SOUTHLAND
DISTRICT COUNCIL

Water Facilities Activity Management Plan

2021-2031

Southland District Council
Te Rohe Pōtae o Murihiku

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Executive summary

Southland District Council (Council) manages a variety of assets that come under the water facilities activity. These assets provide access to rivers, lakes and the sea for both commercial and recreational opportunities throughout the district. They range from jetties/wharves, boat ramps, navigation aids, swimming pontoon and retaining walls.

These assets have been inherited by Southland District Council from previous local authorities through the Local Government reorganisation, harbour boards and an energy company. Historically they have received minimal investment and maintenance has largely been reactionary. Southland District Council has only renewed two of the assets over the previous six years.

Since 2018, Council has significantly invested in identifying the current condition of it's water facilities assets. Engineering assessments have been undertaken of all of the assets that have provided up to date information of their condition, future maintenance requirements and an estimate of their remaining life. This information has provided the baseline for working through the issues of moving this activity from primarily reactive maintenance to a proactive programmed maintenance state.

One of the major issues with this activity is the ability to fund the level of investment to meet the Council's agreed levels of service(LOS). Council's funding for this activity is determined by the governance structure. The assets are termed as being locally funded which means that local Community Boards determine how the funding will be allocated. In the case of Stewart Island Rakiura there is a limited population base to support the activity. This creates issues when trying to provide sufficient funding to support the level of maintenance on ageing infrastructure.

To address this, Council has involved the community boards in the planning process so that they are made fully aware of the implications of the costs and alternative options that are available to meet the identified LOS. This may entail a combination of not replacing assets at end of life, divestment, investing in alternative options when renewing assets or securing different funding options.

The latter of these options is being researched by Council in conjunction with the community boards and commercial operators to determine a sustainable method of generating revenue that will provide a portion of the funding that is need to support the activity. In addition, the current method of fully local based funding is being reviewed. This may result in the activity being funded by levies and local and district rates which will potentially ease the burden on small communities.

The measures identified above have been put in place to work towards lifting the level of management of this activity. Council is at the start of this process and with continued improvement in the data (both condition and financial), and potential change to the funding mechanism, it is envisaged that by the next AMP review the funding gap identified may not be as high as indicated in this AMP.

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Financial summary

The rental from the Riverton Harbour Endowment land is collected as income for the maintenance of the Riverton Harbour. It is transferred into the Riverton Harbour General Reserve and held specifically for work associated with the harbour. Additional funding is collected from the other wharves in the form of lease payments.

The water facilities on Stewart Island Rakiura have struggled to get sufficient funding to undertake maintenance. The capital projects that have been identified rely on funding from grants or loans which means that they may or may not go ahead. There is a heavy reliance of the Stewart Island Visitor Levy to

fund any work associated with the water facilities. The affordability to fund maintenance and renewals on these structures for the Stewart Island Rakiura community has been identified as an issue.

There has been no specific budget identified for the water structures outside of Stewart Island Rakiura and Riverton harbour. Funding has been allocated to the Waiau River structures to allow the current LOS to be maintained.

Purpose of the activity management plan

This AMP describes the strategies and works programmes for the water facilities activity so as to meet the objective of delivering the required LOS for the Southland District (the District). It will be reviewed every three years. This AMP informs the Council's Long Term Plan (LTP) and contributes to the goals and objectives Council aims to achieve in order to achieve community outcomes. The AMP covers:

- a description of the activity, including the rationale for Council involvement and any significant negative effects of the activity
- the strategic context for the activity, the key activity management strategies and policies adopted within this environment and the main issues identified for the activity
- a statement of the intended levels of service and performance targets.

This AMP covers a period of 10 years commencing 1 July 2021. The main focus of the analysis is the first three years and for this period specific projects have been identified in more detail. Beyond this period work programmes are generally based on trends or predictions and should be taken as indicative only. All expenditure is based on unit costs as at 1 July 2021.

Plan limitations

This AMP is a minimum 'core' Plan and is intended to set out how Council manages its water structures in a way that is appropriate for a broader readership including Council's executive management, elected members, interest groups, commercial operators associated with the management and/or use of the water structures and the general community.

A key limitation prior to the last LTP 2018-202) was the lack of formal condition assessment information on which to base future maintenance and renewal requirements. Assessments in 2014 and in 2018 of both the Stewart Island Rakiura and Riverton Harbour structures with the exception of the Riverton marine wall. The Waiau River structures were assessed in 2020.

The AMP does not make assumptions or plan for a scenario other than what would have been expected, regardless of national events.

This AMP attempts to address significant water facilities asset management issues in the District. It is a living document which will undergo a formal review every three years to make amendments to reflect changes in LOS, demand projections, risk profile, lifecycle information, or financial information.

This AMP has been developed with the following key limitations:

- projects have been identified and scheduled based on the best information available at the time.
- budgets for these projects have been assessed based on the best information available at the time.
- projects towards the end of the 10 year period are flagged that work is likely to be needed but it is very much at the concept phase. Options and detailed estimates will be carried out closer to the time.

