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# **SIGNIFICANCE AND ENGAGEMENT POLICY**

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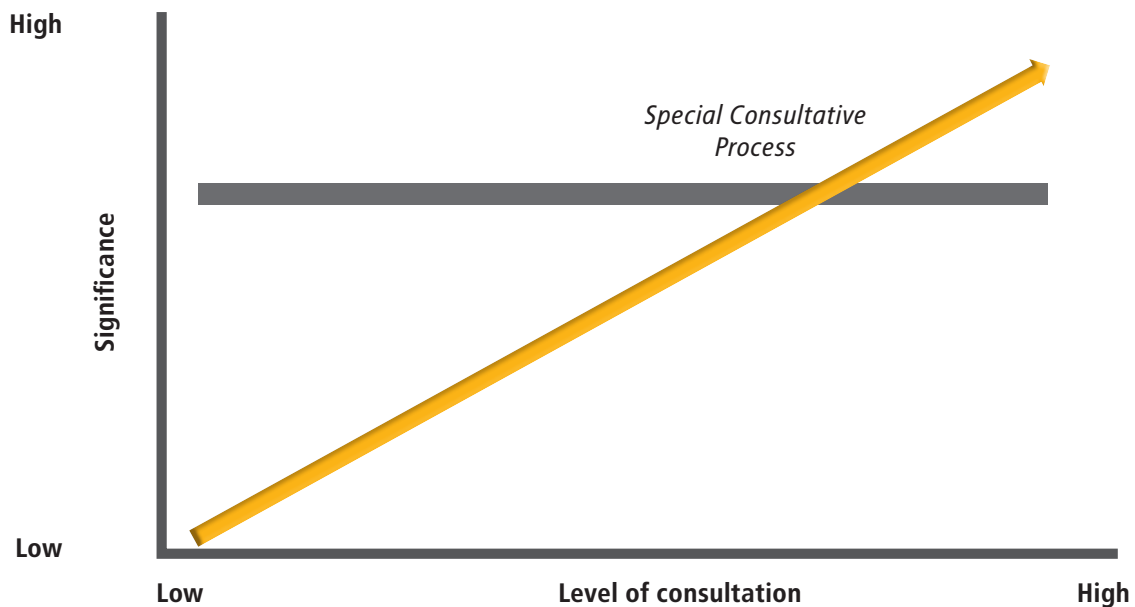
# Significance & Engagement Policy

## 1. Purpose

The purpose of the policy is to enable Council and our community to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities. It also aims to provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets or other matters. The policy will also inform the Council from the beginning of a decision making process about the extent of any public engagement that is expected before a particular decision is made, and the form and type of engagement required.

## 2. Determining Significance

When considering a proposal or decision Council will take into account the thresholds and/or criteria detailed; if the decision relates to the strategic assets or is prescribed by legislation. If the issue exceeds one or more of the criteria/thresholds the matter is likely to have a higher degree of significance. Generally the greater the financial input the higher the impact on the community, a higher degree of public interest and therefore a higher degree of significance. However, there may be some cases where small financial transactions may attract great public interest, while large ones do not. See Appendix 2 for the Local Government Act 2002 definition of significance and significant.



The level of significance has a direct relationship to the level of consultation required with interested communities. Decisions of low significance may require little or no consultation, however as significance rises the requirement for consultation increases with decisions of high significance likely to require council to undertake a special consultative process.

Council may take into account knowledge it has previously gained about what the preference of the community is e.g. resident opinion surveys, community plans, community outcomes, previous public submissions and media coverage.

Each proposal or decision will be considered on a case by case basis to determine significance. The method and level of consultation or engagement will differ for each issue and will be proportional to the decision depending on location, level of significance and community preferences. The decision on a matter's significance lies ultimately with Council.

## 2.1 Criteria / Thresholds

Council will consider the following matters when considering whether an issue, asset or other matter is of significance under this policy:

- The potential level of financial consequence, in particular the impact on rates, user fees and charges
- The consequences or impacts of the issues, assets, or other matters on the District
- The extent of the consequences or impact on the ratepayers and residents within the District
- The issue, asset, or other matter have a history of wide public interest within Central Otago, the Otago Region or New Zealand generally
- The achievement of, or ability to achieve, the Council's strategic issues and objectives as set out in the Long Term Plan
- The capacity of Council to perform its role and carry out its activities, now and in the future
- The financial, resource and other cost impacts of the decision
- The extent to which there is, or is likely to be, a change in the level of service in carrying out any significant activity
- Entry into any partnership with the private sector to carry out a significant activity
- The degree to which the decision or proposal is reversible
- The sustainability of the decision or proposal
- The degree to which the issue has cultural relevance
- The creation of a new group or activity, the cessation of a group or activity

## 2.2 Strategic Assets

Listed below are the assets that Council considers to be strategic. Council needs to retain these assets to maintain its capacity to achieve or promote outcomes that it determines to be important to the well-being of the community.

