meet future requirement within the BERL "Local Authority Cost index" as issued from time to time +2%.

Quantified Limits on Rates										
	2015/ 2016 \$000	2016/ 2017 \$000	2017/ 2018 \$000	2018/ 2019 \$000	2019/ 2020 \$000	2020/ 2021 \$000	2021/ 2022 \$000	2022/ 2023 \$000	2023/ 2024 \$000	2024/ 2025 \$000
BERL Local Authority Index	2.24%	2.45%	2.53%	2.61%	2.75%	2.90%	3.04%	3.19%	3.36%	3.53%
Maximum Rates Increase	4.24%	4.45%	4.53%	4.61%	4.75%	4.90%	5.04%	5.19%	5.36%	5.53%

Council is required by legislation to include a statement on quantified limits on rates. The Local Government Rates Inquiry suggests that around 50% of a council's operating revenue should be taken from rates. Currently, Council draws about 61% from rates because it does not have alternative revenue streams; for example, significant financial investment funds or investments in corporate enterprises, and has taken a fairly low risk approach to borrowing.

The BERL Local Government Cost Index does not take into account individual local authorities significant new capital projects, such as South Wairarapa's current wastewater projects. The impact of these projects could result in a breach of the covenants.

3.7 Borrowings

Borrowings are capped at interest cost no greater than 12% of rates revenue.

The following table outlines rates revenue, 12% of rates revenue, being maximum interest payable, maximum borrowings, and forecast borrowing in this LTP.

Debt Cap										
	2015/ 2016 \$000	2016/ 2017 \$000	2017/ 2018 \$000	2018/ 2019 \$000	2019/ 2020 \$000	2020/ 2021 \$000	2021/ 2022 \$000	2022/ 2023 \$000	2023/ 2024 \$000	2024/ 2025 \$000
Rate Revenue	12,258	12,677	13,043	13,335	13,605	14,032	14,586	14,892	15,125	15,464
12% of Rates Revenue	1,471	1,521	1,565	1,600	1,633	1,684	1,750	1,787	1,815	1,856
Forecast Interest Expense	933	1,006	1,003	986	983	967	933	885	834	787
Maximum Debt at 6.5% interest rate	22,631	23,404	24,080	24,619	25,116	25,906	26,928	27,492	27,922	28,548
Forecast LTP Debt	16,088	16,663	16,556	16,173	16,049	15,719	15,099	14,255	13,446	12,605

3.8 Assessment of its Ability Within the Quantified Limits (Above) to Provide and Maintain:

3.8.1. Existing Levels of Service

SWDC is confident it can maintain existing levels of service within the quantified limits described above. Renewals funding is based around the standard depreciation rates, which are linked to engineering estimates of infrastructure life.

3.8.2. Meet Additional Demands

Council faces significant pressure to increase levels of service in certain areas.

SWDC has made provision in this LTP to cover the costs of meeting the additional demands, within the limits set above.

The two key areas of additional demand are:

- Provision of potable water to Featherston and Greytown residents.
- Treatment and disposal of sewerage effluent to a much higher level than was agreed in previous consents.

New assets will be funded by loan, and in some cases grant funding (where this is available). Loan funding ensures intergenerational equity.

3.9 Water Supply

The following table indicates the forecast costs of providing for the increased level of service. It is not anticipated to increase the level of service during the course of this LTP. There is some carried forward work that will be finalized during 2015/16 from prior periods.

Increased Cost of Water Supply										
	2015/ 2016 \$000	2016/ 2017 \$000	2017/ 2018 \$000	2018/ 2019 \$000	2019/ 2020 \$000	2020/ 2021 \$000	2021/ 2022 \$000	2022/ 2023 \$000	2023/ 2024 \$000	2024/ 2025 \$000
Nil Planned	-	-	-	-	-	-	-	-	-	-

3.10 Sewerage

The following table indicates the forecast costs of providing for the increased level of service. These costs have been factored in to this LTP; therefore SWDC is confident the required work can be completed within the covenants set. The increased level of service relates to improved environmental outcomes resulting from discharging treated wastewater to land.

Increased Cost of Sewerage Disposal										
	2015/ 2016 \$000	2016/ 2017 \$000	2017/ 2018 \$000	2018/ 2019 \$000	2019/ 2020 \$000	2020/ 2021 \$000	2021/ 2022 \$000	2022/ 2023 \$000	2023/ 2024 \$000	2024/ 2025 \$000
Alternative disposal systems (Greytown)	392	349	155	239	-	252	173	-	-	-
Alternative disposal systems (Martinborough)	36	303	155	-	-	-	18	27	-	19
Alternative disposal systems (Featherston)	61	220	264	40	344	185	-	-	-	-

The above table refers to the program for the current 2015/25 LTP. For the years after this current LTP the following is a brief summary of the requirements.

Increased Cost of Sewerage Disposal (excl. normal cyclical renewals)										
	2026 \$000	2027 \$000	2028 \$000	2029 \$000	2030 \$000	2031 \$000	2032 \$000	2033 \$000	2034 \$000	2035 \$000
All sites	796	796	0	0	870	870	870	0	1,233	1,233
	2036 \$000	2037 \$000	2038 \$000	2039 \$000	2040 \$000	2041 \$000	2042 \$000	2043 \$000	2044 \$000	2045 \$000
All Sites	1,233	-	1,053	1,053	1,053	-	829	829	829	-
	2046 \$000	2047 \$000	2048 \$000	2049 \$000	2050 \$000	2051 \$000	2052 \$000	2053 \$000	2054 \$000	2055 \$000
All sites	653	653	0	0	0	0	0	0	0	0

In proportionate terms, the most significant capital expenditure has been made, that is the purchase of land. The remaining cost is around the irrigation infrastructure, and the on-going inflow and infiltration issues and maintenance.

The rest of the project includes:

- Complete the irrigation aspect to get as close to 100% discharge to land
- Complete remaining high priority/high-benefit reticulation inflow & infiltration works
- Investigate storage

This expenditure is for new assets; accordingly these assets are required to be loan funded.

3.11 SWDC Policy on the giving of securities for its borrowing

Council does not offer assets as security for borrowings.

3.12 SWDC objectives for holding and managing:

1. Financial investments
Refer to Councils investment policy for the objectives for holding and managing financial investments.
2. The quantified targets for returns on financial investments
The Council's long term special funds will be retained in their present form throughout the Plan. Additions and withdrawals from the funds have been accounted for each year through the Plan where identified and required. A range of 3.6% to 4.6% has been assumed for the return on the special funds investment.
3. Equity securities
Council holds a very limited portfolio of equity investments.
These are held for strategic purposes only and are not held for specific investment.
4. The quantified targets for returns on equity securities
There is no quantified target for equity investments for the reasons outlined above.