- if an asset fails earlier than planned then emergency works may be required and these will be funded through unbudgeted expenditure

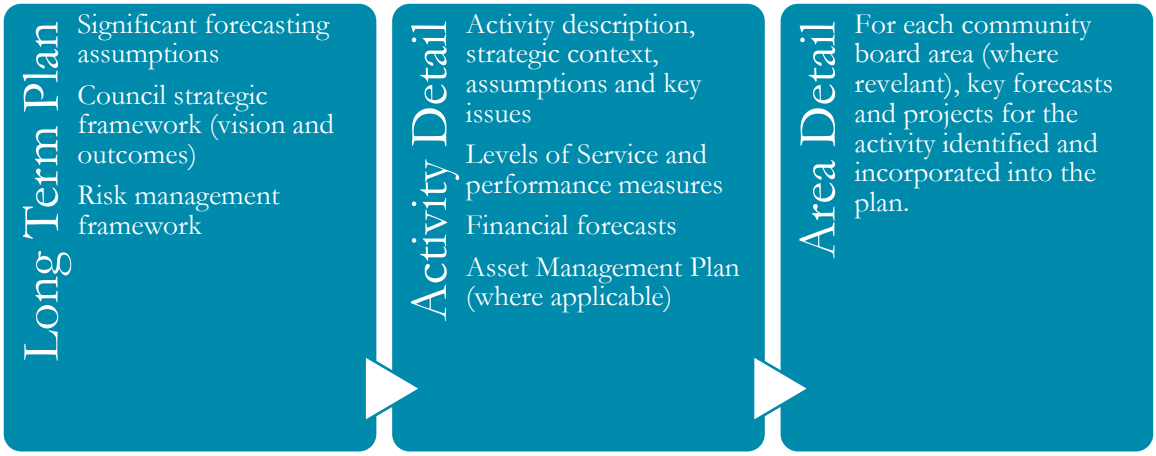
The completion of projects is limited to resourcing of both Council staff and external engineering support.

Plan framework

The AMP framework is illustrated above. Strategic context, significant forecasting assumptions and any activity-specific issues are documented in the main body of this Plan. Information on locally funded activities and services are included in the Appendices to this Plan.

The key points are:

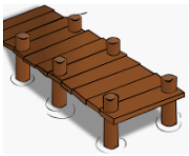
- Forecasting assumptions have been included – amended to include impacts of Covid-19.
- New levels have been developed and will be incorporated into any new contracts associated with activities
- The new representation structure will have an impact on asset management.



Activity description

What we do

The table below illustrates the number and diverse range of water facility assets that Council manages throughout the District:

					
Wharf/Jetty 9	Boat Ramp 10	Navigation Aid 5	Swimming Pontoon 1	Retaining Wall 2	Viewing Platform 1

The major water structures are located at Stewart Island Rakiura and Riverton. Some assets have been inherited by default in the past and do not necessarily add value to Council's asset portfolio. Council's

intention is to maintain the water facilities assets at a base level that meets the needs of the community and ensure that they are safe to use and meet the appropriate resource consent standards and other regulatory requirements.

Why we do it

Water infrastructure like boat ramps, jetties, wharves and navigation aids enable recreational and commercial access to waterways as well as the ability for residents and visitors to access services where the only available access is by water. The activity also supports the environment by having stop banks and marine walls which protect the environment from flooding as well as safety by having aids which improve navigation.

The infrastructure also supports commercial and tourist ventures especially at Riverton and Stewart Island Rakiura. Furthermore, the Stewart Island Rakiura community have identified that the water facilities on the island are critical infrastructure that form an extension to the roading network and the tourism industry is reliant on them.

Strategic considerations

Strategic framework

Council has adopted a strategic framework that identifies where Council wants to be in the future (vision) and the outcomes it aims to achieve to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions (community outcomes). The framework also outlines how it will achieve these (mission and approach) along with the key challenge it faces in doing so and its resulting strategic priorities.

STRATEGIC FRAMEWORK COMPONENT	PROPOSED 2021-2031 STRATEGIC FRAMEWORK
MISSION	Working together for a better Southland
VISION	"Southland – one community offering endless opportunities"
COMMUNITY OUTCOMES	Kaitiakitanga for future generations
	Inclusive connected communities
	A diverse economy creating healthy and affordable lifestyles
	Empowered communities with the right tools to deliver the best outcomes
STRATEGIC PRIORITIES	Improve how we work to build resilience
	Provision of appropriate infrastructure and services
	Better preparing our communities and Council for future changes
	Support healthy environments and sustainable communities

The framework guides staff and informs future planning and policy direction and forms the basis for the performance framework. The table below outlines how the water facilities activity contributes to the Council's community outcomes using a benefits mapping diagram. The full levels of service and performance management framework is presented in a further section later in the document.