- Council water, wastewater and stormwater networks as a whole
- The roading network as a whole
- Reserves listed and managed under the Reserves Act
- All other Council owned infrastructure
- Alexandra Airport

### 3. Procedure

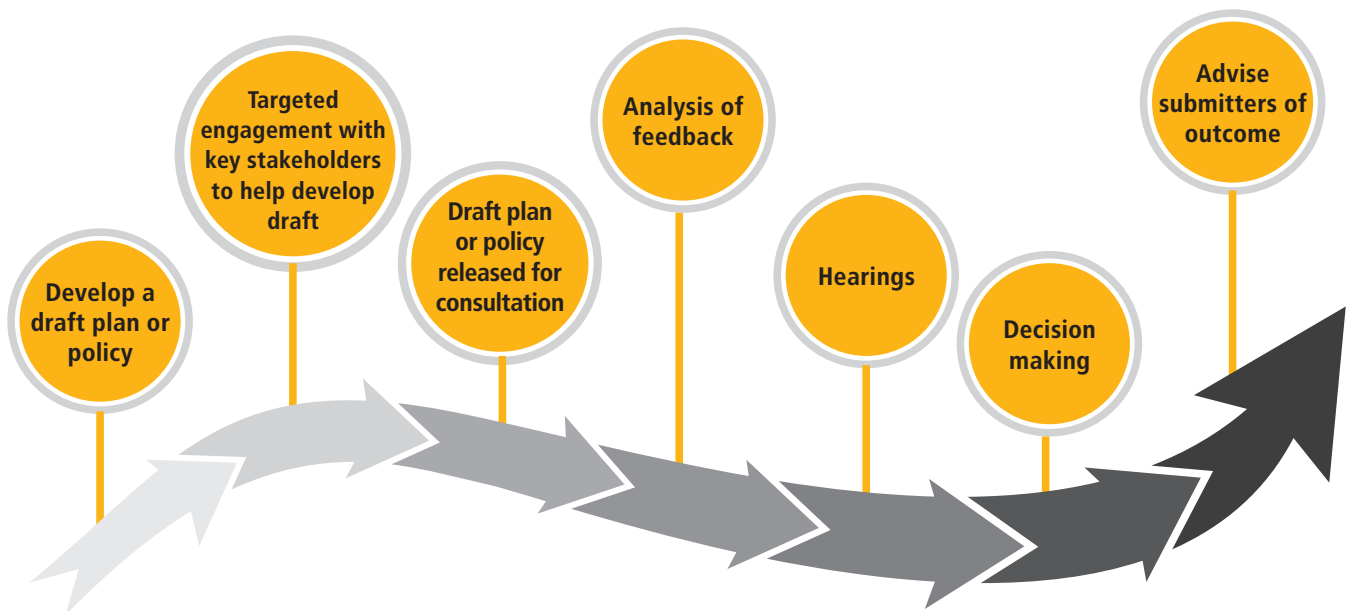
Council will consult when it has a legislative requirement to do so and the Special Consultative Procedure is the formal process which enables the community to have a say on significant decisions. Please see Appendix 3 for Section 83 of the Local Government Act which outlines the Special Consultative Procedure.

Council recognises its responsibilities with respect to consulting Maori and endeavours to foster the development of Maori capacity to contribute to Council's decision making as set out in the Long Term Plan.

Council prepares a proposal and advertises it for public submission. Submissions on the proposal can be received from anybody and the time period for receiving submissions is at least a month.

People who have submitted can also request to speak to Council regarding their submission and this is done through a hearings process. This is organised in the most appropriate council office/service centre and we will provide for audio/ audio visual links as well as facilitate translation (however, we will require notice). We will acknowledge receipt of submissions (automatically acknowledged online).

