

## 6.0 Policies



*Awakino Headlands*

## 6.1 Policy on Significance

### 1.0 Summary

1.1 This Policy has been developed to comply with Section 90 of the LGA 2002. It addresses the thresholds, criteria and procedures by which issues, decisions, and proposals, will be considered as significant by Waitomo District Council and therefore consulted on using a method commensurate with the significance of the decision (in accordance with Section 79 (1)(a)). The Policy also determines which assets of Council it considers strategic.

### 2.0 Policy Objectives

2.1 The objectives of the Policy are:

- To outline under what situations Council will consult with the Waitomo District on issues of significance, that fall outside other specific provisions of LGA 2002.
- To outline the basis on which Council considers issues to be of significance to the Waitomo District.
- To outline which assets Council considers strategic.
- To comply with Section 90 of the Local Government Act 2002.

### 3.0 Statutory Requirements

3.1 Section 90 of the LGA 2002 outlines the content of a policy on significance:

#### **"90 Policy on significance**

- (1) *Every local authority must adopt a policy setting out---*
- (a) *that local authority's general approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters; and*
- (b) *any thresholds, criteria, or procedures that are to be used by the local authority in assessing the extent to which issues,*

*proposals, decisions, or other matters are significant.*

- (2) *The policy adopted under subsection (1) must list the assets considered by the local authority to be strategic assets.*
- (3) *A policy adopted under subsection (1) may be amended from time to time.*
- (4) *A local authority must use the special consultative procedure both in relation to---*
- (a) *the adoption of a policy under subsection (1); and*
- (b) *the amendment, under subsection (3), of a policy adopted under subsection (1)."*

### 4.0 Relationship to other Council Policies

4.1 It is important when reading this Policy that it is read in conjunction with other related Council policies. Council policies are often linked so that any issue before Council can be dealt with in an integrated and comprehensive fashion. Policies that have a clear relationship with the Policy on Significance are:

- Council's Governance Statement, Standing Orders and the Delegations Register (in terms of operating the policy).
- Council's Policy on Partnerships with the Private Sector (in terms of any proposal or decision to enter a formal relationship with the private sector).
- Council's Investment Policy, Liability Management Policy, Revenue and Financing Policy and Long Term Plan, as these identify and/or set the parameters for the financial implications of significant decisions.

## 6.1 Policy on Significance

### 5.0 Definition of Significance

5.1 The LGA 2002 defines significance as:

*"significance, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,---*

- (a) the current and future social, economic, environmental, or cultural well-being of the District or region:*
- (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:*
- (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.*

*significant, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance"*

### 6.0 General Approach to Determining Significance

6.1 An issue, decision, proposal or other matter is considered to have significance to the Waitomo District, if (in a material sense):

- a. The consequences or impacts of the issue or decision will affect the overall sustainable development of the District.
- b. The issue or decision is determined to be significant by Council through resolution, and has not been previously consulted on by the Special Consultative Procedure through Council's Annual Plan or Long Term Council Community Plan.
- c. The consequences or impacts of the issue, assets or other matters, will affect the ability of the community to progress toward its Strategic Goals and Community Outcomes as outlined in the Long Term Plan.

- d. The issue or decision may lead to significant change to levels of service, or service provision, in terms of:
  - Potential reduction in levels of service below any level of service standards adopted by Council, including change to service delivery points.
  - Potential changes to levels of service that invoke cost implications as outlined under the financial thresholds provided for in this Policy.
- e. Involves Council's entry into any partnership, transfer of ownership or management control to be exercised over an entire Significant Activity (as defined by Council's Revenue and Financing Policy).
- f. The decision involves the acquisition or disposal of a strategic asset as determined by the LGA 2002 or this Policy.

### 7.0 Thresholds and Procedures

7.1 When undertaking a process to determine the extent to which issues, proposals, decisions or other matters are significant; the Council will use the following thresholds and procedures:

#### Thresholds:

A possible increase in funding requirement in excess of:

- (a) 20% of total Council operating budget costs (\$4.183 million) or,
- (b) Capital expenditure in excess of 2.5% of the total value of Council's assets (\$7.937 million).