Activity – Water facilities								
Activity Objective: Provide facilities communities need and support the community to participate in a range of recreational, educational, sporting, commercial and social/cultural activities								
Outcomes	**Activity contributions**		**Outcome objective**		**Benefit**		**Levels of Service (LoS) and Key Performance Indicators (KPI)**	
Kaitiakitanga for future generations (Environment)	Water structures provide access to water for both recreational and commercial purposes, which in turn contributes to sustaining our local communities. By providing facilities that enable easy access to the water and coast, water structures also help to prevent damage to sensitive water and coastal environments. Water facilities provide the opportunity for communities to tap into tourism opportunities that are key to the lifestyle of the district. The district is seen as a destination where water based activities abound and are easily accessible to locals, local and international tourists.		A sustainable impact on the environment Planning for the future		Improved health and safety More sustainable environments		LoS xx: Council provides safe and well-maintained water facilities to enable public enjoyment and access to the district's rivers, lakes and sea KPI xx: Water facilities requests for services are completed within specified timeframes	
Inclusive, connected communities (Culture)			People are well connected		Better connectedness			
Empowered communities with the right tools to deliver the best outcomes (Social)			People have everything they need to live, work, play and visit		Increased social wellbeing			
			People can enjoy a safe and fulfilling life		Improved health and safety			
A diverse economy creating healthy and affordable lifestyles (Economic)			Strong communities		Increased economic wellbeing			

Strategic context

The purpose of the Southland District Council Long Term Plan 2031 is to:

- provide a long term focus for Council decisions and activities
- provide an opportunity for community participation in planning for the future
- define the community outcomes desired for the district
- describe the activities undertaken by Council
- provide integrated decision-making between Council and the community
- provide a basis for performance measurement of Council.

Strategic direction setting encompasses Council's high-level goals, particularly the vision for the District, what the outcomes for the community may be, and what the strategic priorities will be for delivering work to the community.

Representation framework

Community representation was amended prior to the 2018 triennial elections. There are now nine community boards that provide representation across the district. These are:

Ardlussa	Fiordland	Northern	Oraka Aparima	Oreti
Stewart Island/Rakiura	Tuatapere Te Waewae	Waihopai Toetoe	Wallace Takitimu	

It is important that Council is seen as a leader in service delivery across the district and through this AMP, will ensure its water facilities are fit purpose, in appropriate locations and managed cost effectively. Doing so enables Council to provide and deliver quality, professional services to the ratepayer.

Council aim to have a high level of engagement with its customers and elected members to ensure that the minimum levels of service set out in this document represent their expectations.

The Stewart Island Rakiura community have identified that the water facilities on the island are critical infrastructure that form an extension to the roading network and the tourism industry is reliant on them.

Key issues and assumptions for the activity

The most important issues relating to the Council's Water Facilities activity for the next ten years are shown below:

Key Issue	Context, Options and Implications
Future of water facilities	*Context:* To assess the long term affordability of the water facilities throughout the district. Historically these facilities have only had reactive maintenance that required unbudgeted expenditure. *Options:* • status quo

Key Issue	Context, Options and Implications
	• investment • rationalisation. *Implications:* Status quo is not an option. There has to be the appropriate level of funding identified to at least maintain the facilities so that they are legally compliant. Rationalisation of the number of assets over a period of time would enable the communities to fund the assets to the appropriate level of service. This may create some ratepayer resistance.

Key Risks

It is noted that the key issues and risks for the water facilities activity align closely with a number of key strategic risks identified at a corporate level the most relevant ones being:

- inaccurate data leading to bad decisions/asset failure
- underinvestment in infrastructure
- over-commitment leads to inability to deliver agreed work programme

Key Risk	Context and Implications
Affordability of water facilities	*Context:* The water facilities throughout the district are all aging with some having reached end of life. They have suffered from under investment and only reactive maintenance. *Implications:* The biggest risk for water facilities is the ability of the community to fund the appropriate level of funding for maintenance and renewal. This is particularly pertinent to the water facilities on Stewart Island Rakiura where any investment has been from grants. This means that when maintenance is required the funding has to be applied for and may not be available. The reliance on this type on funding is not sustainable moving forward.

Regulatory Considerations

Legislation, regulation and Council's existing strategies and policies mandate or influence some of the LOS and performance targets we set, as illustrated in the table below for the water facilities activity. A full description of the Council policy and planning framework impacting AMPs is included in the LTP.

Of particular impact on this activity are the regulations relating to seismic activity and earthquake strength of water structures, in particular for proposed new structures. Over time these regulations will require Council to further consider the state/standard of these structures, as being fit for purpose.

Legislation / Regulation / Planning Documents	How it affects levels of service and performance standards Outline any changes (implemented or pending) which is impacting the activity and describe how
Resource Management Act	Environment Southland (ES) can grant consent for structures in coastal marine area to Council enabling licences to be granted by Council to jetties/structures owners.
Regional Coastal Plan	The plan sets out a wide range of rules for all activities in the coastal area.
Ngai Tahu Claims Settlement Act 1998	Schedule 15 defines the Aparima River and estuary as a statutory acknowledgement area. Also defines Lords river and Port Adventure (Stewart Island Rakiura) as acknowledgement areas (although these are not currently in use as jetty locations).
Maritime NZ Manual	One section of the manual sets out requirements for buoys and beacons. Also more recently covered in the Maritime NZ 'New Zealand's Systems of Buoys and Beacons'.
Building Act	Sets standards for building construction.

Demand Management Strategies

This section describes how demand for water facilities is likely to change over the ten year period of the LTP, the impact any changes is likely to have and whether Council is planning to make any changes to the activity as a result.