After considering all the submissions the Council then makes a decision on the proposal. We will provide access to the decisions made and free access to view the Council's website is available at the District's libraries. The Special Consultative Procedure has to be undertaken for Long Term Plans; making, amending or revoking a bylaw (if required under LGA 2002 Section 156(1)(a)); transferring Council's ownership of a strategic asset and other acts expressly required by law such as the Local Government Act 2002 and Resource Management Act 1991.



If a matter is considered significant by this policy and we don't have to use the Special Consultative Procedure we can engage in a less formal way – examples of when and how this will happen are set out in Appendix 1. The methods used will depend on the significance of the issue and we will use those methods considered most appropriate for the issue and the community affected. Council is not limited to these examples and is open to new and developing methods of engagement through the use of technology and innovation.

Every agenda item requiring a decision will require the report author to consider significance and engagement. Council officers will be responsible for making recommendations to elected members about a decision's significance and the level of engagement or consultation they believe is required. When the proposal or decision is considered to be significant the report will include a statement addressing the appropriate observance of the Local Government Act 2002. The final decision about the significance of any matter rests with elected members who will also take into account other factors such as urgency, safety and commercial sensitivity.

#### 4. When Council Won't Consult or Engage

There are times when we won't normally consult with the community because the issue is routine, or operational or because there is an emergency. The Council will not engage on:

- Emergency management activities such as during a state of emergency
- Decisions that have to be made urgently and it is not reasonably practicable to consult
- Decisions to act where it is necessary to comply with the law
- Decisions that are confidential or commercially sensitive as prescribed under the Local Government Official Information Act 1987
- Commercial decisions that are time sensitive
- Organisational decisions (such as staff changes and operational matters) that do not materially change a level of service
- Decisions with regard to legislative requirements and enforcement activities
- Any decisions that are made by delegation/sub-delegation to officers (detailed in CODCs Delegation Register)
- Any matter where the costs of consultation materially outweigh the benefits of it
- Entry or exit from a development agreement (private contract) as per section 207A Local Government Act 2002
- An issue where Council already has a good understanding of the views of the persons likely to be affected by or interested in the matter e.g. resident opinion survey, community plans, community meetings
- A matter that Council has consulted on in the last 24 months, where there has been no material change to the issue over this period

When Council doesn't consult it is still required to consider the views and preferences of persons likely to be affected by, or have an interest in the proposal or decision.

#### 5. Policy Review

The policy will be reviewed at a minimum of every three years during the first six months of the new triennium; as required by any legislative changes or other reason.

Changes to this policy do not have to be made through the Special Consultative Procedure and may be made by Council resolution.

# Appendix 1

## ENGAGEMENT LEVELS AND METHOD

Level of Community Engagement	Engagement Examples	Engagement Toolbox (Council will use a combination of methods considered most appropriate and not limited to those listed)
High (including Special Consultative Procedure)	<ul style="list-style-type: none"> <li>• Long Term Plan (LTP)</li> <li>• District Plan</li> <li>• Annual Plans (where there are significant or material differences to the LTP)</li> <li>• Transferring ownership or control of a strategic asset</li> <li>• Making, amending or revoking</li> </ul>	<ul style="list-style-type: none"> <li>• Statutory notice (if required)</li> <li>• Advertising newspaper and radio</li> <li>• Media releases/website news</li> <li>• Social Media</li> <li>• Drop-in sessions/roadshows or public stands/public meetings</li> <li>• Rates newsletter article (if/when timing allows)</li> <li>• Consider targeted consultation if any special interest groups or stakeholders (email/letter/direct contact)</li> <li>• Hard copies available at Council facilities (service centres and libraries)</li> <li>• Submissions (by mail, email, online)</li> <li>• Hearings</li> <li>• Public decision</li> <li>• Direct feedback to submitters</li> </ul>
Medium	<ul style="list-style-type: none"> <li>• Making minor bylaw changes</li> <li>• Electoral system review</li> <li>• Resident Opinion Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Statutory notice (if required)</li> <li>• Advertising</li> <li>• Media releases/website news</li> <li>• Social Media</li> <li>• Drop-in sessions</li> <li>• Rates newsletter article (when timing allows)</li> <li>• Consider targeted consultation if any special interest groups or stakeholders (email/letter/direct contact)</li> <li>• Hard copies available at Council facilities (service centres and libraries)</li> <li>• Feedback opportunities (by mail, email, online)</li> <li>• Feedback via website/public notices/media</li> </ul>
Low	<ul style="list-style-type: none"> <li>• Road works</li> <li>• Maintenance work on Council infrastructure</li> <li>• Annual Report adoption</li> <li>• Holiday closures</li> <li>• Service disruptions</li> </ul>	<ul style="list-style-type: none"> <li>• Media release/website news or media advisory/website note/spotlight (as appropriate)</li> <li>• Advertising</li> <li>• Social Media</li> <li>• Targeted information for any known special interest groups or stakeholders</li> </ul>

Very high degree of significance

Very low degree of significance

SIGNIFICANCE

# Appendix 2

## Local Government Act 2002

### 5. INTERPRETATION

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 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.