*Note 1: Emergencies and emergency works of Council are excluded from this Policy, as by their very nature, they are unplanned and must be responded to immediately.*

*Note 2: The threshold for capital expenditure relates to new or development expenditure only. Asset renewal is an important aspect of owning and managing assets.*

## 6.1 Policy on Significance

*Note 3: The thresholds above are not mutually exclusive. Capital expenditure is likely to result in associated operating costs, which must also be tested for materiality.*

### Procedures:

Decisions on 'significance' will be made in accordance with the Council's requirement that the Chief Executive bring to Council professional and technical advice on all matters in accordance with Council's policies and reporting procedures.

Where any issue, policy, decision or other matter triggers one or more of the thresholds or criteria in this Policy the Chief Executive shall report the matter to Council. Reports to Council or its committees shall include a statement indicating that the issue, proposal, decision or other matter has been considered in regard to Council's Policy on Significance and shall include an assessment of the degree of significance of the issue, proposal, decision or other matter. The report will also make recommendation as to the procedural requirements to be followed by Council prior to making a decision on the issue, proposal, or other matter.

### 8.0 Strategic Assets

8.1 The LGA 2002 provides the following definition of strategic assets:

#### **"5 Interpretation**

**strategic asset**, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes-

- (a) any asset or group of assets listed in accordance with section 90(2) by the local authority; and
- (b) any land or building owned by the local authority and required to maintain the local authorities capacity to provide affordable housing as part of its social policy; and

(c) any equity securities held by the local authority in-

- (i) a port company within the meaning of the Port Companies Act 1988:
- (ii) an airport company within the meaning of the Airport Authorities Act 1966

8.2 Council has identified the following strategic assets and groups of strategic assets:

- Road Network in its entirety
- Water Network in its entirety (Statutory)
- Wastewater Network in its entirety (Statutory)
- Reserves Network in its entirety
- Housing for Elderly Persons (Statutory)
- Stormwater Network in its entirety

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## 6.2 Council Controlled Organisations

### *Inframax Construction Ltd*

Inframax Construction Ltd (ICL) is a roading construction and maintenance company wholly owned by the Waitomo District Council as a Council Controlled Organisation subject to the Local Government Act 2002.

As in the past, the Council will continue to evaluate its investment in ICL having regard to the impact of its decisions on the social and economic well-being of the District community, in accordance with the Local Government Act 2002.

ICL's corporate purpose is to operate as a provider of roading construction, roading maintenance, aggregate quarrying and crushing and other infra-structural services.

#### Performance Targets for 2008/2009

<b>Return on Equity</b> - Net Profit before Subvention and Tax as percentage of average Shareholders Funds.	Not less than 17%
<b>Equity Ratio</b> - Average Shareholders funds expressed as percentage of Average Total Assets.	Not less than 41%
<b>Dividend</b> - Fixed dividends provided for and subvention paid.	\$920,000
<b>Health and Safety</b> - To achieve a Lost Time Injury Accident (LTI) rate of:	Not more than 10 accidents for every million hours worked

### Prospective Inframax Operating Statement

(For the Years Ending 30 June)

	Forecast Actual year ending 30 June 2009 \$000's	Budget year ending 30 June 2010 \$000's	Forecast year ending 30 June 2011 \$000's	Forecast year ending 30 June 2012 \$000's
<b>Total Income</b>	<b>56000</b>	<b>56900</b>	<b>59200</b>	<b>61600</b>
<b>Total Expenditure</b>	<b>55680</b>	<b>54580</b>	<b>56530</b>	<b>58580</b>
<b>Subvention payment</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>
Net Profit before tax	100	2100	2450	2800
<b>Company tax</b>	<b>30</b>	<b>630</b>	<b>735</b>	<b>840</b>
Net Profit after tax	70	1470	1715	1960
<b>Retained earnings</b>	<b>7678</b>	<b>7748</b>	<b>8518</b>	<b>9483</b>
Total available for appropriation	7748	9218	10233	11443
<b>Dividend</b>	<b>0</b>	<b>700</b>	<b>750</b>	<b>780</b>
Retained earnings at 30 June	7748	8518	9483	10663

## 6.2 Council Controlled Organisations

### Local Authority Shared Services (LASS)

#### Background

The local authorities within the boundaries of the Waikato Region have worked closely together over a number of years on mutually beneficial joint projects. These projects have demonstrated the benefits that can be gained both in terms of outcomes achieved and the reduction in costs to the community.

