

Westland District Council

Infrastructure Strategy

2025/26-2054/55

Executive Summary

Infrastructure is a critical part of what we (Council) deliver to the community. This infrastructure Strategy highlights the significant infrastructure issues and challenges we anticipate in the management of infrastructure over the next 30 years. Essentially, it sets out our 30-year vision and plan for our communities. Our strategy includes all the infrastructure activities of Council. These are:



3 Waters



Land Transport



Buildings and Facilities



Parks, Reserves and Cemeteries



Solid Waste



West Coast Wilderness Trail

As a district we face affordability challenges due to ageing infrastructure and a lack of investment in depreciation and renewals to artificially deflate rates in previous years. This combined with the changing legislative requirements particularly in 3Waters, Solid Waste and Transport activities.

In this infrastructure strategy we acknowledge that we need to provide a balance between an affordable work programme with an appropriate investment in our infrastructure, mitigate the negative impacts of climate changes and enhance the resilience of infrastructure for the long-term benefit of the community.

Priorities for 2025 - 2054

Our priority is to maintain and renew our assets in order to meet current and anticipated community needs. Many of our assets are at the end of their useful lives. Over the next 30 years, Council plans to focus on renewal of existing assets based off a lifecycle management approach and a risk-based renewal strategy. Alongside renewals, responding to government reform and addressing increasing community expectations are high priorities.

Our planned response: projected capital expenditure over 30 years

Figure 1 shows the \$483 million capital expenditure across 30 years broken down by asset activity (%). All financial information provided in this strategy includes inflation and excludes GST unless otherwise stated.

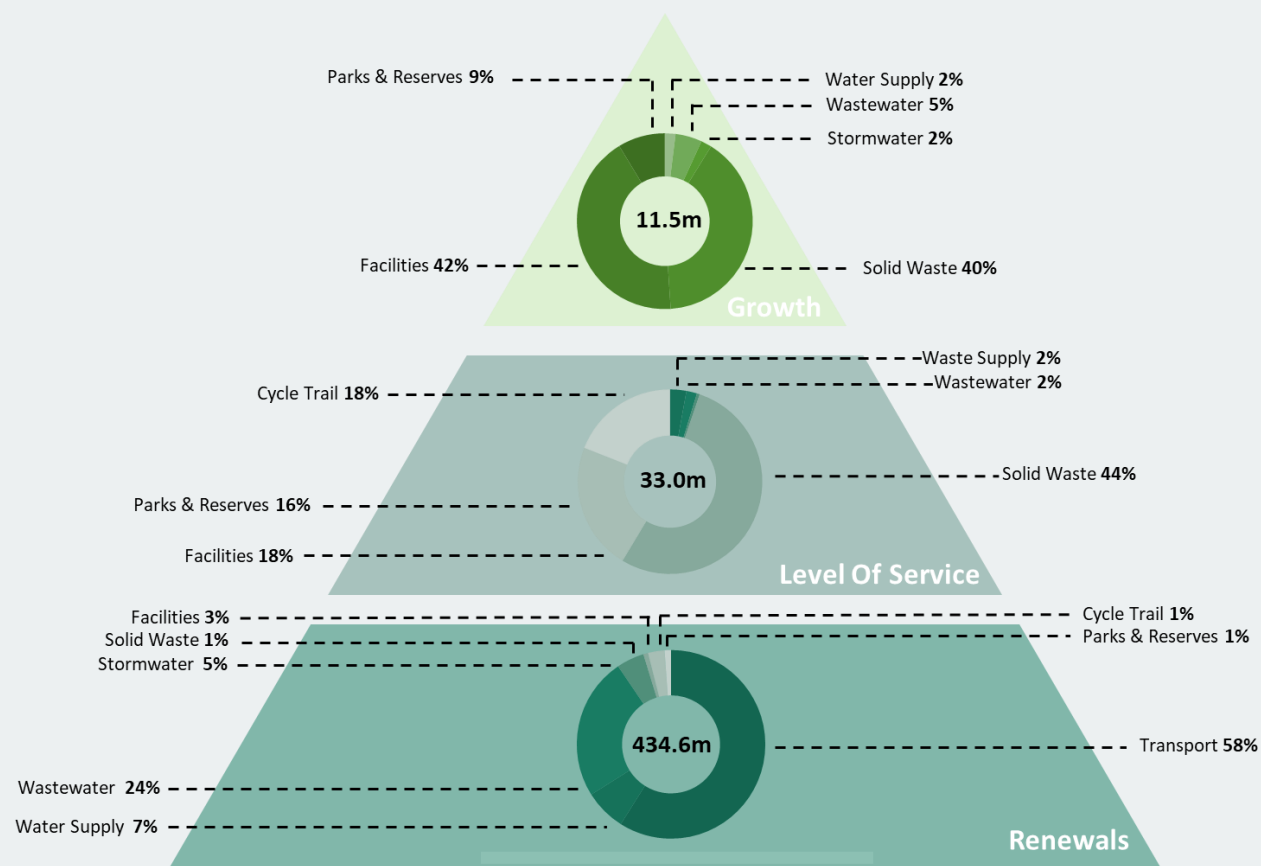


Figure 1: Projected 30-Year Capital Expenditure

Key Challenges

We have six key challenges that are driving our infrastructure decisions. These are:



Rates Affordability



Providing for Tourism



Responding to Legislative Reform



Resilience of Infrastructure



Renewal of Ageing Infrastructure



Collaboration across the West Coast Region

In response to these challenges, this Infrastructure Strategy provides an overview of the most likely scenario for managing our infrastructure.

Asset Management Approach

We aim to achieve best practice asset management and has a coordinated approach across the entire lifecycle of our assets. We understand that poor asset management and asset failures lead to risks and poor outcomes for our community. We have comprehensive asset management

plans for our infrastructure assets that are reviewed and updated every three years to inform the Long-Term Plan and the Infrastructure Strategy. This ensures we are meeting the intended outcomes for our community. The Council's asset and management approach is to:

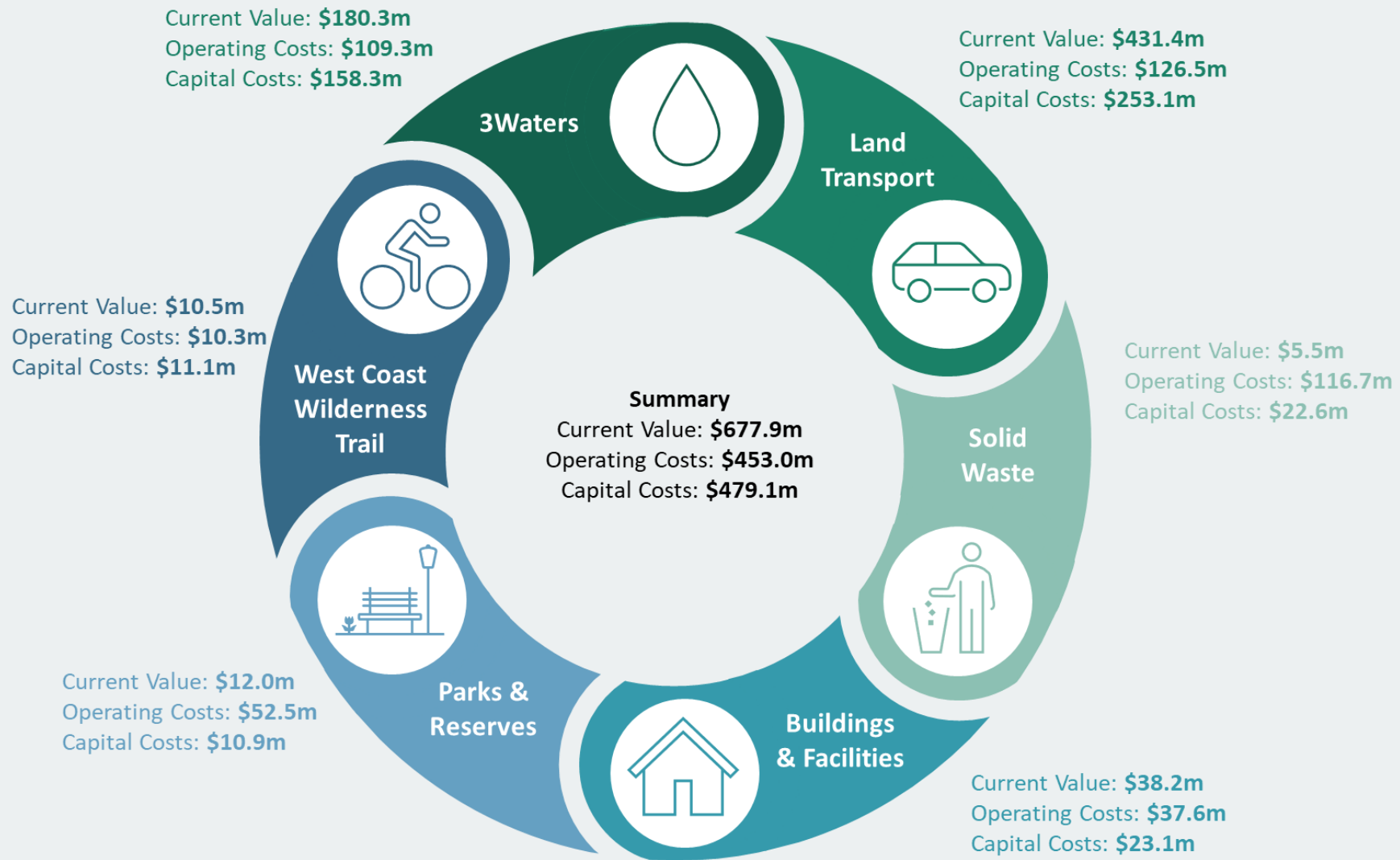
- Maintain the existing networks;
- Implement upgrades required to meet legislative and regulatory compliance;
- Undertake asset renewals through coordinated programmes;
- Consider the level of demand for services and plan infrastructure response accordingly; and
- Ensure vested assets are appropriate and of the standard required.

Our asset management approach applies the policy statement, principles and objectives in the Asset Management Policy (2024) for the sustainable management of Council's infrastructure. The appropriate levels of management practice for our activities are set in our policy as 'Core'. Effective asset management requires the balance between levels of service, risk and cost. Our day-to-day approach includes:

- Adopting a lifecycle management approach.
- Continuing to invest in asset management systems;
- Adopting a risk-based renewal program; and
- Continuing to invest in a capital delivery program.

Activity Summary

The current value of our assets is \$677.9 million¹, this is split across six activities with 3Waters and Land Transport being the largest. A summary of our assets is shown below.



¹ June 2024 values from our Asset Valuation Report



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1. Introduction

1.1. Purpose

The purpose of this Infrastructure Strategy (IS) is to identify the significant infrastructure issues for Westland District Council (Council) over the next 30 years, to identify the options for managing those issues and the implications of those options. This strategy has been prepared in compliance with the requirements of Section 101B of the Local Government Act 2002 (LGA).

In part of managing infrastructure, the infrastructure strategy also considers:

- Legislative requirements which may change over time;
- Planned increases or decreases in levels of service;
- Managing the renewal or replacement of infrastructure over their lifetime;
- Responding to growth and demand;
- Responding to the impacts of natural hazards and climate change; and
- Management of risk.

1.2. Scope

The infrastructure strategy covering the following infrastructure:

-  **3Waters (Water, Wastewater and Stormwater)**
-  **Land Transport**
-  **Buildings and Facilities**
-  **Parks, Reserves and Cemeteries**
-  **Solid Waste**
-  **West Coast Wilderness Trail**

1.3. Strategy Layout

The IS is split into eight sections. Each section can be matched to requirements of the Local Government Act 2002, section 101B as shown in Table 1-1.

Table 1-1. Structure of the IS

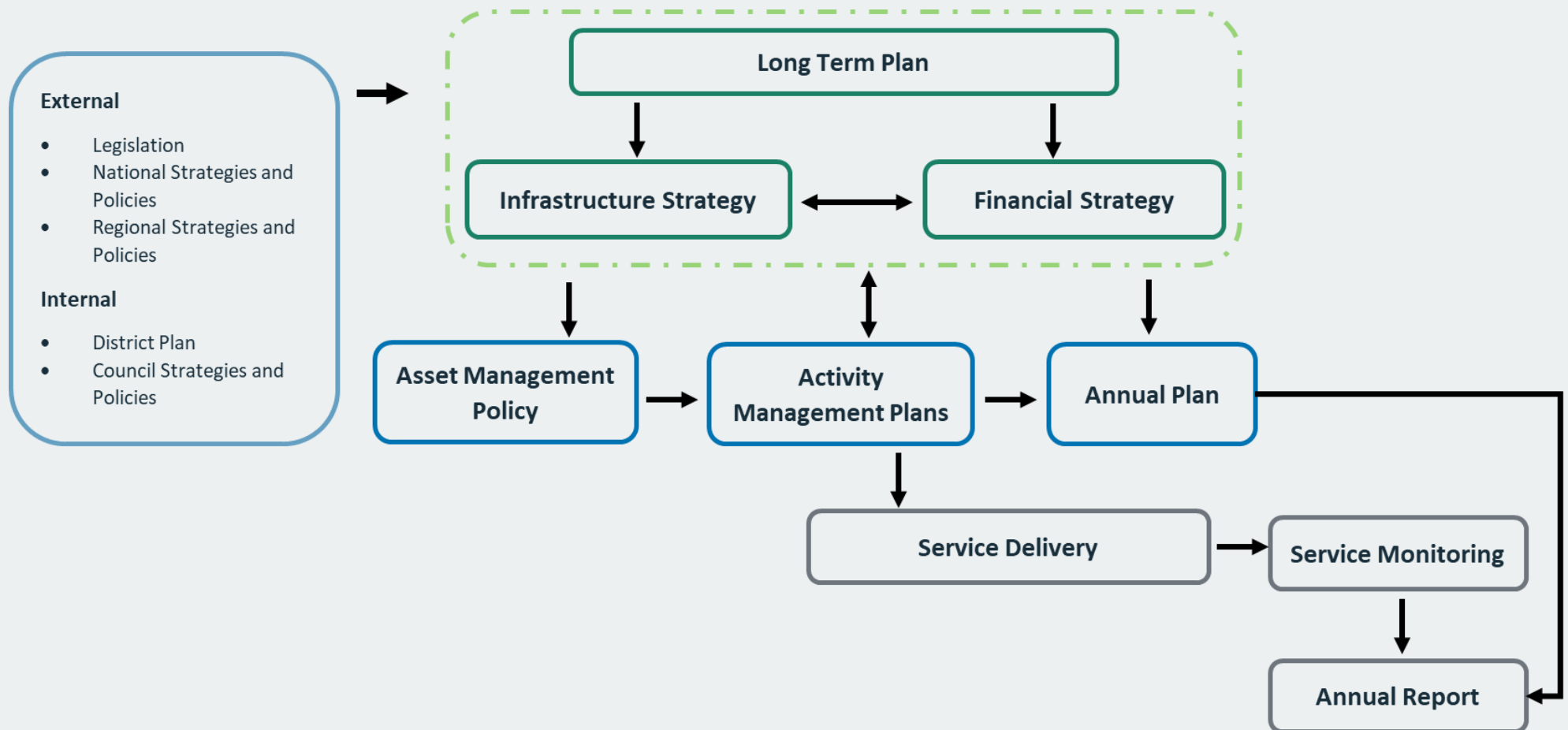
Strategy Section	Description	LGA Section
Introduction	Identifies the strategy's purpose, scope and layout.	N/A
Strategic Context	Positions the IS in the planning framework, introduces our District and provides context for the legislative environment.	N/A
Infrastructure Overview	Summarises the assets across our District.	N/A
Infrastructure Challenges and Decisions	Outlines key challenges, decisions and our capital expenditure programme.	2
Asset Management Approach	Describes our asset management approach.	3
Risk Management	Provides an overview of our approach to risk, natural hazards and climate change. Alongside our planning assumptions.	4 (c, d)
Infrastructure Plan	Provides a summary of our asset age, condition, levels of service and forecasted expenditure. Alongside our responses to key challenges to form the most likely scenario.	4 (a, b)
Financial Summary	Identifies our financial forecasts and the funding approach for 30 years.	N/A

This strategy has a 30-year planning horizon and is reviewed every three years. More in-depth information can be found in the Long-Term Plan (LTP) and respective Activity Management Plans (AcMPs), which are guided by this strategy as well as providing content for the IS. All of the AcMPs, strategies, plans and policies that provide the framework for decision making can be found on our website.

2. Strategic Context

2.1. Links with other Council Documents

The IS is part of a set of strategies, plans and operational documents which guide our strategic planning and direction. A summary of the planning framework is shown below. Key interconnections are identified on the next page, with activity specific context identified in the respective AcMPs.





Long Term Plan

The Long-Term Plan (LTP) presents a blueprint for the delivery of Council services over the next nine years, including our major projects, expected income and costs, and what rates will be needed during this time.

How does the Infrastructure Strategy relate?

The IS is supporting part of the LTP, providing an additional 20-year outlook on our infrastructure assets.

Financial Strategy

Alongside this IS, we also prepare a Financial Strategy which outlines the financial vision for the next nine years and the impacts on rates, debt, levels of service and investments. It guides the future funding decisions and, along with this IS, informs the capital and operational spending for our LTP and IS. Infrastructure activity expenditure forms a large proportion of our spending. Consequently, the IS and Financial Strategy are closely linked, ensuring the right balance between providing agreed levels of service within appropriate financial limits.

How does the Infrastructure Strategy relate?

The IS informs planned expenditure in infrastructure and incorporates Financial Strategy considerations into our planning.

Asset Management Policy

Council has established a level of assessment management maturity for each activity through the Asset Management Policy to ensure that AcMPs developed are fit for purpose in the context of Westland.

How does the Infrastructure Strategy relate?

The IS aligns with the Asset Management Policy.

Activity Management Plans

AcMPs are developed for each activity or asset group detailing analysis of issues and actions proposed to ensure appropriate levels of service are provided to the community, ranging from maintenance to responding to growth and planning new projects.

How does the Infrastructure Strategy relate?