# Appendix 3

## Local Government Act 2002

### 83. SPECIAL CONSULTATIVE PROCEDURE

- (1) Where this Act or any other enactment requires a local authority to use or adopt the special consultative procedure, that local authority must -
  - (a) prepare and adopt -
    - (i) a statement of proposal; and
    - (ii) if the local authority considers on reasonable grounds that it is necessary to enable public understanding of the proposal, a summary of the information contained in the statement of proposal (which summary must comply with section 83AA); and
  - (b) ensure that the following is publicly available:
    - (i) the statement of proposal; and
    - (ii) a description of how the local authority will provide persons interested in the proposal with an opportunity to present their views to the local authority in accordance with section 82(1)(d); and
    - (iii) a statement of the period within which views on the proposal may be provided to the local authority (the period being not less than 1 month from the date the statement is issued); and
  - (c) make the summary of the information contained in the statement of proposal prepared in accordance with paragraph
    - (a)(ii) (or the statement of proposal, if a summary is not prepared) as widely available as is reasonably practicable as a basis for consultation; and
  - (d) provide an opportunity for persons to present their views to the local authority in a manner that enables spoken (or New Zealand sign language) interaction between the person and the local authority, or any representatives to whom an appropriate delegation has been made in accordance with Schedule 7; and
  - (e) ensure that any person who wishes to present his or her views to the local authority or its representatives as described in paragraph (d)-
    - (i) is given a reasonable opportunity to do so; and
    - (ii) is informed about how and when he or she may take up that opportunity.
- (2) For the purpose of, but without limiting, subsection (1)(d), a local authority may allow any person to present his or her views to the local authority by way of audio link or audiovisual link.
- (3) This section does not prevent a local authority from requesting or considering, before making a decision, comment or advice from an officer of the local authority or any other person in respect of the proposal or any views on the proposal, or both.

### 77 Requirements in relation to decisions

- (1) A local authority must, in the course of the decision-making process,—

- (a) seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
- (b) assess the options in terms of their advantages and disadvantages; and
- (c) if any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Maori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.

(2) This section is subject to section 79.

### **78 Community views in relation to decisions**

(1) A local authority must, in the course of its decision-making process in relation to a matter, give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter.

(2) [Repealed]

(3) A local authority is not required by this section alone to undertake any consultation process or procedure.

(4) This section is subject to section 79.

### **80 Identification of inconsistent decisions**

(1) If a decision of a local authority is significantly inconsistent with, or is anticipated to have consequences that will be significantly inconsistent with, any policy adopted by the local authority or any plan required by this Act or any other enactment, the local authority must, when making the decision, clearly identify—

- (a) the inconsistency; and
- (b) the reasons for the inconsistency; and
- (c) any intention of the local authority to amend the policy or plan to accommodate the decision.

(2) Subsection (1) does not derogate from any other provision of this Act or of any other enactment.

### **81 Contributions to decision-making processes by Maori**

(1) A local authority must -

- (a) establish and maintain processes to provide opportunities for Maori to contribute to the decision-making processes of the local authority; and
- (b) consider ways in which it may foster the development of Maori capacity to contribute to the decision-making processes of the local authority; and
- (c) provide relevant information to Maori for the purposes of paragraphs (a) and (b).

(2) A local authority, in exercising its responsibility to make judgments about the manner in which subsection (1) is to be complied with, must have regard to—

- (a) the role of the local authority, as set out in section 11; and
- (b) such other matters as the local authority considers on reasonable grounds to be relevant to those judgments.