Taking this initiative a step further, the local authorities have begun developing new shared service initiatives, including a valuation database to provide on-line updated information for all Council's. Taking this initiative and putting it to a formal context has resulted in the formation of Local Authority Shared Services (LASS) Limited.

The Council has an equal share with each of the 13 local authorities situated within the boundaries of the Waikato region, in LASS Ltd. The principal objective is for the Company to provide the most effective access to regional information of mutual value to the regional community using modern technology and processes. This Company will also be used as an umbrella for future development of shared services through the Region.

#### Shareholders

Local Authority Shared Services Limited is jointly owned by 13 local authorities:

- Waikato Regional Council
- Hamilton City Council
- Franklin District Council
- Hauraki District Council
- Matamata-Piako District Council
- Otorohanga District Council
- Rotorua District Council
- South Waikato District Council
- Taupo District Council
- Thames-Coromandel District Council
- Waikato District Council
- Waipa District Council
- Waitomo District Council

### Council Policies and Objectives relating to Council Controlled Organisations

The Constitution of LASS Ltd sets out the principles and expectations around how the company will be governed and operated. While Council has no formal policies and objectives, it has become a Shareholder on the basis that the Company will develop products and services of significant benefit to Waitomo residents and ratepayers.

#### Nature and Scope of Activities

The principal nature and scope of the activity for the Company is:

- a) To provide shared services to all local authorities within the Waikato Region. The Company also intends to sell processes and systems as set up under individual agreements to local authorities outside the Region.
- b) To pursue all opportunities to develop shared services that may benefit the community, either through enhanced services or reduced cost.
- c) To consider the development of shared service products which a majority of regional local authorities believe are of value. The objective is to provide the most effective access to regional information that may be of value to the community using modern technology and processes.
- d) To explore all possible avenues to provide these services itself or contract them from outside parties, each dependent on a rigorous business case.

The initial product is a shared valuation database. It is envisaged that the Company will continue to develop new products to be made available to the local authorities within the Waikato Region while at the same time exploring other opportunities to be undertaken in partnership with other local authorities within New Zealand that might add products to the current stable, e.g. aerial photographs, GIS systems, emergency management systems, etc.

## 6.2 Council Controlled Organisations

### Performance Targets

The initial performance targets are shown as best estimates and will be fully reviewed on a year by year basis to ensure that the products being offered continue to provide state of the art and cost effective processes for the shareholders.

- All products to be fully costed including development costs and to be recovered by way of revenue of a maximum of a five-year period.
- The company will enter into long term contracts of at least three years' duration with each of the participating parties in relation to any product development so as to ensure that the costs of development are spread equitably between the partners and over a realistic timeframe.
- The need for guarantees for the participating parties to provide for the capital and cash requirements of the organisation and to provide guarantees to the company based on prevailing interest rates in the market to cover the cost of the development of new products.
- To maintain a positive cash flow such that equity ratio is maintained at least 40%.
- To survey the customers once per year and to ensure that there is at least 90% satisfaction with the services being provided.

## 6.3 Appointment of Directors to Council Controlled Organisations

### 1.0 Summary

1.1 This policy on the Appointment of Directors to Council Controlled Organisations is developed in compliance with section 57 of the LGA 2002. It outlines the processes that Council will utilise for; identifying and considering the skills etc required of directors of a Council Controlled Organisation (CCO), appointing directors and determining the remuneration of directors.

### 2.0 Objectives of the Policy

2.1 The objectives of this policy are:

- To comply with section 57 of the Local Government Act 2002.
- To disclose the process and criteria Council will apply to the appointment, removal and setting of remuneration for directors of CCOs.
- To outline the consultation process (if any) to be undertaken with the community on appointment and remuneration.

### 3.0 Scope of Policy

3.1 When Council is involved with CCOs under the definition of Section 6 (1) (b) of the LGA, Council will disclose its interests in these organisations in the 2009-19 LTP.

### 4.0 Criteria for Selecting Directors of a CCO

#### 4.1 General Criteria

4.2 Council will appoint persons to the directorship of CCO's under the criteria outline in Section 57(2) of the LGA, specifically, person that Council considers have the skills, knowledge and experience to:

- Guide the organisation given the nature and scope of its activities
- Contribute to the achievement of the objectives of the organisation.