AcMPs are the base information for the IS.

Annual Plan

In each of two interim years where a LTP is not developed, we prepare an Annual Plan. This determines the specific projects, resourcing and budgets for the year ahead.

How does the Infrastructure Strategy relate?

The IS is a supporting part of the Annual Plan, providing an additional 29-year outlook on our infrastructure assets.

Annual Report

The Annual Report measures the performance of local authorities. It compares what Council did against what was planned through the LTP or Annual Plan. A Council needs to adopt an annual report within four months of the end of financial year.

How does the Infrastructure Strategy relate?

The IS is a supporting part of the LTP, the Annual Plan provides progress against the LTP and therefore the IS.

Legislation

National legislation provides requirements for asset management and operations for activities. These include the Local Government Act, Water Services Bill, Reserves Act, Resource Management Act and Health and Safety Act.

How does the Infrastructure Strategy relate?

The IS and how we manage and plan for our infrastructure is aligned with legislative requirements.

National and Regional Strategies and Policies

National and Regional Plans provide objectives and requirements for asset management and operations for activities. These include the national infrastructure plan.

How does the Infrastructure Strategy relate?

The IS and how we manage and plan for our infrastructure is aligned with national and regional strategies and policies.

District Plan

The District Plan (currently under review) determines resource management issues, objectives, policies, methods and sets rules which control and manage development while ensuring that the important characteristics of our district can be protected. The District Plan identifies the form

and scale of development which impacts the form and scale of infrastructure required. The Proposed Te Tai O Poutini Plan is a combined district plan for Buller, Grey and Westland. This plan will replace our District Plan and is expected to be operative in 2026.

How does the Infrastructure Strategy relate?

The IS is guided by the provisions of the District Plan and engineering development standards.

Operational Strategies, Plans and Policies

We have a range of plans and policies which guide the operations of activities. These include the Waste Management and Minimisation Plan, Reserve Management Plans, Procurement Strategy, Procurement Policy and Revenue and Financing Policy.

How does the Infrastructure Strategy relate?

The IS and how we manage and plan for our infrastructure is aligned with these plans and policies.



2.2. Westland District

Westland District Council / Te Kahui o Poutini is the southernmost Council in the West Coast / Te Tai Poutini Region along with Buller and Grey District Councils to the north.

The Westland District is one of the most remote areas in the country and consists of a long narrow strip of land located between the Tasman Sea and the Main Divide of the Southern Alps. The district stretches 400 kilometres from the Taramakau River in the north to Barn Bay in the south. At the widest point, the distance between the coast and mountains is just 50 kilometres. Our District has the second largest land area for a territorial authority at approximately 1.2 million hectares, with Conservation Estate accounting for over 80% of this.

Te Tai Poutini is marketed for its untamed natural wilderness, with the natural environment containing glaciers, temperate rainforest, and World Heritage Sites. The headwaters of the Southern Alps receive over 10 meters of rainfall annually. This high rate of precipitation, coupled with the topography of the land, increases the frequency of natural hazards which impose significant threats to the economy and infrastructure.

Our District is sparsely populated, having the lowest population density in the country of $0.75/\text{km}^2$. Residents reside from Ōtira in the north to Jackson Bay in the south. Hokitika is the most populous centre, with approximately 32% of the District's population.

State Highway 6 runs the length of our District and provides the only link between townships, as shown in Figure 2-1, there are no alternative routes between the major townships via local roads. Therefore, the State Highway is considered a critical asset for our District due to its importance for communities, the economy and tourism.

We are subject to a range of natural hazards including coastal, flooding, earthquakes, and land instability. Alongside this we are known as the wettest district in the country, with more than 10m of rainfall annually. Earthquakes are potentially the most devastating natural hazard to our District. The Alpine Fault Line, one of the largest faults in the world, runs through the entire length of our District and is now overdue for rupture.

Figure 2-1. Map of Westland



2.3. Mana Whenua

Te Rūnanga o Makaawhio and Te Rūnanga o Ngāti Waewae, known together as Poutini Ngāi Tahu, are the mana whenua of Westland District and majority of the South Island. Poutini Ngāi Tahu represent the first inhabitants of the lands several hundred years ago and, as such, have a deep connection and commitment to the environment, economy, people, and communities of the district.

The Manatu Whakaaetanga Partnership Agreement fosters Māori contribution to local decision-making processes and is embedded in the way we operate. Major infrastructure projects require significant input from mana whenua to ensure that cultural considerations are understood and provided for, alongside other factors. We aim to collectively agree what and how our new infrastructure is constructed to ensure our growth is sustainable and we protect the values and taonga that make our District special. The Chairs of Te Rūnanga o Ngāti Waewae and Te Rūnanga o Makaawhio are full members of Council Committees and participate without voting rights in our Council meetings.



2.4. Population Trends

Our District’s resident population (2022) is estimated at 8,810 with 6,573 ratepayers (rateable assessments as at 30 June 2023). We have experienced slow but steady growth with an overall increase of 10.4% (2001 to 2022). Based on Statistics New Zealand medium population growth forecast, Our population is expected to decline by 500 people between 2023 and 2048. The median age is expected to increase to 52.2 years, with 30% of the district’s population aged over 65 by 2048. The medium growth scenario and resulting age breakdown is shown below in Figure 2-2.

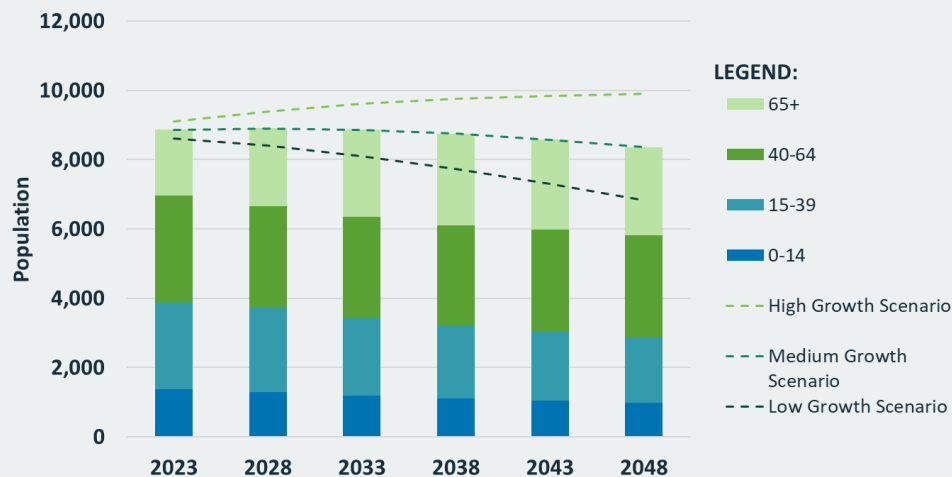


Figure 2-2. Population Projections (2018 to 2048), Statistics New Zealand
Source: Infometrics (December 2022)

The assumptions behind the population projection scenarios are:

- The low projection uses low fertility, high mortality, and low net migration for each area.
- The high projection uses high fertility, low mortality, and high net migration for each area.
- The low and high projections are independent of the national population projections as they represent plausible alternative scenarios for each area.

Our District experiences lower house prices compared to the national averages. This relative affordability coupled with the unique natural environment and strong sense of community, has made our District an attractive option for those looking for a lifestyle change in recent years. However, significant shortages in rental stock, because of seasonal workers and short-stay rentals, has provided challenges for those wanting to move to the district. Our District’s population is diversifying, with an expected increase in Māori, Asian and Pasifika populations due to the migration of domestic and international residents.

We have experienced significant township growth in the last three years with 24 consent applications for subdivisions totalling approximately 260 new residential lots. The majority of these applications are for subdivisions located in Hokitika or the northern ward area between Ross and Kumara. We are currently working with developers on a 100+ lot subdivision on the Hokitika Racecourse land with the help of Kāinga Ora Acceleration Funding. The key changes in demographic factors that have impacted the district are summarised in Table 2-1 below.

Table 2-1. Demographic Impacts on the District’s Economy

Indicators	Key Changes
House Values	1.5% annual percentage increase (latest quarter compared to a year earlier in December 2022)
Rental Stock	Shortages in quality housing for people to rent particularly families which is a challenge in enticing people to move to the district. Westland has the second highest rental affordability.
Residential Consents	50% increase in the number of new dwellings for 2022 and 2023 (compared to a steady 40 new dwellings per year as at May 2023).
Subdivision Consents	260 new residential lots within the last three years (2020 to 2023).

Source: Infometrics (December 2022) and WDC’s consent records (August 2023)

2.5. Economic Trends

The West Coast Region economy showed resilience in the year to September 2024 despite impacts related to COVID-19 recovery on the district. As the economy continues to recover, slow growth is expected in the next eighteen months. Westland’s key economic indicators are shown below in Figure 2-3.

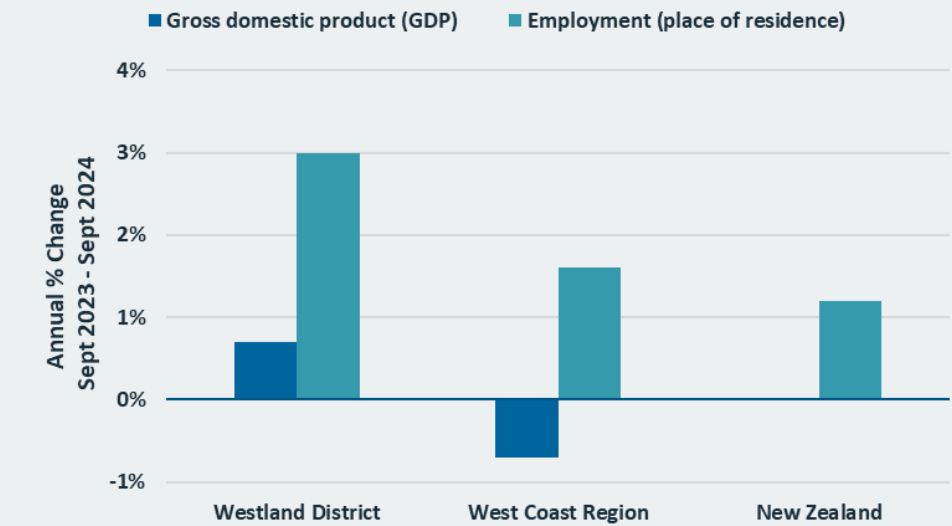


Figure 2-3. GDP and Employment Growth (September 2023 to September 2024)
Source: Infometrics (September 2024)

Our Districts top industries (as a percentage of GDP) are shown in Figure . Other industries include arts and recreation services, transport, postal and warehousing and retail trade. The primary industries are expected to face additional pressure and challenges due to global growth constraints which have been driven by high interest rates.

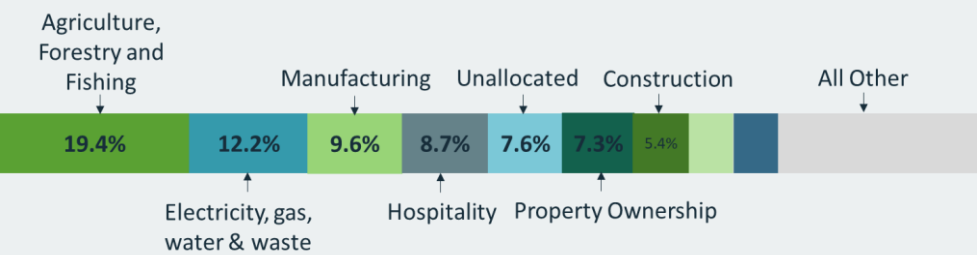


Figure 2-4. Main Industries as a % of GDP (Infometrics – September 2024)

2.6. Tourism Trends

In the first quarter of 2023, there was \$93 million of tourism expenditure in our District with the return of international visitors post the COVID-19 pandemic. This was an 82.4% increase on 2022 and approximately 87% of the annual expenditure pre-pandemic. The Westland District tourism expenditure as a percentage increase for the year to September 2024 at 11.4%, exceeds national (0.9%) and West Coast Region (10.4%) results as shown in

Figure 2-5 below.

Figure 2-5. Tourism Trends (September 2023 to September 2024)
Source: Infometrics (September 2024)

We experience higher than average tourism expenditure and guest nights when compared nationally. The tourism expenditure trends and metrics needs further monitoring and review on how it influences Council’s strategic goals, and its impact on infrastructure, in the medium term, as it recovers.

In the medium to long term, it is expected that international tourist numbers will take longer to recover due to the weak global economy and higher travel costs from the northern hemisphere. The type and forecast of international arrivals may be different than pre pandemic predictions. Tourism is expected to continue to build towards pre-Covid levels.

Our tourism industry focuses on the districts untamed natural environment with drawcards such as the glaciers, Hokitika Gorge and the West Coast Wilderness Trail. The type of tourist activities on the West Coast is expected to change and diversify

as operators move to sustainable practices given the implications of climate change.

There is growth in cultural tourism with new leading edge immersive visitor experience centres, Pounamu Pathway, planned across the West Coast by Westland's Rūnanga. Westland will have tourism hubs in Awarua (Haast) and Hokitika, which will create captivating, immersive visitor experiences, revealing local pūrākau (stories) and showcasing the breathtaking natural scenery.

2.7. Regional Context

The geographic nature of the West Coast has resulted in a lot of regional collaboration. Regional collaboration and maintaining relationships are also essential for Council in responding to legislative changes.

Some of our infrastructure is shared or co-managed with other organisations, for example with Waka Kotahi NZ Transport Agency, West Coast Regional Council, Department of Conservation and neighbouring Councils.

Council collaborates with these organisations to ensure consistency, efficiency and effectiveness in our respective infrastructure work. Council collaborates with neighbouring councils on the initiatives as shown in Table 2-2.

Table 2-2. Regional Collaboration

Activity	Initiatives/Programmes	Councils
All	Te Tai o Poutini (combined District Plan for the West Coast)	West Coast Regional Council, Buller, Grey and Westland District Councils
	Regional Land Transport Activity Management plan and programme business case	Buller, Grey and Westland District Councils
	Development of regional Waste Management and Minimisation Plan	Buller, Grey and Westland District Councils
	Joint procurement for waste collection services contract	Grey and Westland District Councils
	Joint management of the West Coast Wilderness Trail	Grey and Westland District Councils

2.8. National Context

National legislation provides requirements for asset management and operations for activities. The current legislative changes are impacting our long-term planning for infrastructure in the activities of Solid Waste, Transport and 3Waters. These changes are summarised below.

Te Rautaki Para Waste Strategy

Te Rautaki Para Waste Strategy (2023) is the Government's core policy document concerning the future direction of waste management and minimisation in New Zealand. The vision of the Waste Strategy commits New Zealand to a low-emissions, low waste, circular economy by 2050.

The strategy includes three national targets to achieve by 2030:

- **Waste Generation:** Reduce the amount of material entering the waste management system by 10 per cent per person.
- **Waste Disposal:** Reduce the amount of material that needs final disposal by 30 per cent per person.
- **Waste Emissions:** Reduce the biogenic methane emissions from waste by at least 30 per cent.

Alongside the targets, key parts of the strategy that the West Coast needs to plan for include:

- Implications from regulated product stewardship schemes;
- Data collection and reporting requirements;

- Resource recovery infrastructure network (local and national);
- Behavioural changes programmes (local and national); and
- Contaminated land and remediation.

On 1st February 2024, as part of the Te Rautaki Para Waste strategy, the Ministry for the Environment (MfE) announced a move to standardise kerbside recycling across the country as part of the priorities laid out in the Te Rautaki Para. This involves a standardised set of recyclable materials which will be collected from households in urban areas. For us this means introducing a kerbside glass collection.

Given the recent changes, we have reviewed our Waste Management Minimisation Plan which sets out how Council will progress efficient and effective waste management and minimisation in the West Coast Region. It fulfils Buller, Grey and Westland Councils obligations under the Waste Minimisations Act to guide and standardise Waste Minimisation and Management activities on the West Coast. This includes the introduction of the collection of glass from 1 July 2025. The Waste Management Minimisation Plan is due to be approved in March 2025.

Land Transport

The change of central government set a new direction for transportation, released in the final Government Policy Statement (GPS) on Land Transport in June 2024. This was a significant change of strategic direction and national funding priorities. A key change implemented via the GPS is the

introduction of new National Land Transport Plan (NLTP) Activity Classes and the regrouping of individual work categories within these. These changes are:

- **Pothole Prevention Activity Class:** all maintenance and renewal categories for sealed, unsealed roads and drainage have been grouped here with the purpose of investment in resealing, rehabilitating, and drainage maintenance on the local road network.
- **Walking and Cycling Activity Class:** all work categories relating to walking and cycling are now included under this class, previously maintenance and renewals were part of the wider local road network programme.
- **Local Road Operations Activity Class:** all remaining maintenance, operation, and renewal work categories are included here.
- **Bridge & Structures Renewals:** WC216 was previously considered a renewal activity but is now included in the Local Road Improvements Activity Class, potentially increasing the threshold for securing funding via the NLTP for these works.

The result of these changes is that we need to focus on pavement rehabilitations and maintenance, reseals, and drainage improvements and renewals. The NLTP overlooks bridge maintenance which means we will likely end up with good roads and roadside drainage but bridges with load restrictions on them as we cannot afford to maintain them.

Along with these changes the most significant impact has been ringfencing of approved NLTP allocations within each Activity Class, this means the Road Controlling Authorities will be unable to move funding between categories to optimise their spend as the 3-year programme develops. The immediate impact for us is that if we wish to do additional works on Walking, and Cycling or Low Cost, Low-Risk projects this will need to be 100% funded by Council, with no NLTP contribution.

Direction from Central Government was also given to reverse speed management changes that were underway across the District. Additional performance reporting has also been indicated which will come into force early this year.

Local Water Done Well

In September 2024, the first substantive piece of legislation supporting the “Local Water Done Well” policy was enacted. The Local Water Done Well legislation is aimed at addressing New Zealand’s water infrastructure challenges and places emphasis on achieving financial sustainability, appropriate regulation of water services, and ensuring flexibility for communities and councils in determining how their water services will be delivered.