### **82 Principles of consultation**

(1) Consultation that a local authority undertakes in relation to any decision or other matter must be undertaken, subject to subsections (3) to (5), in accordance with the following principles:

- (a) that persons who will or may be affected by, or have an interest in, the decision or matter should be provided by the local authority with reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those persons:
- (b) that persons who will or may be affected by, or have an interest in, the decision or matter should be encouraged by the local authority to present their views to the local authority:



- (c) that persons who are invited or encouraged to present their views to the local authority should be given clear information by the local authority concerning the purpose of the consultation and the scope of the decisions to be taken following the consideration of views presented:
  - (d) that persons who wish to have their views on the decision or matter considered by the local authority should be provided by the local authority with a reasonable opportunity to present those views to the local authority in a manner and format that is appropriate to the preferences and needs of those persons:
  - (e) that the views presented to the local authority should be received by the local authority with an open mind and should be given by the local authority, in making a decision, due consideration:
  - (f) that persons who present views to the local authority should have access to a clear record or description of relevant decisions made by the local authority and explanatory material relating to the decisions, which may include, for example, reports relating to the matter that were considered before the decisions were made.
- (2) A local authority must ensure that it has in place processes for consulting with Maori in accordance with subsection (1).
- (3) The principles set out in subsection (1) are, subject to subsections (4) and (5), to be observed by a local authority in such manner as the local authority considers, in its discretion, to be appropriate in any particular instance.
- (4) A local authority must, in exercising its discretion under subsection (3), have regard to—
- (a) the requirements of section 78; and
  - (b) the extent to which the current views and preferences of persons who will or may be affected by, or have an interest in, the decision or matter are known to the local authority; and
  - (c) the nature and significance of the decision or matter, including its likely impact from the perspective of the persons who will or may be affected by, or have an interest in, the decision or matter; and
  - (d) the provisions of Part 1 of the Local Government Official Information and Meetings Act 1987 (which Part, among other things, sets out the circumstances in which there is good reason for withholding local authority information); and
  - (e) the costs and benefits of any consultation process or procedure.
- (5) Where a local authority is authorised or required by this Act or any other enactment to undertake consultation in relation to any decision or matter and the procedure in respect of that consultation is prescribed by this Act or any other enactment, such of the provisions of the principles set out in subsection (1) as are inconsistent with specific requirements of the procedure so prescribed are not to be observed by the local authority in respect of that consultation.

**82A Information requirements for consultation required under this Act**

- (1) This section applies if this Act requires a local authority to consult in accordance with, or using a process or a manner that gives effect to, the requirements of section 82.
- (2) The local authority must, for the purposes of section 82(1)(a) and (c), make the following publicly available:
- (a) the proposal and the reasons for the proposal; and
  - (b) an analysis of the reasonably practicable options, including the proposal, identified under section 77(1); and
  - (c) if a plan or policy or similar document is proposed to be adopted, a draft of the proposed plan, policy, or other document; and
  - (d) if a plan or policy or similar document is proposed to be amended, details of the proposed changes to the plan, policy, or other document.
- (3) In the case of consultation on an annual plan under section 95(2), instead of complying with subsection (2), the local authority must prepare and adopt a consultation document that complies with section 95A.
- (4) Nothing in this section applies where the special consultative procedure under section 83 is required to be used.
- (5) Nothing in this section limits the application of section 82.



# Significant Forecasting Assumptions and Risks

We have outlined the two key principles that underpin our 10-Year Plan, being affordability and sustainability. In everything we do as a Council we want to ensure we are operating in an affordable and sustainable manner.

We have acknowledged from the start that these issues are so significant and dynamic that we can only react to them as they arise. So we are focusing our efforts on the long-term sustainability of our services. We want to build future resilience from these issues where we can. There is a risk in this approach.

This approach highlights the need for close and effective consultation that the community actually understands. It also highlights the need for Council and community boards to assume a strong leadership role.

Fortunately we have the opportunity to update our 10-Year Plan each year during the annual plan process in the instance things do change dramatically.

In preparing forecasts, both financial and non-financial, there is a need to provide assumptions to address the uncertainties of the future. This is important for a number of reasons, including:

- allowing readers of the forecasts to understand the basis that financial information has been prepared on.
- providing a means of explaining differences that will inevitably occur between the actual result and that which was forecast.
- ensuring risks faced by the organisation in the future have been appropriately identified and evaluated.

## Government Policy

This 10-Year Plan has assumed that there will be no changes in legislation under which Council operates, that will impact financial estimates over the 10-Year Plan. Changes in Government policy may directly impact the financial estimates of Council. This risk of this assumption is medium.