### 4.3 Skill Criteria

4.4 Council considers that any person that it appoints to be a director of a CCO should clearly demonstrate the following skills/attributes:

- Intellectual ability
- Business experience or other experience, skills or qualifications that are relevant to the activities of the organisation (or both)
- Sound judgement
- High standard of personal integrity
- Ability to work as a team member
- Understanding of governance issues
- Be a New Zealand Citizen

### 4.5 Specific Exclusions from Directorship of a Council Controlled Organisation

4.6 No person shall be appointed as a director of a CCO who:

- Has served a gaol sentence of three months or longer or has been convicted of a crime that carries such sentence.
- Has been convicted of fraud, theft, robbery or larceny.
- Has been declared bankrupt at any point in time or been the director of a company at the time it was placed in receivership or liquidation.

### 5.0 Procedures for Appointment of Directors to a Council Controlled Organisation (General)

#### 5.1 Appointment Process

5.2 When vacancies arise in the directorship of any CCO, Council will follow the following appointment process:

- a) Council will decide whether to advertise a particular vacancy or make an appointment without advertisement, and outline the process for appointment and setting of remuneration including:
- Recruiting of candidates,
  - Contract development and negotiation,
  - Ongoing performance monitoring.

## 6.3 Appointment of Directors to Council Controlled Organisations

- b) When taking a decision on this matter, Council will consider:
- The costs and benefits of any advertisement,
  - The availability of qualified candidates,
  - The urgency of the appointment,
  - The degree of public interest in the issue
- c) Council will consider applications and resolve an appointment in committee (this protecting the privacy of natural persons). Public notice of the appointment will be made as soon as practicable after Council has made its decision.
- d) An elected member who is under consideration to fill a particular vacancy may not be present in the discussion or vote on that appointment.

### 5.3 **Length of Tenure**

- 5.4 Council will decide length of tenure prior to appointment.

### 5.5 **Remuneration**

- 5.6 Remuneration will be determined on a case by case basis taking in to account the size, form and purpose of the organisation and any previous level of fees paid by the shareholder.

### 5.7 **Removal of Directors**

- 5.8 Directors appointed to CCO's by Council are in the role at the pleasure of Council. Council may terminate a director's appointment at any time by way of written notice.

### 5.9 **General**

- 5.10 Council expects that directors of CCO's will avoid situations where their actions could give rise to a conflict of interest. To minimise these situations, Council requires directors to follow the provision of the New Zealand Institute of Director's Code of Ethics for Partnerships, Joint Venture and Other Arrangements that are not companies, and the provisions of the Companies Act 1993. All directors are appointed at the pleasure of the Council and may be dismissed for breaches of these stated documents.

## 6.0 **Procedures for Appointment of Directors to Inframax Construction Limited**

*NOTE: This section is to be read in conjunction with the Constitution of Inframax Construction Limited.*

### 6.1 **Appointment Process**

- 6.2 Directors on the board of Inframax Construction Limited (ICL) will be appointed by way of Council resolution on receipt of advice/recommendation by the Relationship Committee. The Relationship Committee will provide advice to Council on the following matters:
- a) Whether to advertise a particular vacancy or make an appointment without advertisement, and outline the process for appointment and setting of remuneration including:
- Recruiting of candidates,
  - Contract development and negotiation,
  - Ongoing performance monitoring.
- b) In preparation of this advice the Relationship Committee will consider:
- The costs and benefits of any advertisement,
  - The availability of qualified candidates,
  - The urgency of the appointment,
  - The degree of public interest in the issue.
- c) The Relationship Committee will select and interview a shortlist of candidates, undertake a structured evaluation and make recommendation to Council for final approval. Council may consider applications and resolve an appointment in committee (this protecting the privacy of natural persons). Public notice of the appointment will be made as soon as practicable after Council has made its decision.
- d) An elected member who is under consideration to fill a particular vacancy may not be present in the discussion or vote on that appointment.

## 6.3 Appointment of Directors to Council Controlled Organisations

### 6.3 **Appointment of Temporary Directors**

6.4 Temporary directors will be appointed by the Relationship Committee.

### 6.5 **Remuneration**

6.6 The Council will set directors' remuneration either by resolution at the Annual General Meeting or by way of resolution of Council. The resolution will state whether the remuneration is set as a fixed cap for Board Remuneration, to be allocated by the Board, or specifying the salaries to be paid to the directors and chairperson.