- the Waiau Basin boat ramps are primarily used by local (Southland) and holidaying recreational boaties. Some commercial boat use occurs. The level of recreational use is not expected to change significantly during the term of this AMP. These facilities have not received any substantial maintenance and will need to be condition assessed to determine if operational or capital works are required to maintain the levels of service.
- the Pearl Harbour retaining wall protects the activities of primarily commercial boat operations based at Pearl Harbour, but also recreational boat use.
- Ongoing growth in tourist numbers transiting through this site was anticipated prior to the impact of Covid-19. With New Zealand's borders closed for the foreseeable future a slow progression back to pre Covid-19 numbers should be expected. That however does not necessarily remove the need to repair/replace the retaining wall which will continue to decay if left unattended. Undertaking repairs in the immediate future will have the least impact on the commercial users.
- the Stewart Island Rakiura facilities have high seasonal use due to the summer tourist season. Outside of this they are mainly used for recreational purposes to access the wider recreational opportunities provided on the island.
- the Riverton harbour facilities are generally for commercial use with the boat ramp being primarily used by recreational boaties.

Key Projects

There are a number of projects currently identified in the 2018-2028 LTP that will be carried through to the new plan. However the following projects will have a significant impact on the Stewart Island Rakiura and Fiordland communities.

Project	Description
Ulva Island wharf	Replacement of the Ulva Island wharf.
Golden Bay wharf	Replacement of the Golden Bay wharf and on shore infrastructure.
Pearl Harbour gabion basket	Replacement of the current gabion basket retaining wall at Pearl Harbour, Manapouri.
Improved Asset Management System	Increasing regulatory pressures on an aging property portfolio, likewise increases the need to continuously improve how Council manages its assets. Preliminary work has already been done on introducing the Infor Property Management system. This transition will occur during the term of this AMP.

Other Considerations for the Activity

The water facilities are required to comply with the conditions of their resource consents. There is an annual compliance fee that needs to be factored into the operational budgets to cover these costs.

Although the Stewart Island Rakiura community have identified these facilities as critical assets to the island there are substantial costs associated with the on going maintenance. The future of retaining all of the facilities is a conversation that is worth having with the community.

The resource consent compliance for the facilities within the Riverton harbour is managed by Council on behalf of the lessees. This was an interim solution to bring all of the facilities up to resource consent compliance levels. The future of this arrangement should be reviewed with the Riverton Harbour Board Sub Committee when the resource consent is up for renewal.

Our Levels of Service

Levels of Service, Performance Measures and Targets

LOS, performance measures and targets form the performance framework for the activity detailing what the Council will provide, and to what level or standard.

LOS are the outputs that are expected to be generated by the activity. They demonstrate the value being provided to the community or reflect how the public use or experience the service. A key objective of activity planning is to match the LOS provided with agreed expectations of customers and their willingness to pay for that level of service.

- *Performance measures* are quantifiable means for determining whether a LOS has been delivered.
- *Performance targets* are the desired levels of performance against the performance measures.

The levels of service provide the basis for the management strategies and works programmes identified in the AMP. By clarifying and defining the LOS for the activity (and associated assets), Council can then identify and cost future operations, maintenance, renewal and development works required of the activity (and associated assets) to deliver that service level. This requires converting user's needs, expectations and preferences into meaningful LOS.

Any reduction in funding will almost certainly require a reduction in the amount of work to be delivered, which will in turn result in a potential decline in levels of satisfaction over time. All possible avenues for minimising LOS decline are being examined in order to ensure that optimum value for money is achieved for the community.

What LoS we provide	LoS: Council provides safe and well maintained water facilities to enable public enjoyment and access to the district's rivers, lakes and sea				
How we measure performance	Current Performance (19/20)	Future Performance Targets			
		Yr 1 (21/22)	Yr 2 (22/23)	Yr 3 (23/24)	Yr 4-10 (25-31)
KPI – Water facilities requests for services are completed within specified timeframes	New measure	80%	80%	80%	80%

Plans Programmed to meet the Level of Service

It is proposed to renew the Ulva Island wharf as it has reached end of life. Scoping work and community consultation is currently in progress to look at a replacement for this facility.

The Golden Bay wharf is in a similar position although prior to becoming a Council asset remedial work was undertaken to extend the life of the facility. However ultimately the facility will need to be replaced.

The remainder of the water facilities on Stewart Island Rakiura and in the Riverton harbour will require ongoing maintenance to meet resource consent requirements and levels of service.

The water facilities in the Waiau basin are have been assessed to determine the operational and capital investment will is required over the period of this plan. The Gabion baskets at Pearl harbour in Manapouri will need to be renewed.

Activity and Asset Management

Overview of Management

An asset lifecycle is the series of stages involved in the management of an asset. It starts with the planning stages when the need for an asset is identified and continues all the way through its useful life and eventual disposal.

The asset lifecycle can be tracked in different ways and is generally monitored in some way at every company, even if it's not a formalized process. The importance of any given asset lifecycle is determined by a number of factors, including how costly the asset to replace is, how crucial it is to the business or company, and the overall reliability of the asset in question.

When maintenance is neglected, companies have to struggle with the resulting unexpected breakdowns, long delays, and emergency maintenance. When properly maintained, asset lifecycles can make the process of maintaining and managing valuable assets much easier for everybody concerned.

Finally, each cycle is going to vary, depending on the asset in question. For example, a comprehensive wrench set will have a very different asset lifecycle than a large piece of machinery that has a comparatively shorter lifespan. However, the stages of the lifecycle stay the same, no matter what it's being applied to and the same principles can be applied to most assets.