The second bill outlines the Local Water Done Well framework including setting out a requirement for Council to prepare and submit a Water Services Delivery Plan by September 2025. The Act requires that Water Services Delivery Plans:

- Outline future delivery arrangements, and that Councils commit to an implementation plan.
- Include baseline information about water services operations, assets, revenue, expenditure, pricing, and projected capital expenditure, as well as necessary financial arrangement, as the first step to economic regulation.

The bill also streamlines consultation and decision-making processes for establishing Council Controlled Organisations (CCOs). The third bill provides the enduring settings for water services which includes arrangements for new water services delivery system, a new economic regulation and protection regime and changes to the water regulatory framework and the water services regulator. The legislation provides us with an opportunity to revisit our current arrangements. The Act also requires all Councils to consult on the arrangements for the future delivery of water services that Council currently manages. These services include:



Water Supply – Ensuring the provision of safe and reliable drinking water to communities.



Wastewater – Managing the collection, treatment, and disposal of wastewater to protect public health and the environment.



Stormwater – Handling stormwater drainage to reduce flood risk and manage runoff in urban areas.

Council has indicated that establishing an internal business unit would be preferable as a means of providing sustainable and efficient water service delivery, addressing current challenges and planning for future improvements.

The key challenge for us is affordability. We need to create a resilient, sustainable and reliable water services network and provide certainty for our communities on the provision on water services.

We will be consulting on different service delivery options as maintaining the current ‘status-quo’ for delivering water services is not an option due to new legislation and increased compliance. This strategy has been modelled on Councils preferred option.

The statutory environment of Local Waters Done Well is dynamic, and the third bill is currently at the select committee. This means that the legislation is likely to change, and our Local Water Done Well Consultation Document will include alternative delivery options, which will be in addition to our current preferred option.

More information will be available in our Local Water Done Well Consultation Document when this is adopted by Council.

3. Infrastructure Overview

Infrastructure is a term for the pipes, treatment plants, roads, bridges, community halls, pools, parks and other assets that are essential for our communities within our District. We manage a portfolio of infrastructure assets, valued at \$677.9 million (replacement value as at June 2024). Land transport and 3Waters activities contribute to most of the value as shown in Table 3-1 below.

Table 3-1. Infrastructure Overview

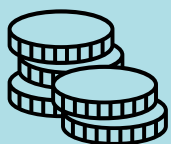
Activity	Asset Summary		Replacement Value	% of total
	390km sealed road 304km unsealed road 104km footpath	23km of culverts and 95 large culverts (≥3.4m ²) 269 bridges Jackson Bay Wharf	\$431.4m	65%
	134km pipelines 9 treatment plants	3 pump stations 45 reservoirs	\$81.4m	12%
	4 wastewater schemes 56km pipelines	6 oxidation ponds 2 maturation ponds 10 pump stations	\$51.0m	8%
	46km pipelines 6 pump stations	859 sumps	\$47.9m	7%
	2 operational landfills 9 closed landfills	5 Refuse Transfer Stations 3,082 properties with kerbside collection	\$5.5m	0.9%
	11 operational buildings 11 community halls 14 Public toilets	15 Art & Culture buildings 4 Emergency Facilities 2 Swimming Pools & 14 recreation buildings	\$38.2m	5.6%
	8 sportsgrounds 6 active community hall reserves 5 playgrounds and 1 skatepark	7.8km walkways (excl. WCWT) 10 operating cemeteries 2 closed cemeteries	\$12.0m	1.8%
	44km off-road cycle trail 52km on-road cycle trail	383 drainage assets 38 bridges and retaining walls	\$10.5m	1.6%
Total replacement value			\$677.9m	100%

4. Infrastructure Challenges and Decisions

4.1. Key Challenges

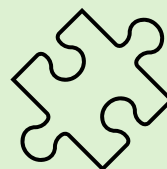
We have identified six key challenges that are driving our infrastructure decisions. These are:

Rates Affordability



We have a small ratepayer base to spread the financial load of meeting the minimum infrastructure requirements. Funding major infrastructure replacements has significant capital implications for Council.

Renewal of Ageing Infrastructure



Our infrastructure is ageing, and our District is approaching an important period to ensure that our infrastructure assets continue to meet the needs of the community now and in the future. We also have a history of deferring renewals. This has led to a bow-wave in necessary renewals across all our activities.

Collaboration across the West Coast Region



Central Government is continuing to push us to collaborate with other West Coast Councils. We fully support this approach as it provides us with opportunities and efficiencies. However, we acknowledge that this causes delays, and more staff time is required when working towards an agreeable solution.

Resilience of Infrastructure



Infrastructure resilience is tested in Westland as it is exposed to a variety of natural hazards coupled with climate change. Earthquakes are potentially the most devastating natural hazard to Westland District as the alpine fault line runs through our District. Climate change is expected to increase the frequency and severity of the natural hazard disasters and stress our infrastructure.

Providing for Tourism



Tourism exerts significant strain on Councils infrastructure. Particularly in South Westland's townships providing for tourist numbers greater than the residents' populations. Council has been successful in the past and managed to win external funding for some tourism-based infrastructure upgrades, however, we now must maintain this infrastructure.

Responding to Legislative Reform



There are continuing financial pressures brought about by shifting government policy. There has been significant disruption this year with the legislative changes that are proposed and underway. These are in Transport, 3Waters and the Solid Waste activity.

4.2. Key Decisions

Our Significance and Engagement Policy provides guidance around which of the significant capital expenditure decisions will form part of the consultation process.

Not every significant infrastructure decision requires consultation. We have identified four key decisions we need to make in-conjunction with the community. These will impact on our 30-year infrastructure plan.

Pakiwaitara Building

We would like to sell the Pakiwaitara building. Since purchasing the building in 2020 the desired benefits have not been achieved, and significant investment is still required to meet the earthquake safety standards and prepare the building for another purpose.

We purchased this building in Hokitika, for \$1.2 million. And are now required to undertake work to bring the entire building to an acceptable earthquake strength standard for it to be used.

Hannahs Clearing Landfill

We would like to remove the waste material at Hannah's Clearing Landfill and transfer it to the Butler's Landfill. A new cell would be constructed to account for the additional waste at Butlers Landfill.

Hannah's Clearing is located on the coast between Haast and Jackson Bay. Our closed landfill is one of five high risk landfill sites. This landfill currently has rock protection but due to its location there are concerns that it may not be secure in the event of a natural disaster.

Jacksons Bay Wharf

We need to upgrade the Jacksons Bay Wharf because it is at the end of its useful life. The wharf is used by the recreational fishing community as well as commercial operators.

Jackson Bay Port is strategically important to Westland and the wider West Coast. Over the last several years, major safety upgrades have been undertaken. However, the Council did not receive enough funding to complete all the repairs the wharf requires.

WCWT - Alternative Route to Ross

We would like to build an alternative route to replace the Totara Bridge on the West Coast Wilderness Cycle Trail.

In August 2024, the Council closed the Totara Rail Bridge near Ross due to serious public safety concerns. Inspections and assessments by engineering consultants WSP identified that the bridge structure had deteriorated to the point that its capacity to support pedestrian loading was becoming compromised.

Consultation Outcomes...

Following the consultation period, the Council resolved the following decisions:

Pakiwaitara Building – The Pakiwaitara Building be put on the market immediately, with a caveat that investigations be undertaken to provide costings on two alternative options for the Council Building; namely:

- (i) demolished and rebuild on the Pakiwaitara Site.
- (ii) to occupy the Government Building.

Options to be reported back to Council in June 2025.

Hannah's Clearing Landfill Remediation – Hannah's Clearing Landfill Remediation be removed entirely from the Long Term Plan.

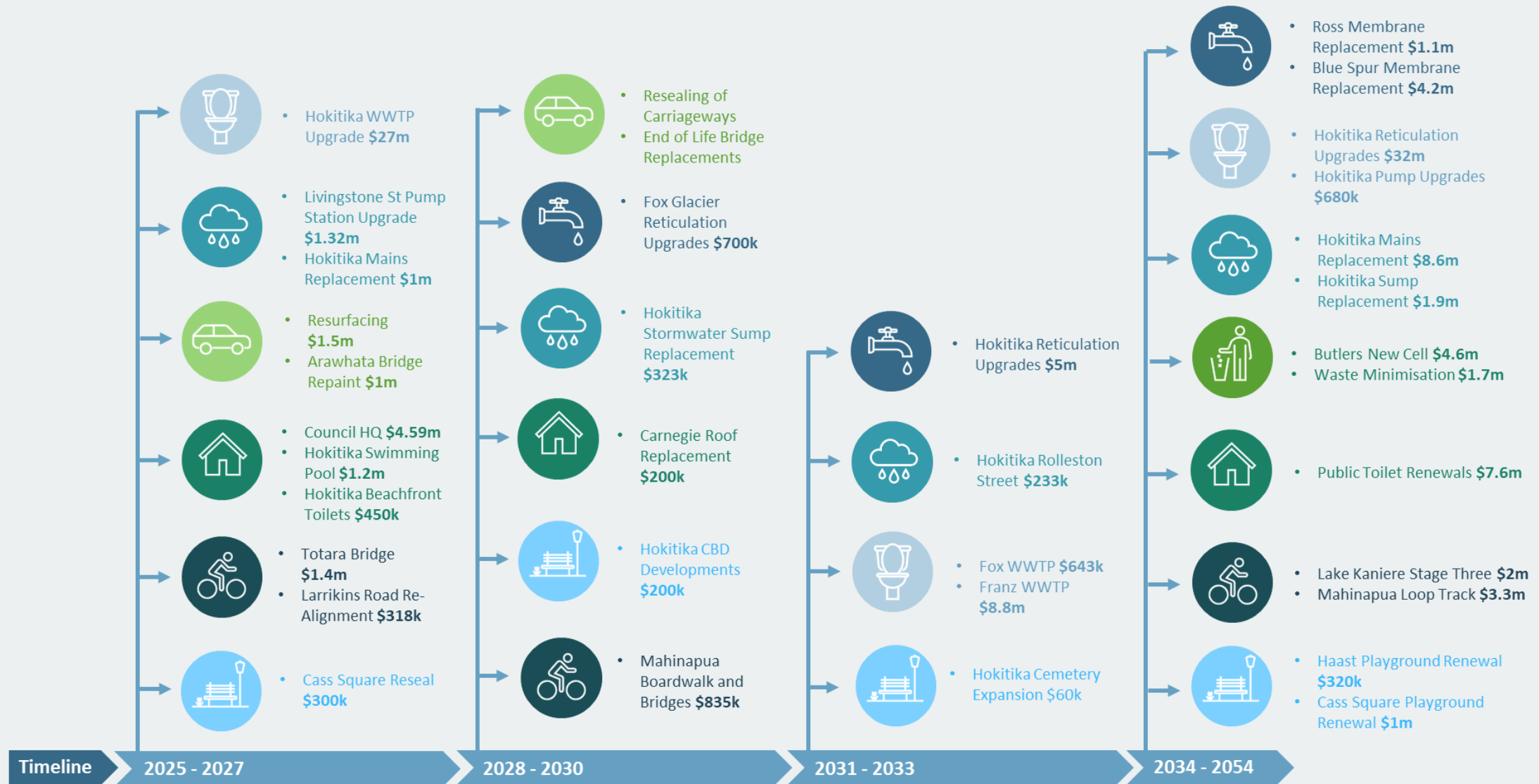
Jackson Bay Wharf Repair – To keep the Jackson Bay Wharf Repair in the Long Term Plan with external loan funding. If unsuccessful with funding, Council to look at other options available for the Jackson Bay Wharf Repair.

Alternative West Coast Wilderness Trail route to Ross – To build an alternative West Coast Wilderness Trail route to Ross with external funding.

The financials in this infrastructure strategy have been updated following the decisions in the LTP.

4.3. Capital Expenditure

We have put together a comprehensive 30-year capital expenditure programme. We have summarised this below to show our upcoming significant projects.



4.4. Infrastructure Decisions of Community Interest

Within our capital expenditure programme some projects are of more interest to the community than others. We have identified four projects that will be of community interest and will be consulted on separately to this LTP during the next two years.

Cass Square Grandstand

We are planning to demolish the Cass Square grandstand in 2027 due to the structure being earthquake prone.

The current changing rooms and sheds are also earthquake prone. We will be working with the community to design a solution that replaces both these facilities to meet the community needs.

Community Halls

Council owns 11 Community Halls, many of these community halls have received significant investment in the last five years.

Seismic Assessments undertaken at some of the halls have indicated a significant level of investment is required before 2039. We have identified that a review is required of all Council owned halls to ensure we continue to meet the needs of the communities.

Hokitika CBD Plan

We are currently developing a Hokitika Town Centre Concept Plan which will help determine future investment into areas such as Sunset Point, Gibson Quay, Hokitika CBD, Beachfront and the State Highway entrances.

Community consultation will be undertaken as a part of this work lead by the Mayor and Councillors.

Racecourse Reserve

Council is currently developing the Racecourse Reserve in Hokitika.

The development has both a housing lot and a reserve. The housing development is currently underway. The funding received from the housing development will be spent on developing the reserve. We will undertake community consultation on the design and features of this reserve.

5. Asset Management Approach

5.1. Overall Approach

We aim to achieve best practice asset management across our 6 activities. **The objective of asset management is to maximise service delivery potential while managing related risks and costs over the lifecycle of the assets.**

The Council's asset and management approach is to:

- Maintain the existing networks;
- Implement upgrades required to meet legislative and regulatory compliance;
- Undertake asset renewals through coordinated programmes;
- Consider the level of demand for services and plan infrastructure response accordingly; and
- Ensure vested assets are appropriate and of the standard required.

Our asset management approach applies the policy statement, principles and objectives in our Asset Management Policy (2024) for the sustainable management of our infrastructure. We are operating at a basic level of asset management maturity and have set the level of asset management maturity for our activities as 'Core'. Effective asset management requires the balance between levels of service, risk and cost.

Our day-to-day approach includes:

- Adopting a lifecycle management approach;
- Continuing to invest in asset management systems;
- Adopting a risk-based renewal program; and
- Continuing to invest in a capital delivery program.

5.2. Adoption of an Asset Lifecycle Management Approach

The objective of lifecycle management is the management of assets from conception to disposal whilst meeting levels of service, minimising risks and whole of life costs. We have adopted a lifecycle management approach to manage our infrastructure asset activities from plan, acquire, operate, maintain, renew through to disposal, as shown conceptually in Figure 5-1. The lifecycle management is an integral part of the Activity Management Plans.

A significant part of our asset management approach is to operate, maintain, and manage the assets we already own. This ensures that our Council services continue to run smoothly on a day-to-day basis.

Many of our assets are at the end of their useful lives. Over the next 30 years, Council plans to focus on renewal of existing assets. Our plan for renewals is to make evidence-based decisions based on our asset data (age and condition).

Over the last three years we have been working to improve our data so that we can ensure our forecasts and renewals' strategies are replacing assets at the optimum and most cost-effective time.



Figure 5-1. Asset Lifecycle Planning Process

5.3. Investment in Asset Management Systems

All asset data is managed through Thinkproject Asset and Work Manager (formerly RAMM). Council staff have recently migrated all data from Univerus Assets (formerly known as Asset Finda) and CSVue into Thinkproject Asset and Work Manager. This provides consistency with a single asset management system. Thinkproject Asset and Work Manager provides tools for storing asset data, forward works planning and work management. This initiative enables improvement in quality of asset data which ultimately improves our decision making.

The implementation of the Asset Management Data Standards (AMDS) has been completed for the land transport activity. This provides consistency across all Road Controlling Authorities.

Setting up the work management module in Thinkproject Asset and Work Manager is the next priority for Council staff.

5.4. Investment in a Capital Delivery Program

Capital works delivery continues to be a focus for Council. Our infrastructure is ageing, and the district is approaching an important period to ensure that our infrastructure assets continue to meet the needs of the community in the future. We also have a history of deferring renewals. This has led to a bow-wave in necessary renewals across all our activities. Our affordability constraints mean that gaining external funding is a priority for us.

5.5. Adoption of a Risk Based Renewal Strategy

Renewal of existing assets is generally funded through depreciation and occurs when an asset has reached the end of its useful life. Asset renewal is often required to maintain the existing level of service and the integrity and value of the assets. A renewals strategy provides for the progressive replacement of existing assets. Council has adopted a risk-based renewal strategy for infrastructure assets with the following priorities:

- Priority 1 – Assets that need renewal for safety reasons or are critical assets
- Priority 2 – Critical assets are renewed proactively

The risk of delaying renewals includes an increased probability of significant failure, higher maintenance and operational costs, an increased probability of not delivering levels of service and creating a backlog of renewals. This IS provides a long term forward works programme that has a focus on delivering affordable renewal projects.

5.6. Ensuring an appropriate Management and Organisational Structure

Council has a small Asset Strategy and Development team of three who sit across all activities.

The team is supported by the Service Delivery Team who have 2 – 3 staff members for each activity.

5.7. Ensuring Good Asset Management Processes and Practices

The Asset Strategy and Development Team delivers comprehensive asset management plans for our infrastructure assets that are reviewed and updated every three years to inform the LTP and the IS. This ensures we are meeting the intended outcomes for our community.

6. Risk Management

6.1. Overall Approach

Risk management involves understanding the likelihood and consequences of any risk we consider will eventuate. Often risks are posed through potential issues with; planning (we are unsure of what may happen, or have not adequately considered possible outcomes), management (plans, policies, and processes do not sufficiently address negative effects of events, non-compliance, legal, and political issues), delivery (capacity, capabilities, and physical/financial resources may not support Council's operations) and physical assets (where failure of critical assets, systems operating above capacity, or damage from natural hazards such as extreme weather and earthquakes).

By identifying risks, we try to understand them better and introduce practices which can eliminate, minimise, or mitigate the effects and recover if they do happen. Some risks will materialise regularly (such as high rainfall or a slip on a hillside road) while we may not experience others in our lifetime. The impact or consequences of the risk occurring range from insignificant and can be addressed as part of our business-as-usual work, through to catastrophic.

Table 6-1: Risk Matrix.