6.7 Remuneration for directors will be determined by an analysis of market rates for comparable positions at the time appointment(s) are being made and thereafter assessed every three years.

### 6.8 **Removal of Directors**

6.9 Directors appointed to CCOs by Council are in the role at the pleasure of Council. The Relationship Committee may terminate a director's appointment at any time by way of written notice.

### 6.10 **General**

6.11 Council expects that directors of Council organisations will avoid situations where their actions could give rise to a conflict of interest. To minimise these situations, Council requires directors to follow the provision of the New Zealand Institute of Director's Code of Ethics for Partnerships, Joint Venture and Other Arrangements that are not companies, and the provisions of the Companies Act 1993. All directors are appointed at the pleasure of the Council and may be dismissed for breaches of these stated documents.

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## 6.4 Revenue and Financing Policy

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## 6.4 Revenue and Financing Policy

### 1.0 Introduction

- 1.1 Under the LGA 2002 (LGA 2002), all local authorities are required to adopt a Revenue and Financing Policy. Council adopted its previous Revenue and Financing Policy in 2003 and reviewed the policy as an amendment to the 2006-16 Long Term Council Community Plan (2006-16 LTCCP) in conjunction with the 2008/09 Annual Plan.
- 1.2 Under the Local Government Amendment Act (No. 3) 1996, Council was required to follow a three-step process in determining how costs were shared and funding tools were selected. At the first step, costs were allocated on the basis of 'beneficiary pays' or 'exacerbator pays' principle. At the second step, cost allocation made at step 1 could be modified, if desired, to accommodate considerations such as fairness, equity, transitional impacts and Council policies. And in the final step, the appropriate funding tools were selected. While there is no fundamental change to the substance of these funding criteria, the process involved in the development of a Revenue and Financing Policy is different under the LGA 2002. Now, Council is also required to identify community outcomes and consider the current and future economic, social, environmental and cultural well-being of the community in addition to economic principles relating to cost sharing.
- 1.3 This document provides details of Council's policies in respect of funding operating and capital expenditure, including how the policy was developed and what sources are used to fund the different activities. Total funding comprises a funding mix of rates, fees and charges, debt and other income.

### 1.4 Policy Intent

- 1.5 The purpose of this Policy is to clearly and transparently demonstrate how and why each significant activity of Council is funded. The policy takes into account the Community Outcomes that Council is committed to, as outlined in the 2006-16 LTCCP.

### 2.0 Legal Requirements

#### 2.1 Local Government Act 2002

- 2.2 Section 102(4) (a) of the LGA 2002 requires Council to adopt a Revenue and Financing Policy. Section 103 states the requirements of the policy:

### 2.3 Section 103 Revenue and Financing Policy states:

- (1) A policy adopted under section 102(4)(a) must state –
- (a) the local authority's policies in respect of the funding of operating expenses from the sources listed in subsection (2)
- (b) the local authority's policies in respect of the funding of capital expenditure from the sources listed in subsection (2).
- (2) The sources referred to in subsection (1) are as follows:
- (a) general rates, including –
- (i) choice of valuation system
- (ii) differential rating
- (iii) uniform annual general charges;
- (b) targeted rates;
- (c) fees and charges;
- (d) interest and dividends from investments;
- (e) borrowing;
- (f) proceeds from asset sales;
- (g) development contributions;
- (h) financial contributions under the Resource Management Act 1991;
- (i) grants and subsidies;
- (j) any other source.
- (3) A policy adopted under section 102(4)(a) must also show how the local authority has, in relation to the sources of funding identified in the policy, complied with section 101(3).

### 2.4 Section 101(3) states:

The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:

- (a) in relation to each activity to be funded –
- (i) the Community Outcomes to which the activity primarily contributes.
- (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.
- (iii) the period in or over which those benefits are expected to occur.
- (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake

## 6.4 Revenue and Financing Policy

- the activity.*
- (v) *the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.*
- (b) *the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.*

### 2.5 Section 14 Principles relating to local authorities

2.6 This section lists some general principles that a local authority must act in accordance with, when performing its role and conducting its business. In summary, local authorities are required to be:

- Open, transparent and accountable.
- Efficient and effective.
- Aware of and pay regard to the views of its communities.
- Focused on meeting Community outcomes.
- Responsive to diverse community interests including future generations.
- Collaborative with other local authorities.
- Inclusive of Maori.
- Based on sound business practices in the case of commercial transactions.
- Demonstrative of prudent stewardship of resources.
- Based on a sustainable approach reflecting the social, economic, environmental and cultural well-being of future generations.