The goal of infrastructure asset management is to identify the levels of service required by stakeholders and then manage the asset portfolio to provide those service levels at the least lifecycle cost and in a sustainable manner. Good asset management practices means that the right work is done at the right time for the right cost. The key features of the Community Facilities infrastructure asset management are:

- a whole-of-life asset management approach
- planning for a defined level of service
- long-term strategies for cost-effective asset management
- performance monitoring
- meeting the impact of growth through demand management and infrastructure investment
- managing risks associated with asset and service failures
- sustainable use of physical resources
- continuous improvement in asset management practices

Delivery Strategies

Continuing to deliver services primarily using third party contractors is seen as the most effective and efficient way of doing so. Initial work has been undertaken during the previous AMP term to reduce the number of contractors with the aim of having an available contractor work force that has capacity to act with greater flexibility while providing District wide coverage. All contractors need to meet Council's increasing regulatory requirements, particularly Health and Safety.

Council has identified in its strategic assumptions that due to the aging demographic and the increased demand on existing contractors, it may be difficult to deliver some existing services using traditional service providers. An alternative to this is to use Council's internal resource to cover more isolated areas that are not attractive to the larger contractors.

It is accepted that there is concern within communities that some local contractors will no longer be used, but Council's number one priority is delivering quality services to meet the needs and ensure the health and wellbeing of the District's communities and visitors.

Community Board Area Context

The representation review has brought a different perspective to how community board's now need to look at the locally funded assets they have within their area. They have moved from a localised focused approach to now having to take a holistic approach when planning the governance of the assets.

Previously they may have only had one water facility to fund, now they are likely to have multiple water facilities to fund and manage.

With community facilities, this means considering the need for all assets of a particular type within the community board's catchment.

Are they all needed? Such consideration needs to look at all the societal changes since these facilities were first constructed, including, for example, population, access (roading and vehicles), use, operational costs and community views.

Community boards will need to look at how best to do this and to choose the appropriate LOS that will allow them to provide consistency throughout their area of responsibility.

Asset Management Planning

Asset management planning is undertaken to ensure all parties involved in Council's asset management are working with the same information and towards the same objectives and outcomes. Such clarity is required to deliver services with efficiency and meet the LOS required.

Infrastructure asset management is the tactical decision-making that links strategic objectives with the operational delivery of physical works. Asset management planning is the organisational activity used to produce the operational forward works plans that deliver the strategic objectives.

Asset Management Systems

Over recent years, water facility assets have not necessarily been managed under a recognised industry system. This is now being addressed with Community Facilities assets being brought under the Infor property services management system (IPS).

The Infor system is internationally recognised and used by a number of New Zealand local government authorities and Australian counterparts.

Infor bought out the Hansen business management system, that Council has used for many years to manage its three waters assets. Bringing the Community Facilities assets under the same management system umbrella will provide greater consistency and improved knowledge and skill base within Council.