Likelihood	Consequence				
	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	Medium	Medium	High	Very High	Very High
Likely	Medium	Medium	High	High	Very High
Possible	Low	Medium	Medium	High	High
Unlikely	Very Low	Low	Medium	Medium	High
Rare	Very Low	Very Low	Low	Medium	Medium

Council takes a comprehensive approach to risk management which is underpinned by the following risk hierarchy:

- Corporate risk register
- General risk register
- Activity risk register

The approach for managing our infrastructure balances risk and performance while providing cost effective solutions. Table 6-1 (left) shows the combination of likelihood and consequences, and the resulting risk.

Our risk framework identifies the following risk types across all activities as:

- Strategic
- Compliance
- Operational

Our key risks identified across all activities are shown in Table 6-2.

More detailed description of risk at an activity level can be found in the respective Activity Management Plans.

Table 6-2 Risk Register

Risk Type	Risk Categories	Description of Risk	Consequence or Outcome	Inherent Risk – Overall Risk Rating	Controls	Residual Risk Overall Risk Rating
Operational	Asset Lifecycle	Poor standard of asset construction.	Reduced asset life, additional remedial works required which may have ongoing costs.	M	Ensure quality assurance is undertaken for all assets.	L
Operational	Asset Lifecycle	Offensive graffiti and damage to assets	Failure of assets and/or reduction in level of asset due to vandalism.	M	Increase enforcement and frequently monitor hot spots.	M
Operational	Asset Management	Deferred renewal and maintenance not recorded.	Unexpected additional costs incurred due to greater impact of asset failure.	VH	Ensure risks of deferrals are explained and costs of renewals and maintenance are prioritised.	H
Operational	Asset Management	Damage to assets by natural hazards	Assets are located in risk locations and not resilient or maintained enough to withstand natural hazards.	VH	Build resiliency into network. Ensure maintenance and condition inspections are carried out regularly. Monitoring of at risk sites. Implement alert levels.	H
Operational	Asset Management	Inadequate asset data	Inadequate information on assets leads to reduction in level of service and/or poor renewal and project planning.	H	Continual improvement of asset data inline with an improvement plan. Recording of maintenance data against asset database.	M
Operational	Project Management	Poor project management and project failure	Projects fail and no infrastructure is delivered.	M	Ensure staff are adequately trained to project manage otherwise hire external processes.	L
Operational	Resources	Lack of resources	Leading to capacity issues and an inability to execute plans.	H	Ensure resources are adequate and increase if required either in-house or professional services. Ensure succession planning is in place.	M
Compliance	Policy	Legislative requirements not met.	Legal action taken against Council.	M	Ensure legislative requirements are met and regularly reviewed.	M
Strategic	Asset Management	Poor quality long term financial planning.	Higher borrowing costs and increasing intergenerational debt burden.	M	Ensure project costs are based on evidence such as quotes, unit rates or estimates.	L

Risk Type	Risk Categories	Description of Risk	Consequence or Outcome	Inherent Risk – Overall Risk Rating	Controls	Residual Risk Overall Risk Rating
Strategic	Asset Management	Levels of service not aligned with funding and service delivery.	Level of service not met due to funding constraints and ratepayers/Council not aware of the implications.	H	Ensure levels of service and required funding are clearly articulated and consulted on.	M
Strategic	Asset Management	Whole of life costs of new assets are not properly assessed.	Decision making not based on lifecycle costs. Capital and operational costs do not reflect true costs.	H	Include asset lifecycle costs in asset planning. Record asset maintenance costs against assets to better forecast lifecycle costs.	M
Strategic	Asset Management	Valuation does not accurately reflect actual values.	Incorrect valuation leading to inflated or inadequate depreciation funding.	H	Regularly review valuation and unit rates in line with recent contract and market values to ensure accuracy. Keep asset data up to date.	M
Strategic	Asset Management	Inadequate insurance cover.	Insurance cover does not provide funds for necessary asset replacement following an insurable event.	VH	Ensure assets are adequately covered and maintain emergency fund for emergency events.	H
Strategic	Asset Management	Poor documentation of easements, concessions and license to occupy.	Unable to gain access to infrastructure to carry out maintenance or urgent repairs, may not be able to access assets without the legal right to cross private property.	M	Ensure documents are stored in a central location and pursue legalising agreements that are currently not.	M
Strategic	Asset Management	Poor documentation of tenancy and maintenance agreements	Unable to fulfil obligations with third parties, leading to legal implications.	M	Ensure documents are stored in a central location and pursue legalising agreements that are currently not.	L
Strategic	Asset Management	Failure to meet infrastructure investment targets	Council does not meet the target replacements in its infrastructure strategy and activity management plans. Leading to high reactive costs for maintenance and unplanned renewals.	H	Asset data kept up to date. Ensure AMP and IS reflect current status and the capital plan reflects future requirements. Ensure effective resources to meet targeted capital programme.	M

Risk Type	Risk Categories	Description of Risk	Consequence or Outcome	Inherent Risk – Overall Risk Rating	Controls	Residual Risk Overall Risk Rating
Strategic	Asset Management	Failure of infrastructure	Failure of infrastructure leads to inadequate service provision, environmental and financial impacts. As well as possible consent non-compliances.	H	Regular condition and performance reviews of infrastructure ensuring maintenance is undertaken as detailed in contracts. Include condition, criticality and performance in renewal modelling.	M
Strategic	Asset Management	Activity management plans do not address the key issues and are not implemented appropriately	Long term planning cycles, funding and staff work programmes do not deliver projects as planned and significant backlog, poor level of service and misalignment with objectives occur.	M	Monitor implementation of Activity management plans on a regular basis.	L
Strategic	Asset Management	Condition assessments not undertaken	May result in sudden failure of asset	M	Implement regular condition assessment programme.	L
Strategic	Asset Management	Criticality model not built	Failure of critical assets leads to service failure and adversely affects people and environment.	H	Identify critical assets and monitor them.	M
Strategic	Asset Management	Resource consents are not complied with or monitored.	Council faces legal action where consent conditions are not met or applied for. Significant non-compliances lead to damage to the environment and cultural values, subsequent prosecution and public dissatisfaction.	H	Ensure consents are monitored and reported on through the AMIS. Rectify issues where necessary	M
Strategic	Growth & Demand	Tourism growth	Tourism increases more quickly than expected. Potential early asset failure due to overloading of infrastructure.	H	Use current tourism information for forecasting assumptions and infrastructure budgets.	M
Strategic	Growth & Demand	Population Change	The population change will be different to what has been forecast.	L	Ensure that assumptions relate to as current information as available. Use of Statistics NZ data each time an AP or LTP is prepared.	VL

Risk Type	Risk Categories	Description of Risk	Consequence or Outcome	Inherent Risk – Overall Risk Rating	Controls	Residual Risk Overall Risk Rating
Strategic	Growth & Demand	Increased development growth	New or unplanned demand for development or growth resulting in significantly changed demand.	H	Implement Demand Management Plan to include key decision points. Development Contributions Policy to support growth for services.	M
Strategic	Policy	No clearly defined, documented strategy to guide long term delivery of all activities.	Ad hoc decision making, potential waste of human and financial resources. Progress not measured or achieved as no adopted plan to follow.	M	Ensure Activity Management Plans are up to date and adhered to.	M
Strategic	Policy	No clear consistent approach to public consultation.	Miscommunication with communities, ratepayers and possible non-compliance with LGA 2002 consultation requirements.	M	Robust communications plans and process.	L
Strategic	Policy	Lack of clarity due to multiple agencies being involved.	Lack of clarity in demarcation lines increases risks of issues not being addressed as each assumes the other organisation is addressing it.	H	Maintain good communications lines. Create clear guidelines around Asset Management where multiple internal/external agents are involved.	M
Strategic	Policy	Policies relevant to asset management are not in place or are incompatible or inconsistent.	Asset management perspective not able to be incorporated across Council activities leading to poor decision making.	M	Develop policies in line with Council strategic direction.	L
Strategic	Policy	No clear Council policies or adopted views on infrastructure sustainability and climate change.	Rebuild, relocation or abandonment of assets. Leading to a cost to the community and inability to provide an adequate level of service.	VH	Monitor impacts and create a Council policy or strategy to deal with the long-term impacts of climate change.	VH
Strategic	Policy	Effective bylaws not in place	Inappropriate behaviour of ratepayers leading to environmental or health issues, increased complaints and increased costs to Council.	VH	Ensure bylaws are kept up to date and regularly monitored.	H

Risk Type	Risk Categories	Description of Risk	Consequence or Outcome	Inherent Risk – Overall Risk Rating	Controls	Residual Risk Overall Risk Rating
Strategic	Policy	Inaccurate or incomplete assumptions adopted in the strategic planning processes.	Inappropriate decisions made by Council. Likely additional costs incurred when developing and implementing programs of work.	H	Ensure assumptions are reviewed by all stakeholders and regularly updated.	M
Strategic	Policy	Inadequate business continuity plan.	Council unable to recover rapidly following extreme events, resulting in significant infrastructure issues.	H	Implement and regularly review business continuity plan.	M
Strategic	Resilience	Lifelines plan not up to date or implemented	Potential prolonged service outage from likely natural hazard events.	VH	Implement Lifelines Response Plan.	M
Strategic	Resources	Knowledge not documented in an accessible form.	Institutional knowledge lost when staff leave.	VH	Ensure succession planning for staff. Relevant training to improve in-house resources. Ensure centralised file structure.	H
Strategic	Resources	Insufficient funding available to implement the recommendations of the activity management plans.	Projects deferred, increased lifecycle costs, level of service decline, risk of asset failure increases.	VH	Ensure risks of deferrals are explained and costs are prioritised.	H

6.2. Natural Hazards

Natural hazards impact on amenities and impose a significant threat to buildings and infrastructure. Our District is subject to a range of natural hazards including coastal erosion and inundation, flooding, earthquakes, and land instability. Our District's topography and climate accentuate the flood and erosion risk with rivers rising and falling rapidly making it the most frequently experienced hazard.

Earthquakes are potentially the most devastating natural hazard to our District. The Alpine Fault Line, one of the largest faults in the world, runs through the Westland Districts entire length (Figure 6-1). While scientific research cannot predict when earthquakes will occur, there is a 75% probability of an Alpine Fault earthquake occurring in the next 50 years with a 4 out of 5 chance that it will be a magnitude 8+ event. Perhaps the most damaging feature of the earthquake hazard is the potential secondary hazards, such as landslides and tsunamis, which could potentially destroy our communities and transport access routes.

We are preparing and adapting for the impact of natural hazards with a multi-faceted approach. This includes building knowledge through scientific modelling and natural hazard mapping to inform investment decisions. Council participates in the Alpine Fault magnitude 8 Programme through the Emergency Management Group to build and coordinate readiness and response capability.

Natural hazards are mapped through overlays in the proposed Te Tai o Poutini Plan (combined District Plan for the West Coast) to assist Council planning.



Figure 6-1. Map of Alpine Fault Line

The Franz Josef area in particular has significant hazards, with the immediate and ongoing threat of the Alpine Fault and flood hazards. In the long term, the proposed zoning supports the general approach of Westland District Council to progressively move the town north away from the most hazardous locations in a managed retreat type scenario.

Natural hazards can have a direct impact on the economy. If the road network is severed for a long duration restricting movements for goods, services and residents.

There is limited and/or no detours available in our District – both local roads and state highways. Potential impacts on the highway may also make Westland unattractive to tourists in turn, impacting the GDP and putting pressure on employment in the tourism sector.

Council is using Waka Kotahi's national resilience assessment to inform transport network resilience projects and to enhance maintenance activities.

Through our planning we consider upgrades to improve resilience, in preparation for community isolation following a natural hazard event.

Council has set up fully equipped containers across the District with communication systems, basic medical equipment and storage for Civil Defence and emergency management purposes.

6.3. Climate Change

Climate change is recognised as a significant issue. **The uniqueness of the district means that climate change only amplifies the effects of natural hazards on our infrastructure assets and risk to our economy.** Changes in climate, such as rainfall and temperature, and wind are already occurring and impacting regions differently. We have used the summary dashboard provided by the Ministry of the Environment to interpret the Aotearoa New Zealand Climate Projection model for our District. This is summarised in Table 6-3 below.

We intend to improve our climate change impact assessment by taking a risk-based approach. This would include looking at the consequence and likelihood of impact as well as the overall risk for each climate variable for each activity. We also intend to extend this risk-based assessment to include natural hazards as there is a large overlap between climate and natural hazards within our region.

Table 6-3. Climate Change Impacts on our Activities

Climate Change Description	Projected Change	Potential Impact on 3Waters	Potential Impact on Building and Facilities	Potential Impacts on Transport	Potential Impacts on Solid Waste	Potential Impacts on Cycle Trail	Potential Impacts on Parks and Reserves
 RAINFALL	Increase in rainfall (particularly in winter and spring) with more frequent extreme rainy days.	Capacity issues with Stormwater and Wastewater schemes. Compliance issues. Potential contamination of Water Supply intakes.	Insufficient on-site stormwater management.	More frequent flooding of roads and instability of adjoining land.	Insufficient on-site stormwater management.	Increase in water scour and washout.	Increase in water scour and washout of walking trails. Inability of sports grounds to adequately drain.
 RIVERS	Mean annual flood occurrence slightly increases.	Risk of inundation of infrastructure near rivers. Inability for stormwater pumps to pump into rivers.	Facilities within floodplains or coastal areas are at risk of storm surges, coastal erosion, and inundation – most Westland towns are susceptible to at least one of these risks.	More frequent flooding of roads and erosion of land where the road is close to the river. Damage to bridges from treefall and debris.	Closed Landfills could be susceptible to erosion and inundation.	Risk of erosion and inundation.	Risk of erosion and inundation.
 COASTAL	Increased mean Sea-level rise and storms may see increase of coastal erosion and inundation.	Inundation of infrastructure near coast.		Erosion of roads close to the sea and damage to roads from debris.			

Climate Change Description	Projected Change	Potential Impact on 3Waters	Potential Impact on Building and Facilities	Potential Impacts on Transport	Potential Impacts on Solid Waste	Potential Impacts on Cycle Trail	Potential Impacts on Parks and Reserves
 TEMPERATURE	Higher mean temperatures in air and water.	May effect resource consent compliance for discharge to air permits. Impact on Water Supply and Demand.	Requirement for installation of heating and cooling systems within facilities.	The bitumen could flush result in slippery roads. Vehicles will cause damage: rutting, deformation and potholes.	May affect resource consent compliance for discharge to air permits.	No perceived impact.	Accelerated vegetation growth.
 WIND	Increase in extreme windy days, particularly westerly winds.		Change in wind zone for facilities design standards.	Treefall and debris on roads causing damage and road closure.		Damage to trail due to tree fall.	Damage due to tree fall.



6.4. Key Planning Assumptions

Our long-term planning is based on assumptions about the future, which affect future operations and future capital spending. Infrastructure planning must be set in the wider context of what else is happening in the District and across New Zealand. Assumptions are made to allow a way forward with planning where there is uncertainty. The level of uncertainty and the consequences are assessed and reviewed during the Long-Term Plan process. A summary of those assumptions that affect our planning are provided below in Table 6-4.

Table 6-4. Key Planning Assumptions

Activity Area	Assumption Area	Stated Assumption	Risk	Level of Uncertainty	Potential Impact/Consequence if assumption wrong	Consequence rating
ALL	Natural Hazards and Major Adverse Events	It is assumed that there will be no major impact from an adverse event, should one occur during the period covered by the Long-Term Plan, for example, earthquake, pandemic or significant flood. While events may occur at any time, Council's planning will focus on operational resilience and Emergency Management.	There is a risk that a major adverse event will occur and result in damage to assets and additional costs to the Council.	High	Any major event will have a significant impact on the Council and the community. The Council seeks to mitigate this risk through its Civil Defence, Risk Management and Insurance Policies.	High
	Climate Change	Changes in the climate will generally follow the published Ministry for the Environment projections which were downscaled from the Intergovernmental Panel for Climate Change Sixth Assessment Report by the National Institute of Water and Atmospheric Research.	Despite forecasts, adaption and mitigation strategies there is risk of extreme events which cannot be predicted.	Moderate	Council priorities and budgets may need to be redirected to address any unforeseen risks and issues.	Moderate
	Asset Lives and Depreciation	It is assumed that asset lives will follow those set out in the asset valuation and statement of accounting policies.	There is a risk that assets will wear out more quickly than forecast and require replacement earlier than planned.	Moderate	If assets require replacement more quickly than forecast, renewal or capital expenditure projects may need to be brought forward. The Council will consider the funding implications of any early replacements as they occur. Early replacement will result in a write off of the book value of the asset, increasing expenditure in the year it occurs.	Moderate
	Asset Values	The Council revalues its assets so that carrying values are maintained at fair value.	There is a risk that price level changes will be greater or lower than those assumed and that	Moderate	If price levels increase by more than forecast, the value of the Council's assets and the associated depreciation charge will increase. If price levels increase by less than that forecast,	Moderate

Activity Area	Assumption Area	Stated Assumption	Risk	Level of Uncertainty	Potential Impact/Consequence if assumption wrong	Consequence rating
		It is assumed that revaluations will take place a minimum of every three years and that replacement value of the assets will reflect construction costs.	revaluation movements will be higher or lower than forecast.		the value of the Council's assets and associated depreciation will increase less quickly. The impact of any such changes on rates will depend on whether the depreciation charge is funded by rates. Renewals are funded and spread over a long timeframe	
ALL	Timing and Level of Capital Expenditure	The Long-Term Plan assumes that the timing and cost of capital projects and associated operating costs are determined through the Councils activity management planning process.	There is a risk that capital projects may not occur as planned. This may have an impact on the costs of the project especially in periods of high inflation and cost escalations.	High	If projects do not occur as planned, capital expenditure in any year may differ from that forecast and delay may also change the cost of individual projects. The Council will consider the impact of any change as part of the annual budget process and consider the funding implications of any cost changes.	High
	External Funding	Council will continue to receive external funding to top up infrastructure activities.	There is a risk that Council may receive less external funding than the previous LTP period.	High	The Council will assess the availability of funds as part of the budget process and may revise its programme that is set out in the Long-Term Plan. This may include deciding to defer activities or include caveats for projects to proceed only if external funding is pursued and awarded.	High
	Availability of Contractors	It is assumed that contractors and materials will be available to undertaken operations and capital projects agreed in the Long-Term Plan.	There is a risk that resources may not be available to complete budgeted works. This may have an impact on project timeframes and costs.	Moderate	If projects do not occur as planned, expenditure in any year may differ from that forecast and delay may also change the cost of individual projects. The Council will consider the impact of any change as part of the annual budget process and consider the funding implications of any cost changes.	Moderate
	Availability of Staff	It is assumed that staff will be able to complete all operations and capital projects agreed in the Long-Term Plan.	There is a risk that staff workloads may be too high, and not all work will be completed.	High	If projects do not occur as planned, expenditure in any year may differ from that forecast and delay may also change the cost of individual projects. The Council will consider the impact of any change as part of the annual budget process and consider the funding implications of any cost changes.	High