### 2.7 Other Legal Requirements

2.8 While the Revenue and Financing Policy is governed by the LGA 2002, there are other legislations that are relevant for determining appropriate funding mechanisms such as:

### 2.9 Local Government (Rating) Act 2002

2.10 The Local Government (Rating) Act 2002 (LGRA 2002) replaced the Rating Powers Act 1988 and provides simplified procedures for changing the rates system and greater flexibility in setting targeted rates. The LGRA 2002 sets out all the legal requirements for rating. It covers who is liable to pay rates, what land is rateable, what kind of rates may be set and how those rates are set, the valuation systems which may be used and the various rating mechanisms available (such as targeted rates). It also sets a number of limits on local government.

For example, total uniform charges (excluding any UAC for water or wastewater) may not exceed 30% of total rates revenue.

### 2.11 Building Act, Sale of Liquor, etc

2.12 A number of Acts, such as the above, set out statutory fees for various types of regulatory services. These fees may not be exceeded. Where fee setting is up to the local authority, there is often a general legal requirement for this to be "fair and reasonable".

### 2.13 Resource Management Act 1991

2.14 The Resource Management Act 1991 (RMA 1991) sets out Council's responsibilities in terms of the environment. It also specifies the circumstances in which local authorities may require financial contributions from developers to meet the costs of their impact on the environment, including their impact on the demand for infrastructure. Alternatively, under the LGA 2002, local authorities are allowed to seek development contributions or a combination of development and financial contributions under the respective Acts.

## 3.0 Policy Statement

### 3.1 Funding Of Operating Expenditure

3.2 Where expenditure does not create a new asset for future use, or extend the lifetime or usefulness of an existing asset, it is classed as operating expenditure.

3.3 Council funds operating expenditure from the following sources:

- General Rates
- Uniform Annual General Charge
- Targeted Rates
- Fees and Charges
- Interest and Dividends from investments
- Grants and Subsidies towards operating expenses
- Other Sources

3.4 Council may choose to not fully fund operating expenditure in any particular year, if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years.

3.5 Council has determined the proportion of operating expenditure to be

## 6.4 Revenue and Financing Policy

funded from each of the sources listed above, and the method for apportioning rates and other charges. The process used is as specified by the LGA 2002.

3.6 The Funding Impact Statement produced each year (as required by LGA 2002) shows the impact of the Revenue and Financing Policy each year. It also shows the amounts to be collected from each available source, including how various rates are to be applied.

### 3.7 Funding Of Capital Expenditure

3.8 Capital expenditure is the spending on creation of a new asset, or extending the lifetime of an existing asset. Capital expenditure can also be incurred to improve the level of service provided by the asset.

3.9 The following sources are available for Council to fund capital expenditure:

- Grants and Subsidies
- Loans
- Rates
- Proceeds from Asset Sales
- Depreciation Reserves
- Financial Contributions under the Reserve Management Act
- Development Contributions under the Local Government Act
- Other

### 4.0 Policy Development Process

4.1 In developing the Revenue and Financing Policy and determining the appropriate funding sources for each activity, Council considered each activity against the principles laid out in LGA 2002. These are:

### 4.2 Community Outcomes

4.3 Community outcomes are the priorities identified by the community by following the consultation process prescribed in the LGA 2002. Section 101(3)(a)(i) requires that in determining the funding sources, Council identify the Community Outcome to which each activity primarily contributes.

4.4 This Revenue and Financing Policy lists for each significant activity, the outcomes to which it primarily contributes, and states why each activity is undertaken.

### 4.5 Distribution Of Benefits

4.6 Section 101(3)(a)(ii) of LGA 2002 requires costs to be allocated where the benefits lie. Council assessed the distribution of benefits for each activity, whether the benefits flowed to the District as a whole, or to individuals or identifiable parts of the community.

4.7 In order to assess the distribution of benefits, it is necessary to first describe and define the different types of benefits that flow from Council activities.