## Sources of Funds for Future Replacement of Significant Assets

Sources of funds for the future replacement of significant assets are in accordance with Council's Revenue and Financing Policy. Sources of funding include depreciation reserves, general reserves and borrowing. This risk of this assumption is low.

## Staffing and Resources

The gap between national and Central Otago wages is a known issue for securing and retaining skilled staff. There is an ongoing risk to the sustainability of our services through skill shortages. But there are unique lifestyle trade-offs that this district can offer to staff and we will continue to focus on these. The risk of this assumption is medium.

## Growth Projections

Population, dwelling and demographic projections are produced three-yearly to support long-term planning. They underpin all demand projections within activity management plans. They are also incorporated into development contributions and income projections. Our resident population is projected to be 22,230 by 2028 from approximately 20,500 today. Our visitor peak day numbers is projected to be 18,240 in 2028 from approximately 15,280 today. Our growth projections are derived from Statistics NZ with local growth factors included.

An over or under estimation of growth could lead to an over or underinvestment in infrastructure and services. We monitor asset capacity and development contributions income against projections annually and adjust assumptions accordingly. The risk of this assumption is medium.

Council is considering the role the district has in balancing the affordability of sustaining our smaller rural towns over the next period of time. The risk of this assumption is medium.

## Population Changes

Central Otago has a significantly larger proportion of older residents in its population compared to the rest of New Zealand. The current proportion of people aged 65+ in our district is 21%. This proportion is expected to increase to 28% by 2030. Council has considered this shift and its effect in the planning for major capital projects. This risk of this assumption is medium.

## Average Household Size

The average household size of a given area is the total resident population divided by the total number of households. A household can be one person who usually resides alone, or two or more people who usually reside together and share facilities in a dwelling. There may be more than one family in a household. The average household size for the district is currently 2.32 and is projected to be 2.26 in 2028. This risk of this assumption is low.

### **Third Party Funding Sources**

A number of projects, including many community facility projects are reliant on funding from other sources. It is assumed that funding will continue at current levels to be available as planned, as a conservative approach has been taken. The risk of this funding not being available is low.

### **Vested Assets**

From time to time Council will receive privately constructed infrastructure assets vested in Council for ongoing management. There is a great deal of uncertainty around the amount and makeup of vested assets and as such vested assets are not included in council's plans. The long-term financial impacts of vesting assets into Council is assessed before transfer. The risk of this assumption is low.

### **Natural Disasters and Business Continuity**

We assume that in the event of a significant disaster, natural or man-made, Council can continue to provide sufficient services to the community. Council has a Disaster Relief Fund of just over \$2 million in case of a natural disaster. This would likely only fund the initial response effort. We have assumed we, if required, external borrowing would be utilised to fund the clean-up and ongoing capital work to rebuild damaged underground assets, for which we don't currently insure, should any major disaster occur. There is a risk, in that depending on the extent of the disaster the borrowing may be difficult to acquire. However due to the size and spread of our communities we consider it unlikely a disaster would affect the entire district at any one time, which should mitigate any borrowing difficulties. Alongside us, Central Government also has a role in disaster recovery and restoration works after natural disasters happen.

We are also undertaking lifelines planning for all core services to improve the resilience of infrastructure critical to the community's well-being. Assessments of all earthquake-prone buildings is also underway. Other than increased insurance costs, there is no other allowance in this plan for funding the repair of infrastructure and riverbanks damaged by any future natural disasters. Equally, the occurrence of drought has a major impact by reducing the incomes of primary sector businesses; this will influence decisions on the affordability of the 10-Year Plan. The risk of this occurring is medium.

### **Asset Sales**

Selling some property assets has been proposed within this plan. Money collected from selling property assets will be used to fund proposed upgrades to social infrastructure, particularly the town centre upgrade project in Cromwell, or to reduce financial liabilities. There is a risk that the proceeds from asset sales is not as much as anticipated. The viability of such proposals will be reconsidered in this instance. The risk of this occurring is medium.

### **Asset Purchases for investment purposes**

The plan assumes proceeds for asset sales will be invested in cash due to the uncertainty of the type and timing of reinvestments. Council will work over the following 18mths to develop and investment strategy that will provide more clarity in regard to reinvestments. The operating and capital expenditure is not dependent on either asset sales or asset reinvestment. The risk of this occurring is medium.