Activity Area	Assumption Area	Stated Assumption	Risk	Level of Uncertainty	Potential Impact/Consequence if assumption wrong	Consequence rating
ALL	Emissions Trading Scheme	It is assumed that any costs or actions required in regard to the Emissions Trading Scheme are adequately incorporated into the relevant AcMPs and Long-Term Plan.	There is a risk that costs may change and/or targets may not be met.	Low	Any increase or decrease in costs will need to be resourced differently to the planned approach.	Low
	Resource Consents	It is assumed that the conditions of resource consents held by Council will not be changed significantly and that Council will be able to renew and obtain necessary resource consents for its planned projects.	There is a risk that resource consent conditions are changed through review or renewal.	Moderate	Projects will cost more if compliance requirements change or may not proceed as planned if consents are not obtained. Environmental and technological advancements may also require significant upgrades to plant and equipment further increasing costs to Council.	Moderate
	NZTA Revenue	It is assumed that funding from Waka Kotahi will be as follows: 1. The financial assistance rate of 64% will apply to all maintenance, operations and renewals works as approved in the National Land Transport Plan (NLTP). 2. The financial assistance rate of 64% will apply to all capital works as approved in the NLTP. 3. The financial assistance rate of 64% is only valid for the first 2 years of the LTP. This rate is reviewed 3 yearly (by NZTA) as part of the NLTP process. 4. The subsidy for the Special Purpose Road (Haast Jacksons Bay Road) will be at 100% for the first 2 years only of the Long Term Plan. The status of the Special Purpose Road may revert to normal financial assistance rates for the next and subsequent NLTP's. 5. Emergency works funding will be available for remedial works whenever qualifying events occur. 6. If NZTA-approved budget is less than requested, Council will re-evaluate and either, cover the shortfall or reprioritise the programme to fit the budget with a reduced level of service. The overall value of the funding estimated for the Land Transport Programme shall be based on the activity management plan/programme business case, informed by published guidance from Waka Kotahi.	There is a risk that this approved funding will not cover all the planned/necessary operational and capital expenditure.	High	The Council will assess the availability of NZTA funds as part of the budget process and may revise its roading and transport programme that is set out in the Long-Term Plan. This may include deciding to defer activities or provide additional funding.	High

Activity Area	Assumption Area	Stated Assumption	Risk	Level of Uncertainty	Potential Impact/Consequence if assumption wrong	Consequence rating
	NZ Waste Strategy	Industry and consumers will increasingly bear the costs of waste disposal in order to encourage greater waste minimisation, linked to the recent threefold cost increase and expansion of the waste disposal levy.	There is a risk that Council be unable to meet the targets or will increased costs and experience community pushback.	Moderate	Communities may not be prepared for the new collection schemes and increased waste disposal costs, leading to less buy-in for waste minimisation.	Moderate
	Waste Disposal Levy	The Waste Disposal Levy continues to increase each year.	The Waste Disposal Levy will increase.	Low	Communities will face an increase in user charges at transfer stations.	Low
	Earthquake Prone Building Legislation	Council has an in-depth understanding of the seismic strength of its own buildings and, that where buildings have been identified for seismic strengthening, the costs and programmes in the LTP are sufficient to undertake the work within the required timeframes.	There is a risk that earthquake strengthening work will be greater than anticipated.	Moderate	Significant capital expenditure may be required to supplement forecasted costs.	High
	Water Reform	Council will continue to operate Water Supply, Wastewater and Stormwater services.	Council has chosen to progress with an internal business unit. This is not Central Governments preferred delivery option. Council is currently working through the 'The Local Water Done Well' requirements. We foresee that there is a risk that there could be significant change in direction resulting from a change in government during the next election.	Moderate	A change in delivery models will mean financial forecasts and capital programmes could be delivered by a new body. Assets and liabilities associated with 3Waters could be transferred as well. If assets and debt are not transferred, there will be higher debt servicing costs for Council. Planning for management of these services will be unnecessary. Planning can be updated as part of future Long Term Plans or Annual Plans.	High

7. Infrastructure Plan - The Most Likely Scenario

This IS provides an overview of the most likely scenario for managing our infrastructure. In general, we plan to maintain a balance between an affordable work programme with an appropriate level of investment in our infrastructure, mitigate the negative impacts of climate changes and enhance the resilience of infrastructure for the long-term benefit of the community.

We have included the full costs of projects in our modelling as the most likely scenario even if our preferred option for some of the consultation items is to undertake the project with external funding. Our forecasts for the first three years are the most detailed, while those in years four to ten are a reasonable outline of the most likely scenario which will be reviewed in future LTP cycles. The forecasts beyond year ten are indicative estimates and will be developed further as more information becomes available.



7.1. 3Waters

We manage 3Water assets for our townships to ensure the protection of public health and the environment and to provide for the economic wellbeing of the district. There have been significant changes in the 3Waters legislation over the past year with the staged implementation of Local Water Done Well. This legislation outlines a new regulatory framework and the need for Council to implement a new delivery model.

Council has indicated that establishing an internal business unit would be preferable as a means of providing sustainable and efficient water service delivery, addressing current challenges and planning for future improvements.

The key challenge for us is affordability. We need to create a resilient, sustainable and reliable water services network and provide certainty for our communities on the provision on water services.

We will be consulting on different service delivery options as maintaining the current 'status-quo' for delivering water services is not an option due to new legislation and increased compliance. This strategy has been modelled on Councils preferred option.

The statutory environment of Local Waters Done Well is dynamic, and the third bill is currently at the select committee. This means that the legislation is likely to change, and our Local Water Done Well Consultation Document will include alternative

delivery options, which will be in addition to our current preferred option.

There is a significant cost increase in complying with the new requirements. We have been working through the changing requirements as they become available and have budgeted for these in our LTP.

This section provides a summary of our planning, including key challenges, levels of service, asset age and condition, and a summary of the expenditure forecast. Further detail is provided in our Activity Management Plans.



Key Challenges

The 3Waters activity is made up of water supply, wastewater and stormwater activities. The key challenges for the 3Waters activities are summarised below in Table 7-1.

Table 7-1. Key Challenges – 3Waters

Theme	Key Issues	Discussion/Response
	The increasing cost of 3 Waters operations.	Driven by increasing costs of contractors and compliance.
	Balancing of OPEX and Operations and Maintenance (O&M)	
	Cost of new compliance requirements.	Cost of compliance will be funded out of rates.
	Internal resourcing issues and under delivery of Capital projects.	Additional team members being sought.
	Ageing of 3 Waters assets resulting in a significant renewal programme.	Assets are reaching the end of their life at the same time resulting in a high level of investment required in a short period of time.
	Staff uncertainty about the Local Water Done Well Bill.	Staff should be kept up to date with changes forecasted from Central Government. Encouragement to attend network opportunities.
	Resilience of infrastructure (climate change and natural hazards)	Focus on strengthening critical assets and building community resilience to supply disruptions.
	Lack of development engineer overseeing subdivision infrastructure plans and as-builts.	Requires outsourcing to ensure sub-division infrastructure planned correctly and project any capacity issues.
	Increasing pressure of collaboration across the West Coast.	We are seeking opportunities to collaborate on the delivery of water services.
	Sizing of infrastructure for tourism.	Infrastructure is currently sufficient for meeting tourism demand; however, this means infrastructure is oversized for the resident population.



Levels of Service

Levels of service describe the outputs Council is expected to deliver through the management of physical assets from a customer, legislative or regulator point of view. The levels of service for 3Waters are shown in Table 7-2. The levels of service are based on mandatory ones set by the Department of Internal Affairs, regulatory requirements and good industry practice. There are proposed changes to measuring levels of service for this activity. There have been minor changes required by legislation and the new framework includes some customer levels of service.

Table 7-2. Level of Service – 3Waters

Activity Area	Objectives	Levels of Service
	The community is provided with 3 Waters services to a standard that protects their health and property.	Safety of Drinking Water Water is safe to drink and complies with the Drinking Water Standards of NZ.
		Maintenance of the reticulation network The water supply network is managed to minimise the leakage or loss from the system.
		Demand Management There is enough water supplied to meet customer needs.
	Issues with water services are addressed in a timely manner and prioritised according to risk and need.	Fault Response Times Water system faults or issues are attended to promptly by contractors and/or staff.
	Disruptive effects of water services are minimised.	Customer Satisfaction The water supply network is managed to give a good quality service.
		Customer Satisfaction Residents are satisfied with the water supply provided.
	Adverse effect of water services on the environment are minimised.	Water Take Compliance The water supply network is managed in accordance with resource consent conditions.
	The community is provided with 3 Waters services to a standard that protects their health and property.	System Adequacy The wastewater network is managed to give a good quality service.
	Issues with water services are addressed in a timely manner and prioritised according to risk and need.	Fault Response Times Wastewater system faults or issues are attended to promptly by contractors and/or staff.
	Disruptive effects of water services are minimised.	Customer Satisfaction Residents are satisfied with the wastewater network provided.
	Adverse effect of water services on the environment are minimised.	Discharge Compliance The wastewater network is managed in accordance with resource consent conditions.

Activity Area	Objectives	Levels of Service
	The community is provided with 3 Waters services to a standard that protects their health and property.	System Adequacy The stormwater network is managed to give a good quality service.
	Issues with water services are addressed in a timely manner and prioritised according to risk and need.	Response Times Flooding events are attended to promptly by contractors and/or staff.
	Disruptive effects of water services are minimised.	Customer Satisfaction The stormwater network is managed to give a good quality service.
	Adverse effect of water services on the environment are minimised.	Customer Satisfaction Residents are satisfied with the stormwater network provided.
		Discharge Compliance The stormwater network is managed in accordance with resource consent conditions.



Asset Age and Condition

Our 3Waters assets are made up of reticulation assets and plant assets. Although our assets range in age as shown by Figure 7-1, the graph clearly shows that our infrastructure is ageing.

Asset condition has also been assessed based on age as shown in Figure 7-2 below. We have also undertaken extensive CCTV footage in 2022 and 2024 on our wastewater network. This provides us with a physical condition assessment score. This footage is currently being worked through to ensure we are prioritising our renewals appropriately and have a good understanding of the condition of our assets.

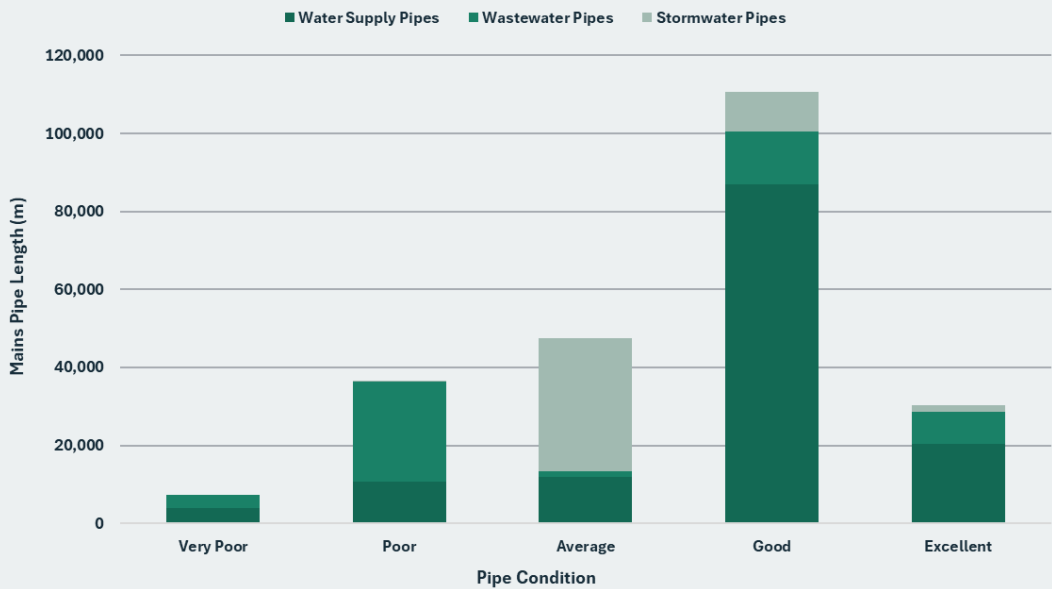


Figure 7-2. Asset Condition – Pipe Mains

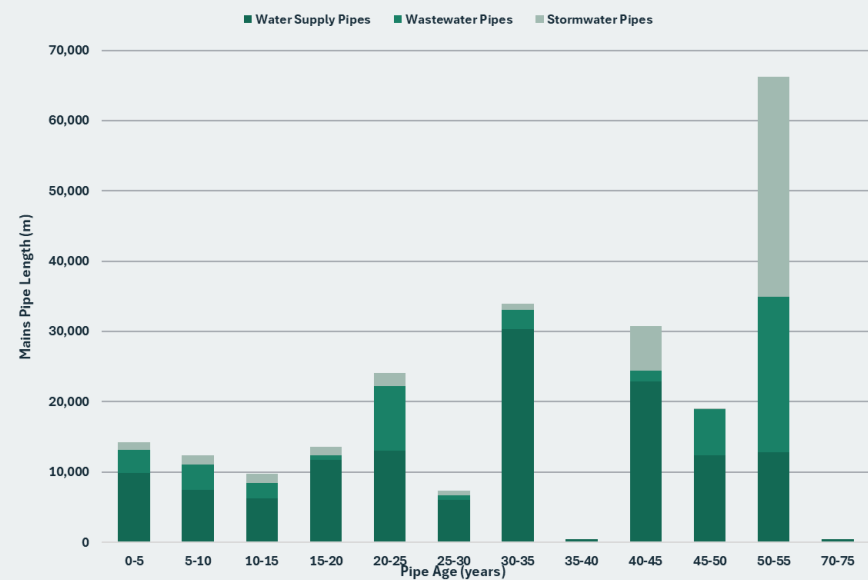


Figure 7-1. Asset Age – 3Waters Pipes

Expenditure Forecast

The forecasted capital expenditure across the 3Waters activity is \$158.3 million across 30 years. The majority of projects within this activity are renewals of existing infrastructure. Historically there has been a lack of investment in this activity which has resulted in a backlog of infrastructure that needs to be replaced.

The major projects for 3Waters are:

- Replacement of Membranes at Blue Spur Water Treatment Plant
- Hokitika Main Feed Line Replacement
- Hokitika Wastewater Treatment Plant Upgrade
- Livingstone Street Pump Upgrade Stage 2

The operational expenditure forecast includes the following: electricity, CCTV condition assessments, repairs and maintenance, materials and maintenance, Department of Conservation concession fees, and monitoring expenses. It does not include any finance related accounts such as rates or depreciation. Our operational expenditure is influenced by the following factors:

- General overall increase in contract costs i.e. sampling rates, general maintenance, chemicals etc;
- An increase in compliance requirements;
- Increasing compliance costs as operation of our new compliance data tools comes at an annual cost; and
- Inflow & Infiltration investigations have been shifted from capital expenditure to operational expenditure, which has increased the cost from Year 5 onwards.

The expenditure forecast for renewals, growth, levels of service and operational costs are shown in the graphs on the right².

² Throughout the document the classification of renewals, levels of services and growth may differ from the financial model.



Figure 7-3 Forecast Expenditure – Water Supply

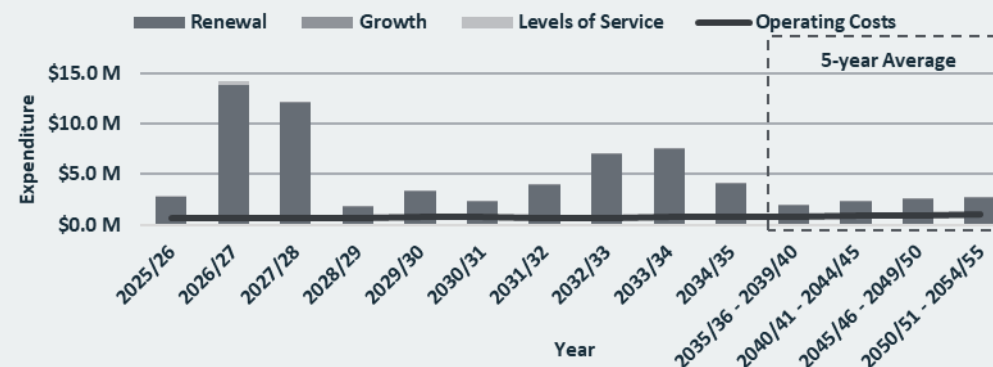


Figure 7-4 Forecast Expenditure - Wastewater



Figure 7-5 Forecast Expenditure - Stormwater

7.2. Land Transport

The importance of the roading network on the West Coast, Te Tai Poutini, cannot be overstated. As a remote region with a limited number of alternative transport options, ensuring a safe, resilient, and well-functioning network is critical to the social and economic wellbeing for West Coast communities.

The West Coast is reliant on the roading network for economic vitality and growth due to a relative lack of alternative transport options, other than rail. State Highways 6 and 73 are the lifelines of Westland, of which most if not all of the district is accessed and interconnects with our local roads.

Collaboration between Westland, Grey, and Buller roading teams is essential to pull together resources, ideas, process, and systems to better manage this asset portfolio. Initiatives like merging RAMM databases, combined AM Plans and the AMDS will bring positive outcomes to the district in a sustainable manner.