#### Definition of Terms

National Benefit	Benefits the nation and is public in nature.
District Benefit	Benefits the whole District and is public in nature.
Regional Benefit	Benefits the Region and is public in nature.
Commercial Benefit	Benefits the commercial sector and has elements of both public and private benefit.
Community Benefit	Benefits a particular Community of Interest and is public in nature.
User Benefit	Benefits an identifiable individual, group, or community segment.
Applicant	Benefits an Identifiable individual, group or community segment.
Offender / Exacerbator	The cost is the result of offenders, or ones who exacerbate a problem.

### 4.8 Period Of Benefits (Intergenerational Equity)

4.9 Section 101(3)(a)(iii) requires the consideration of intergenerational equity – the principle that costs of any expenditure should be recovered over the time that the benefits of the expenditure accrue. This principle applies particularly to the allocation of capital expenditure and results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it.

4.10 These principles of funding operating and capital expenditure are as stated in the Policy Statement section of this policy. They are assumed to apply to each activity, unless otherwise stated in the individual Activity Analysis section.

### 4.11 Exacerbator Pays

4.12 Section 101(3)(a)(iv) requires Council to assess the extent to which

## 6.4 Revenue and Financing Policy

each activity is undertaken to remedy the negative effects of the actions or inaction of an individual or group. It is important to note that the actions themselves may not be negative or “bad” but they may have negative effects on the whole community. This principle (exacerbator or polluter pays principle) is particularly relevant to Council’s regulatory functions and other activities undertaken to mitigate the adverse effects on the environment.

4.13 The principle suggests that Council should recover any costs directly from those causing the problem, or if that is not efficient, then from other appropriate sources.

4.14 Most activities do not exhibit exacerbator pays characteristics. This heading is only included in the analysis of those activities which do demonstrate such characteristics.

### 4.15 Costs and Benefits

4.16 This consideration includes transparency, accountability and some assessment of the cost efficiency and practicality of funding a particular activity separately.

4.17 Transparency and accountability are most evident when an activity is totally distinctly funded. This allows ratepayers, or payers of user charges as the case may be, to see exactly how much money is being raised for and spent on the activity. However, funding every activity on such a distinct basis would be extremely administratively complex. The administrative costs and lack of materiality has led Council to fund a number of activities collectively. The individual Activity Analysis section of this policy does not repeat this argument for each activity.

### 4.18 Overall Impact of the Funding Mechanisms Selected

4.19 The final step in Council’s process of developing the Revenue and Financing policy has been to consolidate the results of the individual activity analysis and consider these results in terms of Section 101(3) (b), whereby the overall impact on the community needs to be assessed. The impact was assessed on the current and future social, economic, environmental and cultural well-being of the community, and any adjustments required to the funding allocations have been made in the Activity Analysis sections.

### 4.20 Use of Funding Mechanisms

4.21 The funding sources available to a local authority are set out under the

LGA 2002 and the LGRA 2002. Presented below are descriptions of the available funding sources.

#### (a) General Rate

The General Rate is set under Section 13(2)(a) of the LGRA 2002 and has been used to part fund the activities of Leadership, Community Development, Community Facilities, Regulation and Safety, Resource Management, Investment and Solid Waste Management. It is set according to the Revenue and Financing Policy for these services.

The General Rate is a rate in the dollar on capital value applied to all properties in the District. A General Rate is used according to the Revenue and Financing Policy, when:

Council considers that a capital value rate is fairer than the use of other existing rating tools for the service funded; and  
Council considers that the community as a whole should meet costs of the function; and  
Council is unable to achieve its user charge targets and must fund expenditure; or  
Council favours use of the UAGC but is constricted by the 30% cap (Section 21).

#### (b) Uniform Annual General Charge (UAGC)

The UAGC, levied on each separately used or inhabited part of a rating unit, is set under Section 15 of the LGRA 2002 and has been used to part-fund the activities of Leadership, Community Development, Community Facilities, Regulation and Safety, Resource Management, Land Transport and Solid Waste Management. It is set according to the Revenue and Financing Policy for these services.

UAGC is levied on each separately used or inhabited part of a rating unit to:

Ensure equity in bearing the cost liability of a service (or part of service) which is deemed equally beneficial to all  
Ensure that those with multiple use pay a fair share  
Provide a consistent treatment between all uniform charges  
UAGC is essentially in the same category as the General Rate with both being used to fund the District Benefit allocation. The intent of the inclusion of UAGC into the funding toolkit was to ensure an added element of equity in rating, so that those properties with higher capital values are not unduly disadvantaged.