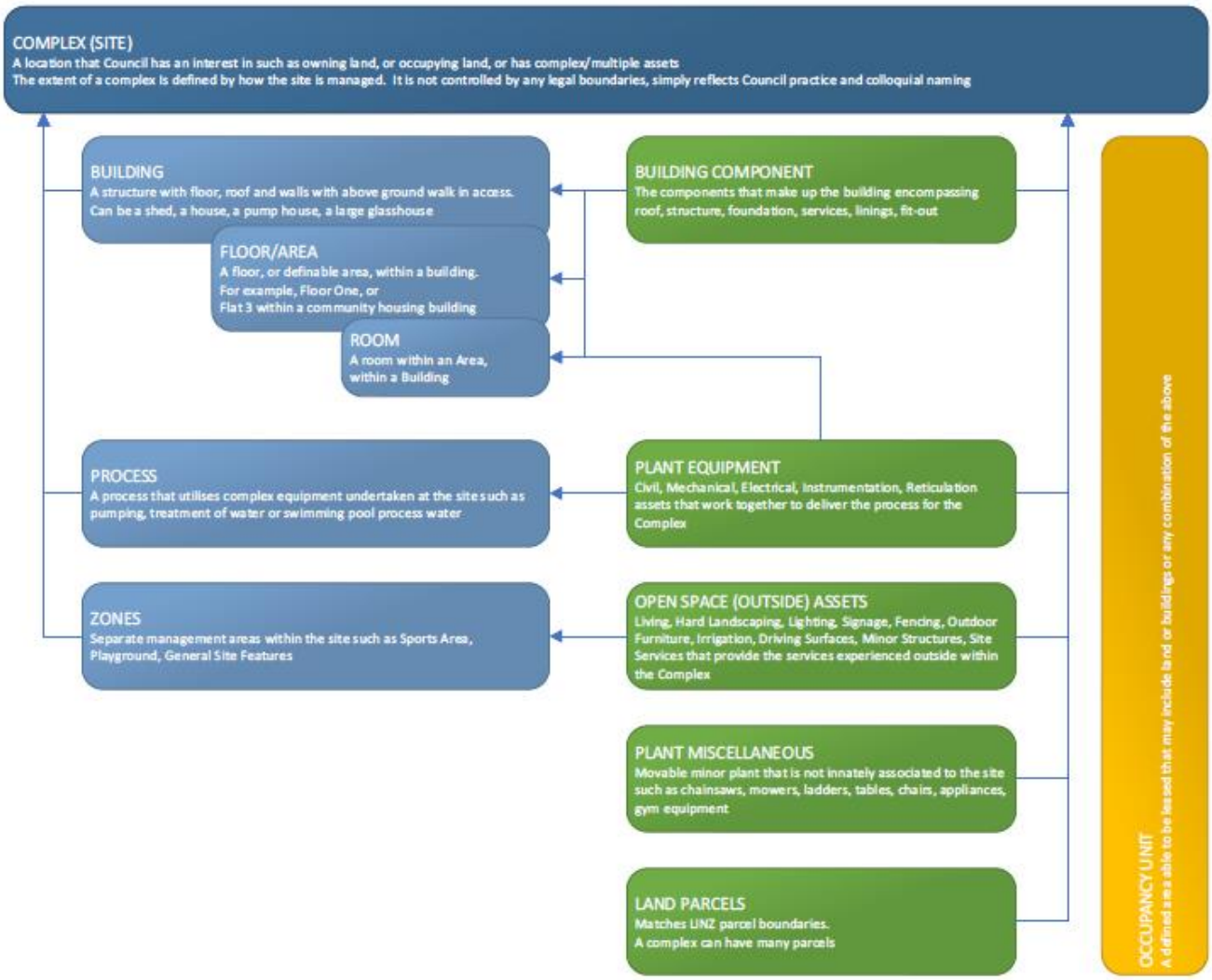
Asset Management Hierarchy

An asset hierarchy is a framework for segmenting an asset base into appropriate classifications. The asset hierarchy can be based on asset function; asset type or a combination of the two.

One of the main purposes of an asset hierarchy is to group assets that are treated in a particularly way together. Important or high visibility assets for example may receive a higher level of service than less important or low visibility assets and this is reflected in the asset hierarchy.

A well thought out asset hierarchy also makes navigating to a particular asset or asset component within an asset management software system easier.

Following is a diagram to represent the physical hierarchy of the assets captured within the Site Based Asset Feature Class. The blue lines represent the associations that will exist between the records. The term 'Site Based' is used to reflect those assets that are contained within a site within the community as opposed to reticulation or network assets such as water pipes that cover a vast geographic area.



Asset Management Improvement

Council intends to import the water facilities assets into Infor along with the associated condition, age, use and financial data that it has collected. The intention is to have a high level of data available to inform the next LTP and move from a 'basic' to 'core' level of activity management in the Asset Management Maturity Index.

Figure 4.6.2: AM Improvement Planning Maturity Index

Task	Task	Responsibility	Resources Required	Timeline
1	Improve data in the INFOR asset management system	Community Facilities Team	Asset Manager	1st year
2	Improve the confidence in the data identified in table 7.5.2 of this plan	Community Facilities Team	Asset Manager	1st – 3rd
3	Create Renewal Priority Ranking Criteria	Community Facilities Team	Asset Manager	2nd year
4	Create Acquired Assets Priority Ranking Criteria	Community Facilities Team	Asset Manager	2nd year
5	Review Useful Lives	Community Facilities Team	Asset Manager	3rd year
6	Improve confidence in operational and maintenance costs	Community Facilities Team	Asset Manager	1st – 3rd year
7	Secure future funding sources	Community Facilities Team	Asset Manager and Corporate Teams	3rd year
8	Define better levels of service	Community Facilities Team	Asset Manager and Corporate Teams	2nd year
9	Improve the confidence levels in the financial data	Community Facilities Team	Asset Manager and Finance Team	1st – 3rd year

Financial Summary

10 Year Financial Forecast

The following graphs/tables summarise the financial forecasts for the activity over the ten years of this plan.

Past trends, particularly on Stewart Island Rakiura indicate that work has been undertaken on water structures only when maintenance was identified. There has not been a specific operations and maintenance budget available for the Stewart Island wharves or the Waiau River boat ramps in the previous LTP.

The budgets that have been included in this LTP have made allowance for annual operations and maintenance of these assets. The main projects in 2021-2031 plan is the replacement of the Golden Bay wharf on Stewart Island, pile renewal at Millars Beach wharf and raising the causeway at Ulva Island. Additional operating and maintenance has been budgeted for over the next ten years of the plan.