This section provides a summary of our planning including key challenges, levels of service, asset age and condition, and a summary of the expenditure forecast. Further detail is provided in our Activity Management Plans.

Key Challenges

The key challenges for the land transport activity are summarised in Table 7-3.

Table 7-3: Key Challenges - Land Transport

Theme	Key Issues	Discussion/Response
	Resilience of the network (natural hazards and climate change).	Seismic resilience, bridge improvements and protective works to build resilience into the network.
	Special purpose road status ending, Jackson Bay continues to be a special purpose road until 2027.	Ongoing discussions with Waka Kotahi to secure future funding.
	Jackson Bay Wharf is at the end of its useful life and needs structural repair (there are some immediate health and safety hazards).	Remediation of the wharf to extend the life of the asset.
	High proportion of freight being heavy, increasing frequency of component replacement, regular inspections and maintenance required.	Plan for bridge component replacements, regular inspections and regular maintenance.
	Changes in vehicles means more infrastructure is required, i.e. electric vehicle charging network.	Ensure infrastructure is installed and walking and cycling infrastructure is in place.
	Road safety concerns due to the topography of the West Coast and the quantity of tourists that drive our roads.	Undertake minor improvements and investigate crashes to identify prevention measures.
	Regeneration of the Hokitika Town Centre.	Attracting businesses and people into the district to stay and invest.
	Development of a strategic plan for Hokitika which includes consideration of the parking and pedestrian movements (Parking Strategy)	Council will be developing a cohesive strategic direction for Hokitika townscape and how all the buildings and spaces work together to create an attractive and connected community. This will be informed by the proposed Te Tai o Poutini Plan.

Levels of Service

Levels of service describe the outputs Council is expected to deliver through the management of physical assets from a customer, legislative or regulator point of view. The levels of service for land transport are shown in Table 7-4. The levels of service are based on mandatory ones set by the New Zealand Land Transport Authority (NZTA), regulatory requirements and good industry practice. There are proposed changes to measuring levels of service for this activity. There have been minor changes required by legislation and the new framework includes some customer levels of service.

Table 7-4. Levels of Service – Land Transport

Activity Area	Objectives	Levels of Service
	To allow pedestrians, cyclists and motor vehicle users to move safely around the district.	Road Safety The transportation network is safe for all users within the district.
	To provide a well-maintained land transport system.	Road Condition The surface condition of roads is of good quality.
		Road Maintenance The surface condition of roads is maintained to a high standard.
	Issues with roads and footpaths are addressed in a timely manner and prioritised according to risk and need.	Footpaths Footpaths are maintained to a high standard.
		Customer Satisfaction Road and footpath issues are attended to promptly by contractors and/or staff.

Asset Age and Condition

The default expiry dates of road surfacing (industry values) shows that currently 34% (835,629m² or 132km) are past their design life as shown in Figure 7-6. Based on the default expiry dates 75km of roads are “due” for resurfacing in the next three-year block (25km per year) as a broad indicator. Council is typically only sealing 19km per year due to financial constraints which in part are a direct result of the increasing bitumen prices.

However, low traffic volumes mean the seals are performing well for their age with minimal defects. The delay in road resurfacing results in more pavement maintenance work (operating expenditure) each year to hold the current surfacing at an acceptable standard until a reseal or pavement rehabilitation can be undertaken. Council closely monitors the condition of the seals and have a robust forward works programme to manage this risk. Council have addressed the underinvestment in pavement renewals by increasing investment in the 2024-27 National Land Transport Programme.

Bridges are critical assets that would cause parts of the roading network to become isolated if they were unavailable. Due to the natural topography, Council supplies 269 bridges and numerous culverts that navigate various sized water courses. Figure 7-7 highlights the age of the bridge and culvert stock used for valuations.

The transport asset classes including footpaths and signs are generally in reasonable condition. There are currently gaps in Westland’s asset data for stormwater channels, streetlights, and drainage asset classes.

Figure 7-7 Age Profile - Bridges

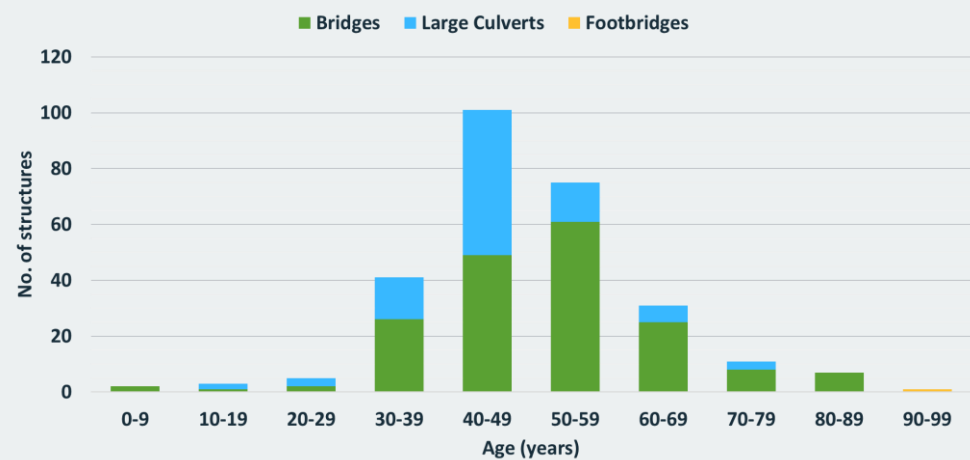
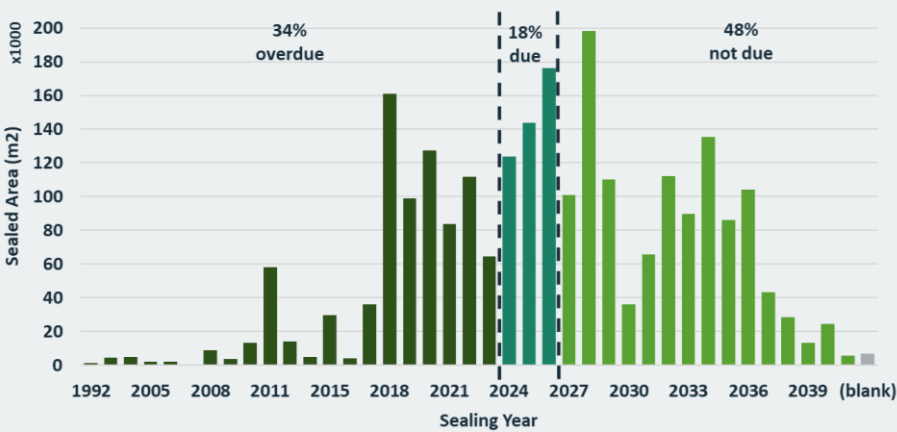


Figure 7-6 Default expiring date on top surface



Expenditure Forecast

The forecasted capital expenditure across the land transport activity is \$253.1 million across 30 years. Land transport is subsidised by NZTA and we received significantly less than we bid for. The change in funding looks like:

- Fewer footpath renewals as no subsidy funding was received from NZTA;
- Reduced bridge maintenance as this budget was significantly less than what we asked for and some of this budget will be used to fund emergency works;
- Less emergency works as we have no reserve pool to fund a large emergency event;
- Less special purpose road funding as this budget is significantly less than what we asked for, funding to paint the Arawhata Bridge is \$500,000 short; and
- No low-cost low-risk projects as there are no funding for these projects.

The major capital project for this activity is \$3,792,843 to repair the Jacksons Bay Wharf.

The operational expenditure includes electricity, council grants and repairs and maintenance. It does not include any income or finance related accounts such as rates, insurance or depreciation.

Our operational costs are influenced by the following factors:

- Weather events creating emergency works;
- Unexpected asset failure or damage caused by external parties e.g. vandalism, structural overload; and
- Unexpected seasonal/climate variations e.g. colder longer winter periods creating higher need for winter maintenance, longer warmer growing seasons creating additional mowing vegetation control requirements.

The expenditure forecast for renewals, growth, levels of service and operational costs are shown below in Figure 7-8.

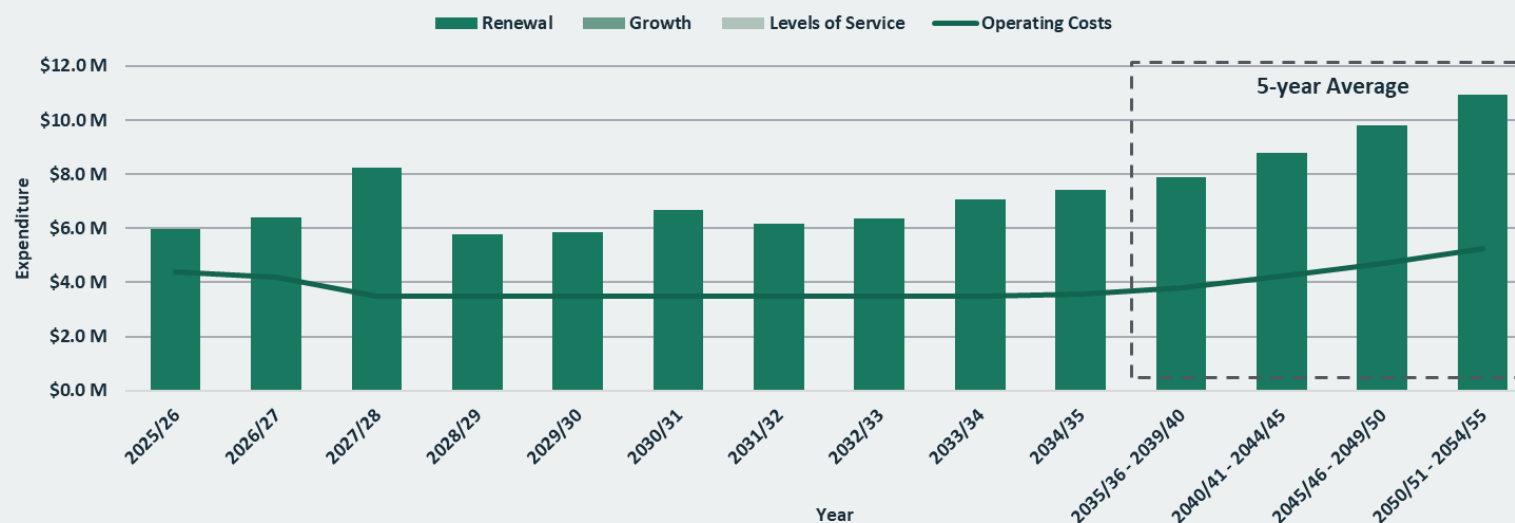


Figure 7-8 Forecast Expenditure- Land Transport

7.3. Buildings and Facilities

We provide community facilities including a museum, swimming pools, public toilets, community halls, pavilions at sportsgrounds, and other building assets to promote community wellbeing and meet the expectations of the community. Public buildings provide indoor space for community gatherings, events, recreation, education, and other social activities. Public toilets protect the environment by providing safe and clean facilities for visitors and residents.

This section provides a summary of our planning including key challenges, levels of service, asset age and condition, and a summary of the expenditure forecast. Further detail is provided in our Activity Management Plans.

Key Challenges

The key challenges for the building and facility activities are summarised below in Table 7-5.

Table 7-5. Key Challenges – Buildings and Facilities

Theme	Key Issues	Discussion/Response
	Regeneration of the Hokitika town centre.	Attracting businesses and people into the district to stay and invest.
	Develop a strategic direction for Hokitika precinct.	Council will be developing a cohesive strategic direction for Hokitika townscape and how all the buildings and spaces work together to create an attractive and connected community. This will be informed by the proposed Te Tai o Poutini Plan.
	Most of the facilities have been sweated.	Many of the facilities are coming to the end of useful life with minimal maintenance / refurbishment undertaken
	Review of the community halls to meet current and future needs.	With the number of Council and community owned halls throughout the district, an assessment of needs, service, functionality, and affordability is needed. This will ensure that community needs are met in the most cost-effective way.
	Finding a resilient location for Emergency Operations Centre (EOC).	Currently the EOC is operated out of the Council Headquarters which is earthquake prone. Council has commissioned work to develop an EOC in an alternative location. Discussions are underway with strategic partners on the requirements for the EOC.
	Council's corporate council building is earthquake prone.	Options are being considered for Council Headquarters as a part of the wider strategic building review. Options such as building a new building, structurally strengthening the current building or relocating are being considered.

Levels of Service

Levels of service describe the outputs Council is expected to deliver through the management of physical assets from a customer, legislative or regulator point of view. The levels of service for buildings and facilities are shown in Table 7-6. The levels of service have been developed based on best practice. There are proposed changes to measuring levels of service for this activity.

Table 7-6. Levels of Service – Buildings and Facilities

Activity Area	Objectives	Levels of Service
	To provide community venues for social, recreational and educational activities to support connected, active, and educated communities.	Multipurpose Spaces Community halls provide venues for a range of different activities and events and are well used by the community.
		Condition Community halls are maintained to high standard.
		Customer Satisfaction Community halls meet customer expectations.
	To provide public toilets for the health benefit of the district	Provision The number and location of public toilets is sufficient to meet the needs of local communities and visitors.
		Customer Satisfaction Public toilets are cleaned to a standard that meets user expectations.
	To provide swimming pools across the district to enable recreational and competitive activities and learn skills to stay safe in the water.	Provision The number and location of swimming pools is sufficient to meet the needs of local communities and visitors.
		Customer Use There is increased use of the district pools which enables people to play, be physically active, and stay safe in the water.
		Pool Safety New Zealand Recreation Association Pool Safe accreditation is achieved for the Hokitika Pool.
		Customer Satisfaction Community pools meet customer expectations.

Asset Age and Condition

The age profile for buildings and facilities is shown below in Figure 7-9. The graph details the age based on construction date. There are approximately 25 estimated install dates which need to be confirmed.

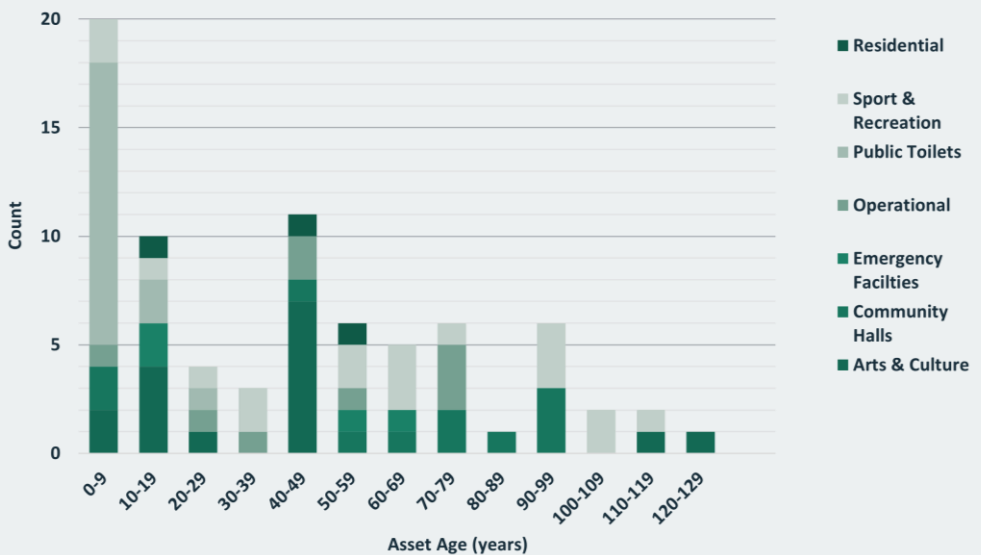


Figure 7-9 Asset Age – Buildings and Facilities

The graph shows clearly the installation of public toilets over the last nine years. All toilets were renewed or acquired through purpose built prefabricated toilets with an estimated lifespan of at least 25 years. Therefore, there will be an expected peak in renewals between 2043 and 2050. The age profile of 40-49 years is due to the Westland Industrial Heritage Park installation dates being estimated at the year 1980. Other facilities in this period include the Hokitika Lions Club Hall and Drummond Hall which were built in 1978.

There are no formal condition ratings for facilities, however, a condition assessment was carried out in 2024 by internal staff. This is shown by Figure 7-10 below where 1 is excellent and 5 is very poor.

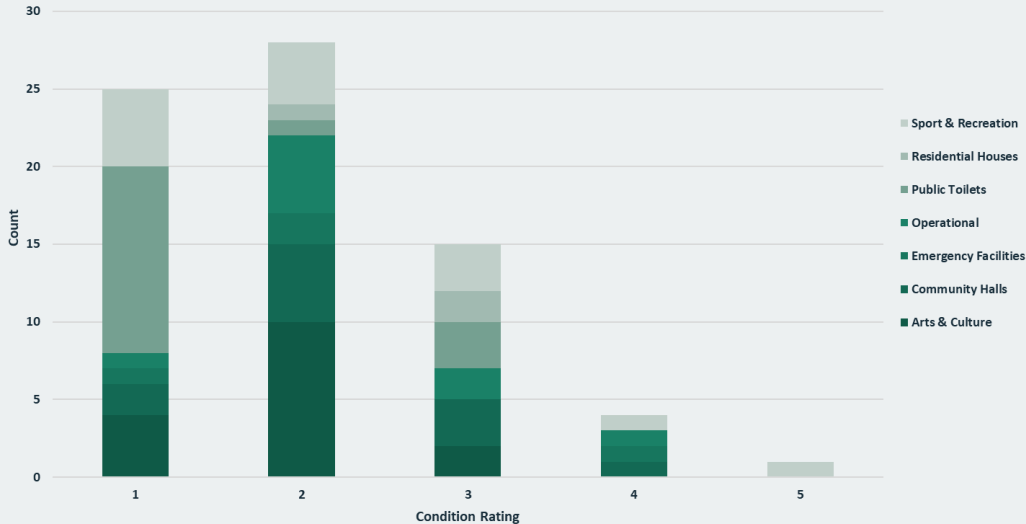


Figure 7-10 Asset Condition – Buildings and Facilities

Council’s assets are generally in good condition although the older facilities have suffered increased deterioration due to a lack of maintenance.