### **Climate Change**

Climate change will increasingly affect the district in the future, however the effect over the next 10 years is not likely to be significant. Council will assess the effect of climate change through its 3 yearly reviews of the Asset Management Plans, Long Term Plan, Financial Strategy and Infrastructure Strategy. The risk of direct impact from climate change within the 10-Year Plan timeframe is low.

### **Financial Assumptions**

Our Financial Strategy specifies how we will manage our finances into the future. We also have a Revenue and Financing Policy that defines how we decide to fund Council expenditure. Each contains specific financial assumptions. The following assumptions are further to these.

### **Interest Rates**

We plan not to borrowing externally within this 10-Year Plan. We have assumed the following interest rates:

Interest on internal borrowings is 4.5% throughout the 10-Year Plan.

Interest on external investments is 3.5%.

There is a reasonable risk of interest rate movement, however we will consider hedging against this risk.

We have also assumed that facilities to borrow externally will be available when required, based on recent discussions with our bankers.

### **Cost Increases**

Inflation reflects erosion in the buying power of money. Each dollar buys less and less goods and services over time.

Depreciation staff, costs and some expenditure items have inflation applied from year 1 of the plan. The majority of the balance of the expenditure forecasts for each activity are input in the dollars of the relevant year for the first three years (e.g. water and wastewater renewals and other operational expenditure lines such as maintenance contracts). Where cost

change has been applied for these years, Council has used the BERL indices shown below. For all years from 2022 to 2028 the BERL indices shown below have also been applied. The risk of this assumption is medium.

	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4 2021/22	Year 5 2022/23	Year 6 2023/24	Year 7 2024/25	Year 8 2025/26	Year 9 2026/27	Year 10 2027/28
<b>Inflation Adjustment Range</b>	1.6% to 2.3%	1.6% to 2.5%	1.7% to 2.3%	1.8% to 2.4%	1.8% to 2.4%	1.9% to 2.5%	1.9% to 2.6%	2% to 2.6%	2% to 2.7%	2.1% to 2.8%

### Project Estimates

Project estimates of cost and timing are based on the best available scope, asset and market information available at the time of planning. Our Procurement Strategy defines the delegations and tendering requirements of projects. Significant estimates are independently peer reviewed. The timing of projects are assumed to be as planned unless significant changes to a project occurs.

The wastewater scheme at Clyde is based on an initial study with the estimated costs being based on an accuracy of  $\pm$  30%. These costs will be refined during the design process.

The risk of any significant changes is reasonably low.

### Asset Revaluations and Data Accuracy

Assets are revalued at least three-yearly to understand their worth and condition. We make assumptions on an asset's useful life and its replacement cost based on market information and professional knowledge. We mitigate the risk of these assumptions by revaluing some assets annually and undertaking regular site visits.

Asset renewal and maintenance forecasts are based on the condition and the remaining life of infrastructure assets. This data is captured within the field and stored in dedicated databases. The accuracy of asset data has a direct impact on the accuracy of renewals and maintenance forecasts. We measure the accuracy of this data and have targets to improve its accuracy. We also have acceptable levels of confidence around asset valuations and data, which are also targeted for continuous improvement. Revaluations in the 10 year plan are based on BERL indices for the appropriate asset class. The risk associated with the revaluations is considered low.

### Depreciation

Depreciation of existing assets have used the current depreciation rates based on the remaining useful lives of the assets. New assets have been assigned estimated lives based on similar assets from the existing asset register. For larger assets the asset lives are based on the predominate asset. The risk of any significant changes is medium.

### New Zealand Transport Agency funding

Each year New Zealand Transport Agency funds the majority of council's roading expenditure currently at a rate of 51%. The Roothing programme presented in Councils 10 Year Plan also has planned funding from NZTA at a rate of 51% for all appropriate roading expenditure. The risk of any significant changes is reasonably low.

### Clyde Wastewater

Within the options for Clyde Wastewater, presented in the Consultation Document, there are payment options for the connection fee. The payment option would give the Clyde residents a choice to make a one-off payment or to pay a set amount for 10 years, equivalent to the repayments required to repay the connection fee over 10 years at a 5% interest rate. The interest rate is set to recover any charges and costs incurred in administrating the 10-year repayments to make both alternatives cost neutral to Council. The 10-Year Plan assumes that 50% of Clyde residents in stage one pay the one-off connection fee of \$10,000, with the other 50% electing to pay \$1,277 per annum for 10 years from connection.