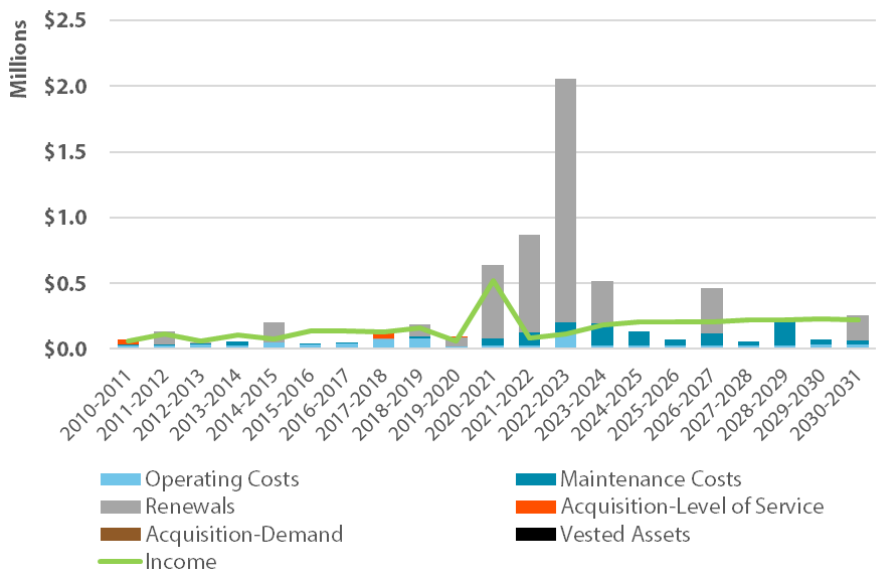


Figure 0-1: Water facilities financial summary excluding depreciation

Income to fund projects for the Stewart Island Rakiura facilities has historically been from the collection of contributions, licence fees charged to commercial operators (activity revenue) and applications to the Stewart Island Visitors Levy allocations committee. It has been proposed that future income will be derived through a user pays mechanism and a contribution from the Stewart Island community board rate to ensure that there is a sustainable revenue stream in order to the maintain planned maintenance for the jetties and wharves.

Over the last few years the applications to the Stewart Island Visitor Levy Fund (SIVLF) have specifically been to fund the Ulva Island wharf renewal. The reliance on grants to fund this activity is not sustainable moving into the future. Alternative sources of funding need to be identified to allow Council to maintain and renew these facilities if the current level of service is to be maintained. Capital projects in the future will need to funded by a combination of grants, donations and loans.

The Riverton Harbour wharves are funded from the leased Harbour Endowment land and the licence fees charged for each of the berths occupied by private operators. There is an opportunity to increase the income as the lease is scheduled for review and the wharf licence fees can also be reviewed.

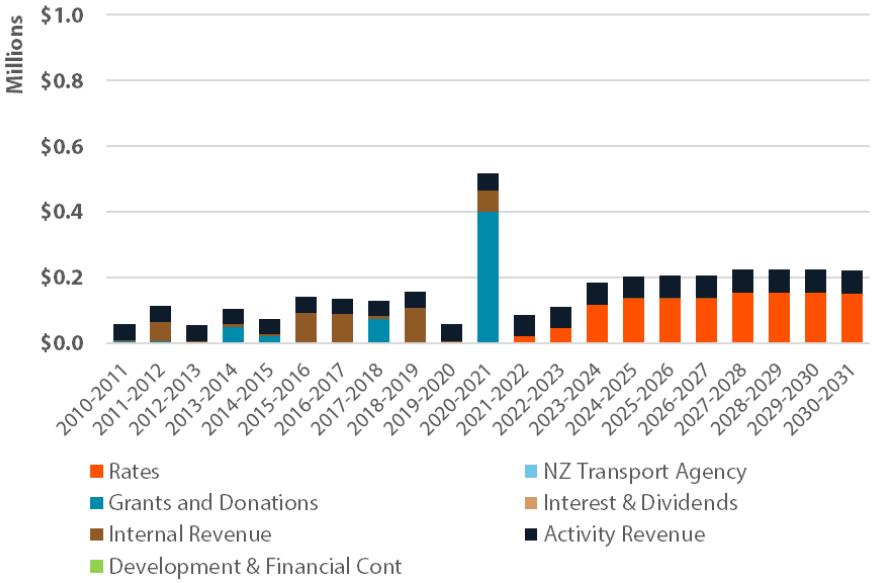


Figure 0-2: Water facilities total income

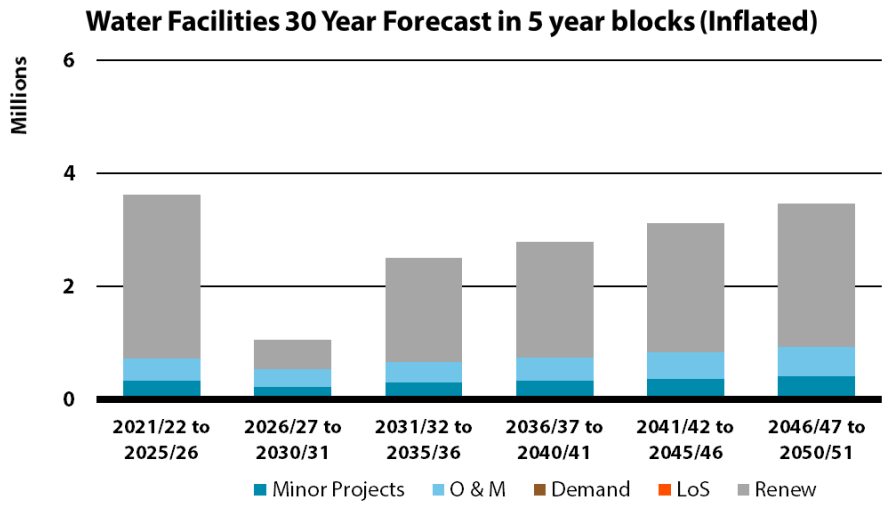


Figure 0-3: Water Structures 30 Year Expenditure Forecasts (from Infrastructure Strategy)

Financial Forecast Summary

The table below details the 10 year forecast for the Wharves and Jetties owned by Council.

Standard maintenance costs have been increased to include assets that previously didn't have a budget assigned to them. General projects have been included in repairs and maintenance to align with the recommendations from the water structure assessment review.