There is one facility with a condition rating of very poor, the Cass Square Grandstand. Council has forecasted this asset for demolition in 2027/2028 and a full replacement in 2029/2030.

Expenditure Forecast

The forecasted capital expenditure across the buildings and facilities activity is \$23.4 million across 30 years. Community halls are due for renewal with the majority of the work relating to earthquake strengthening. The majority of projects within this activity are renewals of existing infrastructure or upgrades.

The major projects for buildings and facilities are:

- Council Headquarters Refurbishments
- Ross Swimming Pool Upgrade
- Hokitika Swimming Pool Heating Upgrade
- Hokitika Swimming Pool Roof and Flooring

Operational expenditure includes electricity, security, diesel and repairs and maintenance. It does not include income or any finance related accounts such as insurance, rates or depreciation.

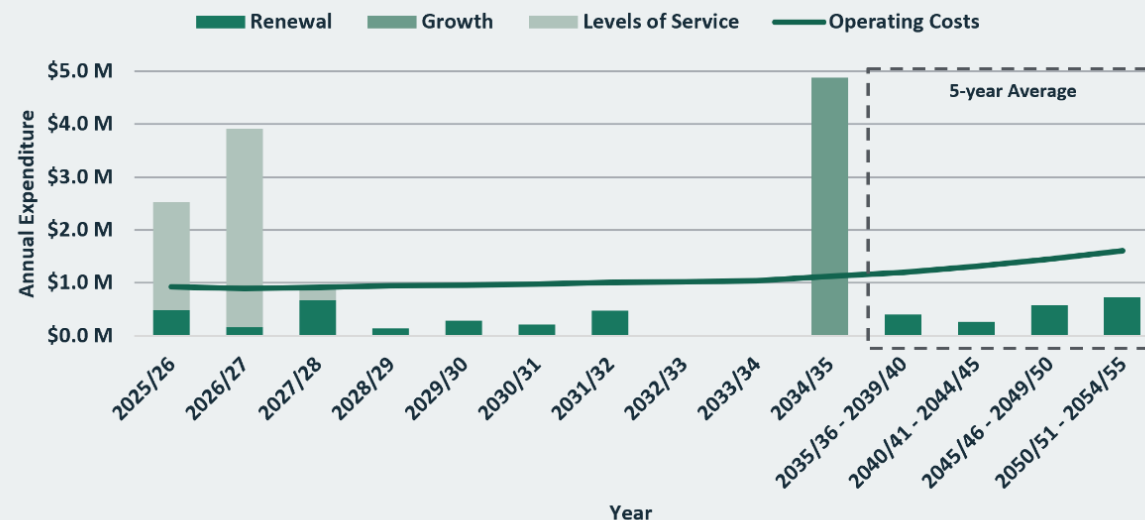


Figure 7-11. Expenditure Forecast – Buildings and Facilities

The operational costs are influenced by the following factors:

- Energy costs, including electricity, gas and water. Factors like building insulation, window quality and HVAC systems affect energy consumption;
- Regular maintenance, repairs and replacements of equipment and assets. A well-planned maintenance schedule can help reduce costs;
- Cost associated with engaging contractors, suppliers and consultants. Effective contract management, supplier negotiations and procurement strategies can minimise these expenses;
- Costs associated with complying with relevant laws, regulations, and standards, such as health & safety, accessibility and environmental requirements. Staying up to date with regulatory changes, conducting regular audits can help manage these costs; and
- The availability and skill level of contractors in rural towns drives up costs due to travel and accommodation fees.

The expenditure forecast for renewals, growth, levels of service and operational costs are shown in Figure 7-11.

7.4. Parks, Reserves and Cemeteries

The parks, reserves and cemeteries activity cover a wide range of assets and land including cemeteries, sports grounds, and playgrounds. Parks and reserves provide opportunities for the community to participate in outdoor activities and enhance health and well-being. Local cemeteries are an important part of the cultural fabric of communities.

This section provides a summary of our planning including key challenges, levels of service, asset age and condition, and a summary of the expenditure forecast. Further detail is provided in our Activity Management Plans.

Key Challenges

The key challenges for parks, reserves and cemeteries activities are summarised below in Table 7-7.

Table 7-7. Key Challenges – Parks and Reserves

Theme	Key Issues	Discussion/Response
	Overall affordability for the proposed parks and reserves strategy development once adopted, balancing affordability against meeting community needs.	Council is to implement new parks and reserves strategy when adopted that looks to better aligning community needs with assets. This will drive an approach to maintenance, renewals and divestment of assets. Using any funds from the divestment of assets to fund works in other areas.
	Identifying partners to deliver parks services.	Delivery of services will be via partnerships. Council is partnering with local schools and DOC to provided active recreational services.
	Public perception of insufficient maintenance of reserves.	Current strategy is based on limited budget and minimum level of service. A reserves strategy will be developed to assess options to divest some reserves and better align with community needs.

Theme	Key Issues	Discussion/Response
	Difficulty in forecasting demand and trends/preferences for cemeteries. Growing trend to search public records for family heritage purposes.	There is sufficient available space at cemeteries, working with Sexton to match development works with demand. Information accessible online to search public cemetery records.
	Allowing for meaningful recreational / reserve space in Hokitika Racecourse development.	Hokitika Racecourse development is a significant project. The development includes a housing area and some recreational/ reserve space (passive and active recreation).
	Adequately scoping the significant Cass Square development.	A concept plan has been developed which includes more capital investment in a basketball court, skatepark and exercise equipment.
	Council's role on providing parks assets to support tourism.	There are differing community views around whether it's Council's and ratepayer's role to invest in assets to support the attraction of tourists (i.e. destination playgrounds, walking tracks, mountain biking tracks etc). Wild food festival is a key event and held at Cass Square. We need to ensure our strategy provides an appropriate space for future events.

Levels of Service

Levels of service describe the outputs Council is expected to deliver through the management of physical assets from a customer, legislative or regulator point of view. The levels of service for parks, reserves and cemeteries are shown in Table 7-8. The levels of service have been developed based on best practice. There are proposed changes to measuring levels of service for this activity.

Table 7-8. Level of Service – Parks, Reserves and Cemeteries

Activity Area	Objectives	Levels of Service
	To provide a network of open spaces that are well designed, multipurpose, fit in with the natural environment and provide for communities, mana whenua and visitors.	Space Provision There are sufficient open spaces to meet the needs of the district.
		Customer Satisfaction The open space network meets the resident’s expectations.
	To provide a network of cemeteries to meet the district’s burial and remembrance needs.	Customer Proximity Residents continue to have access to a Council cemetery within a reasonable travelling distance.
		Legislative Compliance All burials adhere to the relevant legislation.
		Customer Satisfaction Cemetery operations continue to be carried out in a respectful, accurate and efficient manner.

Asset Age and Condition

No age data is available for this activity. We are currently working on improving our asset data in this area. To date, the data has been restructured, and further assets have been identified. The process to confirm install dates and condition of assets is ongoing.

Condition is not formally monitored for the activity, however, inspections for playgrounds are kept current. Playground Safety Inspections and Risk Assessments are completed annually by Playsafe in accordance with NZS 5828:2015 Playground Equipment & Surfacing. The condition profile of playground equipment is shown below in Figure 7-12.

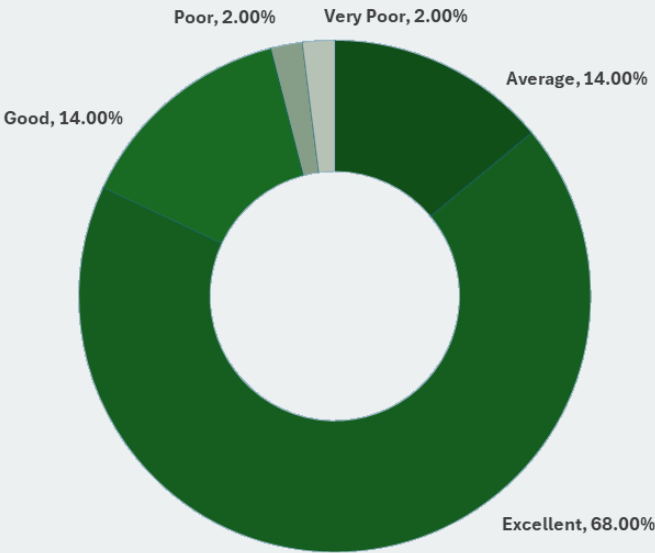


Figure 7-12 Asset Age – Parks, Reserves and Cemeteries

All open and active cemeteries are considered to be in good to excellent condition.

Expenditure Forecast

The forecasted capital expenditure across the parks, reserves and cemeteries activity is \$16 million across 30 years.

The majority of the parks and reserves forecast is renewals. There is both renewal and growth funding required for the cemetery activity. There are assets that need renewing at the cemeteries and the installation of new berms is considered a growth activity. There is also budget allocated to complete the new section at the Ross cemetery which is currently underway.

The major projects for parks, reserves and cemeteries are:

- Racecourse Development
- Cass Square Grandstand New Build
- Cass Square Resurfacing
- Cass Square Development
- Kumara Playground Equipment

Operational expenditure includes electricity, burial fees, Council grants, hire charges and repairs and maintenance. It does not include income or any finance related accounts such as insurance, rates or depreciation.

Operational costs are influenced by the following factors:

- Increasing maintenance costs;
- Changing in levels of service and customer expectations; and
- Increasing asset base across the District (Hokitika and other areas).

The expenditure forecast for renewals, growth, levels of service and operational costs are shown below Figure 7-13.

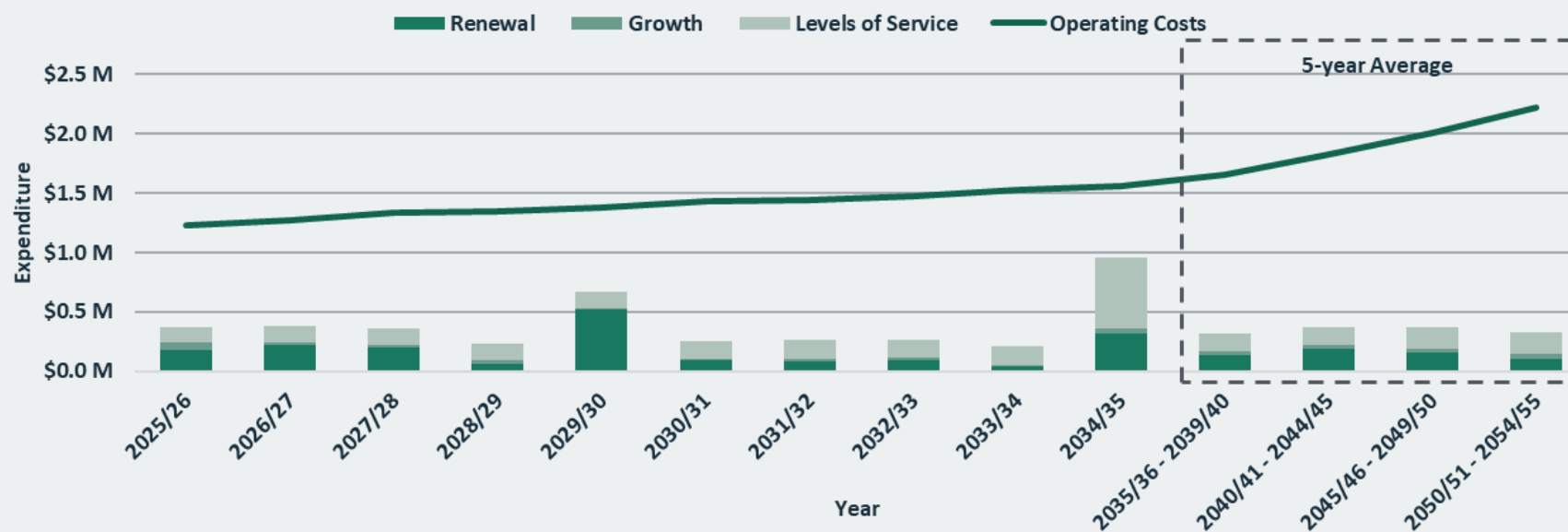


Figure 7-13 Forecast Expenditure – Parks, Reserves and Cemeteries

7.5. Solid Waste

We are responsible for encouraging efficient and sustainable management of solid waste. The solid waste activity includes:

- Waste and recycling collection (pick-up) in the northern and southern parts of the district.
- Provision of transfer stations and disposal sites serving all townships.

The solid waste activity is going through significant change driven by central government to reduce waste going to landfill, increasing the waste levy and the introduction of a kerbside glass collection.

This section provides a summary of our planning including key challenges, levels of service, asset age and condition, and a summary of the expenditure forecast. Further detail is provided in our Activity Management Plans.

Key Challenges

The key challenges for the building and facility activities are summarised below in Table 7-9.

Table 7-9. Key Challenges – Solid Waste

Theme	Key Issues	Discussion/Response
	Implementation of new contract for waste, recycling and kerbside services.	For the new contract Council is using joint procurement with Grey District to achieve economies of scale.
	Retendering of the contract for waste cartage to Butlers Landfill and associated operational activities onsite.	Current contract has been extended to June 2028.
	Lack of fees and charges for tourism and construction related waste.	Tourism has the biggest impact on waste volumes.
	No existing sorting or processing facilities on the West Coast	Requires recycling to be transported to Christchurch for sorting.

Theme	Key Issues	Discussion/Response
	Changes to kerbside collection to include glass and kitchen waste.	Management of additional cost of collection and processing.
	Five high risk landfills (susceptible to natural hazards and climate change)	Prioritisation of the most at risk landfill and application for funding to remediate.

Levels of Service

Levels of service describe the outputs Council is expected to deliver through the management of physical assets from a customer, legislative or regulator point of view.

The levels of service for solid waste are shown in Table . The levels of service have been developed based on best practice. There are proposed changes to measuring levels of service for this activity.

Table 7-10. Levels for Service – Solid Waste

Activity Area	Objectives	Levels of Service
	To protect the environment by minimising waste to landfill and provide a quality kerbside collection service for the community.	Environmental Impact The quantity of solid waste disposed of is static or decreasing.
		Legislative Compliance Solid Waste activities are managed in accordance with resource consent conditions.
		Customer Satisfaction Waste collection is managed to give a good quality service.

Asset Age and Condition

The Solid Waste infrastructure assets include open and closed landfills, rubbish transfer stations, town litter bins and associated assets. These assets are located throughout our District in eight major townships.

The landfill cells at Butlers were constructed in 2011 and 2022.

Hokitika, Kumara, Ross, Harihari and Whataroa are all closed landfills that operate as transfer stations. Limited information is available about the age of assets at these sites.

In recent years Council has invested in renewing public litter bins throughout the District, the age of these assets is shown in Figure 7-14 below.

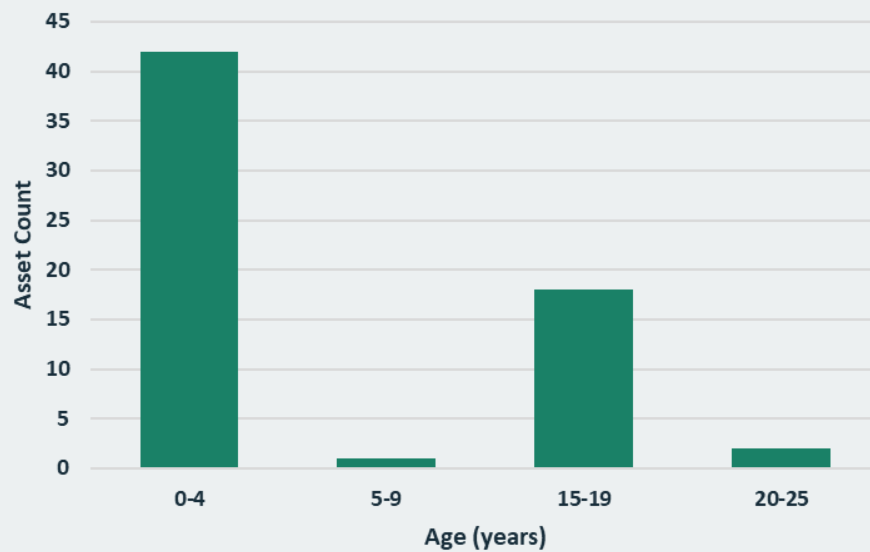


Figure 7-14 Age Profile – Litter Bins

There have been no formal condition assessments completed on the Solid Waste asset portfolio.





Expenditure Forecast

The forecasted capital expenditure for the solid waste activity is \$22.6 million across 30 years. The projects are renewals of infrastructure at the landfills across the District. The major projects for solid waste are:

- Carbon Credits
- Hokitika Waste Minimisation

Operational expenditure includes contract management, repairs and maintenance, emissions trading, monitoring materials and maintenance. It does not include income or any finance related accounts such as insurance, rates or depreciation. Operational costs are influenced by the following factors:

- Government directives and legislative changes;
- Cost and recovery for recycled materials;
- Changes in operational costs due to tendering and CPI adjustments; and
- Resource consents, monitoring and compliance costs.

The expenditure forecast for renewals, growth, levels of service and operational costs are shown below in Figure 7-15.

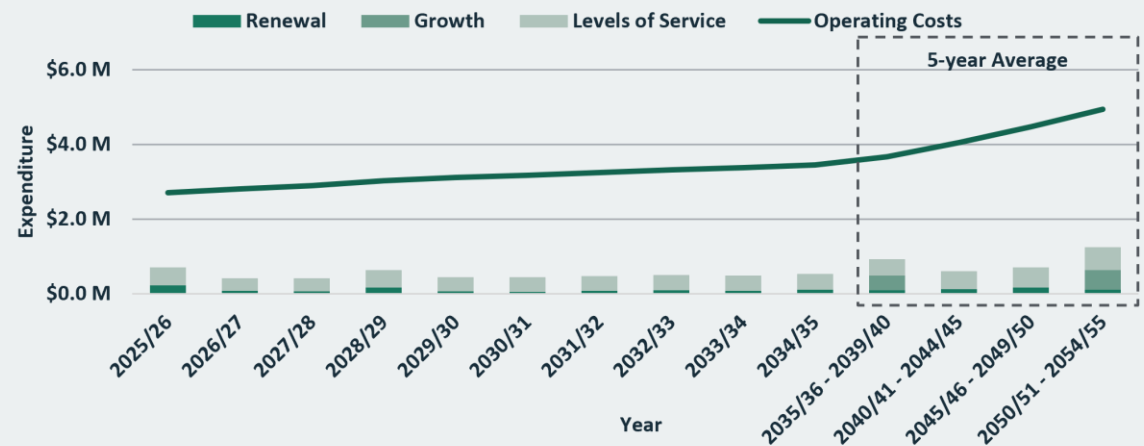


Figure 7-15 Forecast Expenditure – Solid Waste

7.6. West Coast Wilderness Trail

The West Coast Wilderness Trail stretches 97km from Greymouth to Ross, traversing both the Grey and Westland Districts. Westland District Council is identified as the official trail owner with the Ministry of Business, Innovation and Employment (MBIE). However, the trail is aligned through various landowner such as Department of Conservation and private entities. Various assets located on the trail are not owned by us.

The West Coast Wilderness Trail Trust works alongside Grey and Westlands Councils to promote, develop, and manage the trail.

This section provides a summary of our planning including key challenges, levels of service, asset age and condition, and a summary of the expenditure forecast. Further detail is provided in the Activity Management Plans.

Key Challenges

The key challenges for the building and facility activities are summarised below in Table .

Table 7-11. Key Challenges – West Coast Wilderness Trail

Theme	Key Issues	Discussion/Response
	Funding of the trail as users cannot be charged	Continue to apply for funding applications with the knowledge of 50:50 share with MBIE.
	Reliance on government funding to keep the trail operational and for emergency repairs	Continue to investigate alternative funding mechanisms. Continue to highlight the wider benefits the trail contributes to the Westland area and the revenue tourists bring to local businesses.
	Aging infrastructure, particularly bridges	Develop a long-term renewals programme to help illustrate the investment needed and when.
	Working with DOC to upgrade and fund infrastructure they own	Some structures are owned by Department of Conservation, some by WDC. Develop a long-term renewals programme to help illustrate the investment needed and when.
	Safety for users as portions of trail are on the road	Current strategy is to re-route road sections over-time and increase the amount of off-road trail.
	Totara Bridge is currently closed (Totara Bridge is approximately 3.8km from Ross end)	Options to repair the bridge or re-route the trail and build a new bridge.
	Resilience of the trail due to wetter weather (the weirs are often closed when it's been raining)	The off-road trail is subject to climate change (flooding, fallen trees etc). Current strategy is to fix as required (reactive).

Levels of Service

Levels of service describe the outputs Council is expected to deliver through the management of physical assets from a customer, legislative or regulator point of view. The levels of service for the trail are shown in Table . The levels of service have been developed based on best practice. There are proposed changes to measuring levels of service for this activity.

Table 7-12. Levels of Service – West Coast Wilderness Trail

Activity Area	Objectives	Levels of Service
	To provide a cycle trail that showcases the West Coast.	Customer Use The trail is well used by the community and visitors to the region.
	To provide a cycle trail that provides a unique user experience.	Customer Satisfaction The trail network is managed to give a good quality service.

Asset Age and Condition

Our trail has many types of assets including the trail itself, bridges, signs and shelters. Figure 7-16 and Figure 7-17 provide the age profile for the trail surface and bridges. Asset data collection is currently underway for the remaining assets.

Asset Condition is currently monitored by the maintenance contractor and reported on through monthly reports, however, no formal condition records are kept. Bridge assets underwent principal inspection in 2020 by WSP principal engineers and are now due for another inspection.

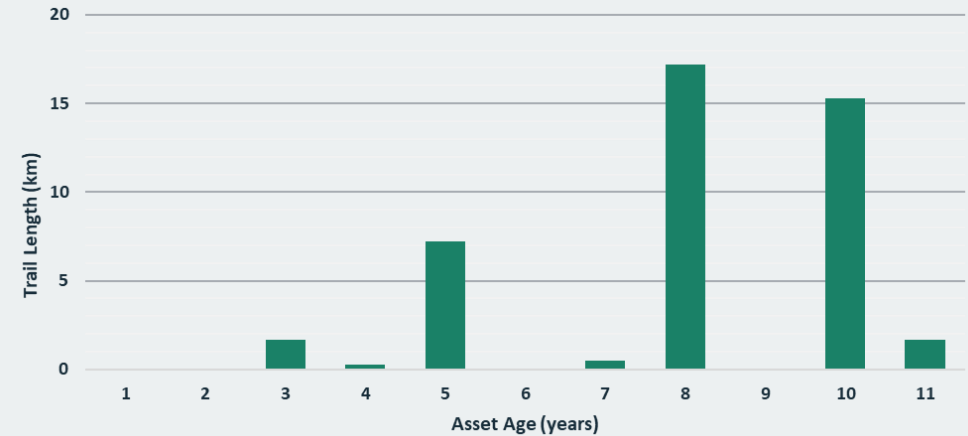


Figure 7-16. Age Profile - Bridges

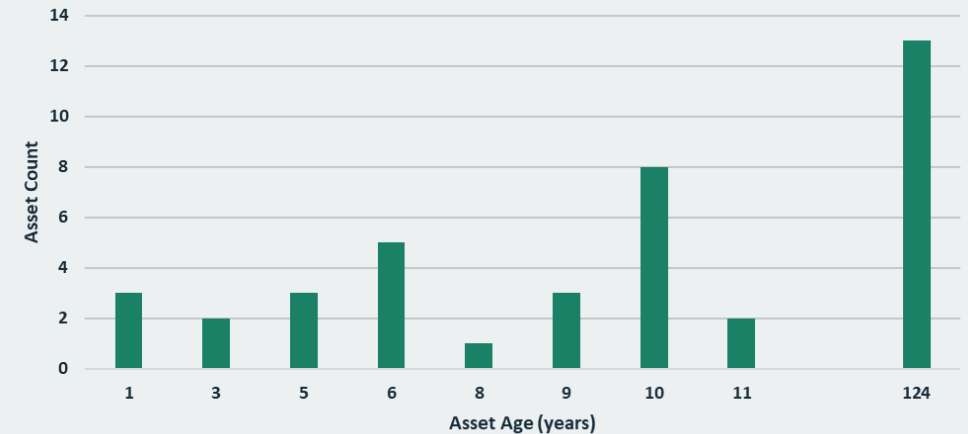


Figure 7-17 Age Profile - Bridges

Expenditure Forecast

The forecasted capital expenditure for the trail activity is \$9.7 million across 30 years. The majority of these projects are renewals as the infrastructure is ageing – particularly the bridges. There are some level of service projects which relate to new sections of trail.

The major projects for the trail are:

- Totara Bridge
- Larkins Road Safety Enhancements
- Manhinapua Boardwalk and Bridges

Operational expenditure includes grants, contract management as well as repairs and maintenance. It does not include any income or finance related accounts such as insurance, rates or depreciation.

Operational costs are influenced by the following factors:

- Contractor costs and the delivery methodology (incumbent change will raise expenses);
- Aging asset requiring more maintenance inputs;
- Increasing costs; and
- A reliance on government funding.

The expenditure forecast for renewals, growth, levels of service and operational costs are shown below in Figure 7-18.



Figure 7-18 Forecast Expenditure – West Coast Wilderness Trail

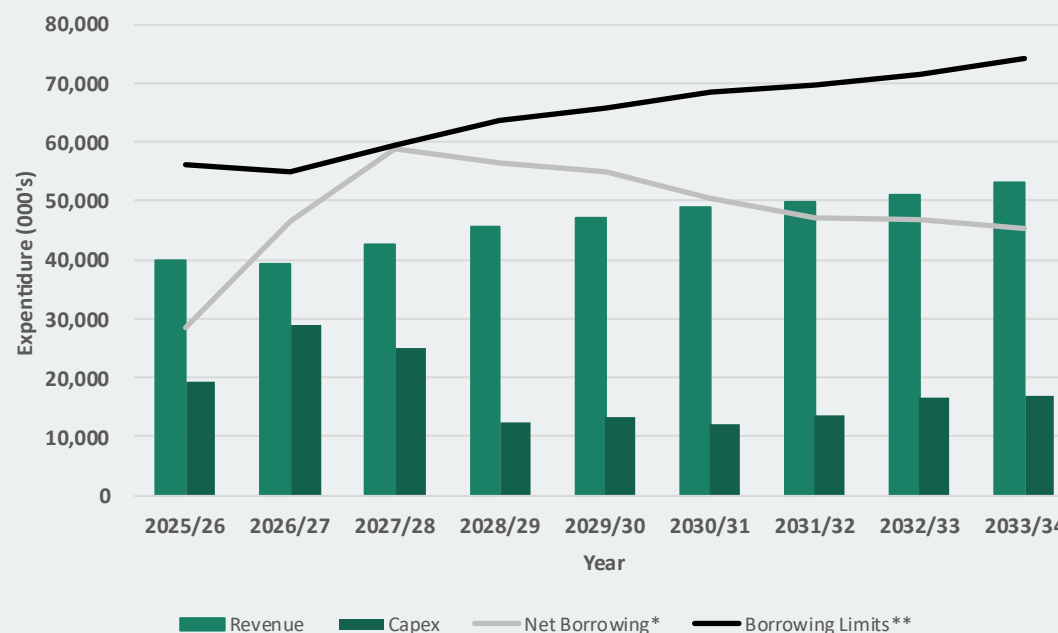
8. Financial Summary

This IS is closely linked to the Financial Strategy. The Financial Strategy considers the affordability for ratepayers and Council as a whole and provides strategic financial limits for rates and debt and discusses other funding sources which guide our infrastructure planning. A summary of this is shown in Figure 8-1³ below.

Within this LTP we have shifted our self-imposed financial limits due to the substantial level of capital investment over the next few years resulting in an increase in the level of borrowing. We have had to work hard to prepare and prioritise a work programme that addresses the most pressing key issues while staying within these financial limits. This means there is very little scope to add further work to the programme within the next ten years.

We have attempted to balance the competing tensions of affordability, the need to maintain our assets, while responding to legislative reform and investing for the future. This is all in balance with addressing the financial challenges of increasing costs, ability to deliver large capital projects, increasing infrastructure portfolio and increasing need for network renewals.

There are limitations in the relationship between the Financial Strategy and our IS. The limits described in the Financial Strategy and the affordability challenges relate to all Council activities of which infrastructure is a significant component but not the sole driver. The Financial Strategy also looks at the requirements for 9 years, however modelling out to thirty years would support the infrastructure strategy planning to ensure that longer term financial considerations can be considered or flagged as a future challenge.



³ *This is debt used for our debt limit benchmark

** This is an internal debt limit, not our LGFA limit which is higher

Figure 8-1 Financial Summary



Key Decisions and Future Options

There is a number of key decisions we will need to make over the duration of this strategy. Some of these decisions will be significant to the District and some will not. Key decisions and actions that will need to be made by elected members over the next 30 years are summarised below in Table .

Table 8-1. Key Decisions and Future Options

Activity	Key Decisions/Future Options	
ALL	Implementation of a development contributions policy	
	Jacksons Bay Wharf Upgrade	Reduced levels of service on Jacksons Bay Rad.
	User pays for carparking in Hokitika	Funding of Jacksons Bay Road
	Reduce investment in roads to nowhere	
	Franz Josef Wastewater Treatment Plant	
	Hannahs Clearing Landfill Remediation	Remediation of other high risk landfill sites
	Sale of Pakiwaitara Building	Cass Square Grandstand Concept Plan
	Disposal of land parcels	User pays for public toilets
	Reduced Investment in Community Halls	
	Hokitika Central Business District Concept Plan	Racecourse Reserve Concept Plan
	Alternative Route to Ross	User pays for the trail

Funding our infrastructure

Activities associated with our infrastructure assets are funded through a variety of means for the capital and operational expenditure. Key funding mechanisms supporting our infrastructure activity are summarised in this section. More information about all funding sources, and our limits can be found in the Financial Strategy or Revenue and Financing Policy.

Rates

The rating system is the primary mechanism used by the Council to fund the operating and capital expenditure planned for the district. Rates are collected through general rates (for the general purpose of Council or wider benefit of the district), Uniform Annual General Charge (UAGC – a fixed rate for remainder of the general rate requirement), and targeted rates (levied for a particular purpose).

Debt

We recognise that the infrastructure we build, maintain, and operate serves the community over many generations. We use debt to fund new infrastructure, reflecting the intergenerational value of our infrastructure.

External Funding

Some Council activities attract external funding, from our Government partners, or contestable funding. For example, programmes within our Transportation activity which are approved and included in the Regional Land

Transport Plan attract a 64% Funding Assistance Rate (FAR) from National Land Transport Fund (NLTF) administered by NZTA Waka Kotahi. We also apply for external funding grants to co-fund capital projects. This limits our impacts on the general rates and helps us fund tourism which provides clear long-term benefits for the wider region.

Depreciation

Depreciation is an accounting measure that we can use to represent how much of an asset value has been used up. For example, if a road surface lasts 10 years, the current ratepayers are assumed to have used up one tenth of the value of the road each year.

The annual depreciation charge forms part of the Council's operating expenses for the year. As the asset has been previously paid for depreciation is a non-cash expense (just a 'book entry') and does not involve any payments. Renewal costs are the actual cost of replacing assets at the end of their life. It is the actual cash payment required to replace the old asset. Over the long term the renewal cost and the depreciation charge for the Council's infrastructure assets (roads, water and wastewater systems) should be similar. But in any one year they can be very different – depreciation is a regular annual operating expense, and the corresponding renewal is an irregular capital cost.

Renewal of our infrastructure assets are funded through a mix of depreciation and renewal funding, with external debt utilised where there is a funding shortfall. Some of our funding mechanisms are shown in Table 8-2.

Table 8-2. Funding Mechanisms

Activity	Operational Funding Mechanism	Capital Funding Mechanism
	Jointly funded by Council and Waka Kotahi based on:	Jointly funded by Council and Waka Kotahi based on:
	Funding Assistance Rate (FAR) of 64% (Waka Kotahi)	Funding Assistance Rate (FAR) of 64% (Waka Kotahi)
	Special Purpose Road (Haast-Jackson Bay) – 100% until 2027 then reverts to FAR.	Special Purpose Road (Haast-Jackson Bay) – 100% until 2027 then reverts to FAR.
	Targeted Rates	Not applicable at this stage.
	Targeted rate for those households and businesses that receive a kerbside collection service.	Contaminated Sites and Vulnerable Landfills Fund
	General rate for all disposal, transfer station, education, and enforcement costs.	
	Fees and charges at transfer stations.	
	Ministry for the Environment funding towards education programmes in schools.	
	Waste Minimisation Fund.	
	General rates.	MBIE (Infrastructure Acceleration Fund, TIF)
		Community grants.
		Cultural and Heritage.
		Lotteries.
	Primarily from general rates.	Central government funding towards capital projects on a case-by-case basis.
	Cemetery fees and charges.	Lotteries funding towards some community capital projects.
	Limited fees and charges for use of active recreational parks.	
	Primarily from general rates.	Funding application through MBIE to the Maintaining the Quality of Great Rides Fund (50:50) with priority given to health and safety projects or quality improvements.
	Donations	

Financial Forecasts

Our financial forecasts for the next thirty years are based on the most likely scenario. We have included the full costs of projects in our modelling as the most likely scenario even if our preferred option for some of the consultation items is to undertake the project with external funding. Our forecasts for the first three years are the most detailed, while those in years 4 - 10 are a reasonable outline of the most likely scenario which will be reviewed in future LTP cycles. The forecasts beyond year ten are indicative estimates and will be developed further as more information becomes available.

Council expenditure is categorised as operational and capital.

Operational expenditure – regular activities to provide services i.e. maintenance.

Capital expenditure – activities to acquire, improve or renew assets that will be used for more than one year.

- Renewals - Replacement of assets with assets of a modern equivalent. This is normally from ageing infrastructure or infrastructure that has failed early.
- Growth and Demand - Projects in response to increased demands on our infrastructure. This caters for growth across our District.
- Levels of Service - Projects resulting in new assets that improve our assets. This is normally changes in technology, legislation, regulations and customer expectations.

The total expenditure capital, operational expenditure and depreciation for all infrastructure activities over the 30-year period 2025 – 2054 is shown below in Figure 8-2 and Figure 8-2.



Figure 8-3 Forecast Expenditure for All Activities

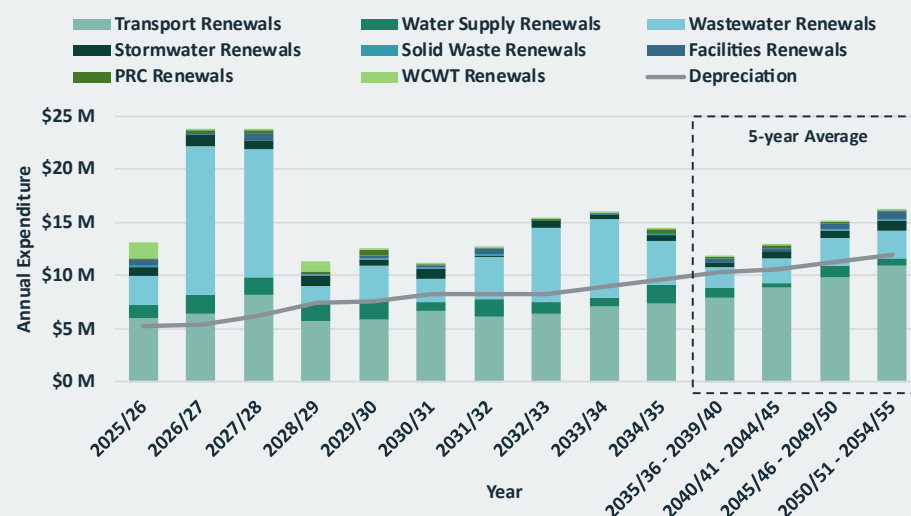


Figure 8-2 Forecast Renewal and Funded Depreciation