Asset renewals are for the Golden Bay and Ulva island projects. No provision for replacement is made for future renewals and these will be funded by way of loans.

Water Facility	2017/2018 Actual ($000)	2018/2019 Actual ($000)	2019/2020 Actual ($000)	2020/2021 Annual Plan ($000)	2021/2022 LTP ($000)	2022/2023 LTP ($000)	2023/2024 LTP ($000)	2024/2025 LTP ($000)	2025/2026 LTP ($000)	2026/2027 LTP ($000)	2027/2028 LTP ($000)	2028/2029 LTP ($000)	2029/2030 LTP ($000)	2030/2031 LTP ($000)
Sources of operating funding														
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	-	-	-	-	21	44	117	136	136	136	154	154	155	151
Subsidies and grants for operating purposes	75	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	9	109	7	64	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infingement fees, and other receipts	46	49	51	53	0	1	1	1	1	0	0	0	- 0	- 1
Total operating funding	**130**	**158**	**58**	**117**	**22**	**45**	**118**	**137**	**137**	**137**	**155**	**155**	**154**	**150**
Applications of operating funding														
Payments to staff and suppliers	71	221	- 46	74	- 70	27	75	85	85	86	96	98	96	93
Finance costs	-	-	-	-	2	16	55	63	63	61	67	65	66	64
Internal charges and overheads applied	5	5	6	6	3	3	3	3	3	3	3	4	4	4
Other operating funding applications	(1)	1	1	1	- 65	- 66	- 66	- 67	- 68	- 68	- 69	- 70	- 71	- 72
Total applications of operating funding	**74**	**226**	**- 40**	**81**	**- 130**	**- 19**	**67**	**84**	**83**	**82**	**98**	**96**	**95**	**89**
Surplus (deficit) of operating funding	**55**	**(69)**	**98**	**36**	**151**	**64**	**51**	**53**	**54**	**55**	**57**	**58**	**60**	**61**
Sources of capital funding														
Subsidies and grants for capital purposes	-	-	-	400	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(3)	12	- 4	- 5	710	1,985	459	76	11	402	-	156	7	190
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	**(3)**	**12**	**(4)**	**395**	**710**	**1,985**	**459**	**76**	**11**	**402**	**-**	**156**	**7**	**190**
Applications of capital funding														
Capital expenditure														
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	32	- 39	2	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	6	98	72	560	740	1,852	317	-	-	341	-	-	-	190
Increase (decrease) in reserves	14	(116)	20	(128)	1	1	1	1	1	1	1	1	1	1
Increase (decrease) in investments	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**53**	**- 56**	**94**	**432**	**741**	**1,853**	**318**	**1**	**1**	**342**	**1**	**1**	**1**	**191**
Surplus (deficit) of capital funding	**(55)**	**69**	**(98)**	**(36)**	**(30)**	**132**	**142**	**75**	**11**	**61**	**(1)**	**155**	**7**	**(1)**
Funding balance	**-**	**-**	**-**	**-**	**121**	**197**	**193**	**128**	**64**	**116**	**56**	**213**	**67**	**61**

Table 0-1: Water facilities financial forecasts

Summary of Key Financial Assumptions

The assumptions made in respect to Council owned water structures are:

- That these types of facilities will still be required within the District;
- That funding for this activity is at a local level as opposed to District; and
- That these assets will continue to be managed by local governance groups.

Significant investment in planning and OPEX/CAPEX expenditure is required to try and rectify a significant period of underinvestment in this activity.

Scenarios that could significantly affect Council's water structures forecasts include climatic conditions, eg storm damage, and structural damage caused by wharf users. Also, the planned condition assessment could result in significant change to the programmed works required.

Valuation Approach

Assets are valued at carrying amount or depreciated cost for the Water structures activities.

Funding Principles

Section 102(4) (a) of the Local Government Act 2002 requires each Council to adopt a Revenue and Financing Policy. This Policy must state the Council's policies in respect of the funding of both capital and operational expenditure for its activities.

Funding for the water structures is as follows:

- Wharf fees - both Stewart Island jetties and Riverton wharves.
- Endowment land lease rentals - Riverton wharves.
- Local as opposed to District funding.

Neither the Stewart Island Jetties nor the Riverton Wharves receive rates funding. The Stewart Island Structures Review is looking at a sustainable funding model. Funding from the Stewart Island Visitor Levy Fund is seen as central to this, however is potentially not sustainable.

Riverton Harbour structures receive revenue from Riverton Harbour Endowment Leases.

The Riverton Focal Point is funded from the Riverton Community Board, with the lift being District funded.

Fees and Charges

The fees and charges for Water Facilities are set by the Community Boards and approved by Council. These are documented in Councils Schedule of Fees and Charges each year.

Appendix

These include assets such as:

- 5 Jetties – Stewart Island Rakiura
- 2 Boat ramps – Stewart Island Rakiura
- 8 Boat ramps – Waiau Catchment & Riverton Harbour
- 4 Wharves – Riverton Harbour
- 1 Viewing Platform – Riverton Harbour
- 1 Marine Wall – Riverton Harbour
- 5 Navigation lights – Riverton Harbour
- 1 Swimming pontoon – Lake Te Anau
- 1 Retaining (gabion) wall – Pearl Harbour, Manapouri