## 6.4 Revenue and Financing Policy

### Basis of UAGC Set

UAGC levied on each separately used or inhabited part of a rating unit be applied according to the following principles:

- a. Where more than one property is owned by the same Ratepayer and are utilised as a single property, then only one UAGC in total will be assessed. Similarly, where an adjoining leased area is utilised as part of the parent property, then only one UAGC in total will be assessed.
- b. Where a rating unit contains both a commercial operation and residential accommodation, two separately used parts of a rating unit are identified and will attract two sets of UAGC. The exception to this will be when any rating unit contains a small business use and a residential use where:
  - 1) That small business is used in conjunction with the residential use; and
  - 2) The small business is owned and operated by the same person who resides in the dwelling contained in the rating unit; and
  - 3) That small business is operated on a sole charge basis by the resident owner identified in the Rating Information Database for that rating unit then -
  - 4) The small business use and the residential use be considered to be one use for the purposes of assessing any UAGC levied under Section 15(b) of the LGRA 2002.
- c. A farming unit with one dwelling will be treated as one rating unit. It has been considered that a dwelling on a farm is generally the home of the farm owner or manager. In most instances the dwelling would not exist if it were not for the farming operation and in many situations the dwelling is the place of business. In essence the two parts or uses of the rating unit are inseparable. Each additional dwelling, however, will count as an additional used part of the rating unit. Each additional dwelling will attract a UAGC.
- d. Where a single rating unit contains a number of shops or offices, each separately used or inhabited office or shop will be counted as one unit. Each office or shop will attract a UAGC.
- e. Where a single rating unit contains a number of separately used or inhabited residential parts (block of flats), each separate unit will be counted as one rating unit. Each unit or flat will attract a UAGC.
- f. A motel/hotel complex will not be treated on the basis of the number of rooms, but on the basis of a motel/hotel being a commercial operation. The motel/hotel complex will attract one

set of UAGC. However should a residential occupancy be contained within the complex that would constitute an additional use and be charged a UAGC.

- g. Dwellings that are not fully self-contained will not attract UAGC. For a dwelling to be self contained it must be connected to water and sewerage services, have a means of cooking and have sleeping arrangements.
- h. Uninhabitable dwellings will not attract UAGC. For a dwelling to be uninhabitable it must have deteriorated to a condition not habitable by people and consume no water, power, sewerage, refuse collection.

UAGC is used according to the Revenue and Financing Policy, when:

Council considers that all District ratepayers benefit to an equal extent from all or some portion of one of Council's services. The percentage of benefit is determined by Council's Revenue and Financing Policy; and

Council considers that applying a user charge for that portion of a service would not be practicable; and  
Valuation based rating does not provide a better proxy for equitable rating.

### (c) Targeted Rates

A Targeted Rate is set under Sections 16 or 19 of the LGRA 2002 and has been used to part fund the activities of Sewerage, Water, Stormwater, Solid Waste Management and Land Transport. Targeted Rates are set according to the Revenue and Financing Policy for these services. A Targeted Rate is used according to the Revenue and Financing Policy, when:

Council considers that a Targeted Rate would enable a higher level of transparency in funding allocation; or  
Council considers that a Targeted Rate is fairer than the use of other existing rating tools for the service funded, in consideration of the benefit derived from the service. The percentage of benefit is determined by Council's Revenue and Financing Policy

The LGRA 2002 allows for Targeted Rates to be levied on lands defined on the basis of use to which land is put, area of land, location of land, the value of land and the provision or availability of Council services. Targeted Rates may be imposed as a uniform annual charge or differentially for different types of property uses.

## 6.4 Revenue and Financing Policy

### (d) Targeted Services TUAC

A Targeted Services TUAC is set under Sections 16, 18 or 19 of the LGRA 2002 and has been used to part fund the activities of Swimming Pool and Unsubsidised Rooding. This Targeted Services TUAC is set according to the Revenue and Financing Policy for these services.

The Targeted Services TUAC will be levied as a Targeted Uniform Annual Charge differentiated by rating areas, being the Te Kuiti Urban and Periphery Rating Area and the Rural Rating Area (rest of the District).

The boundary of Te Kuiti Urban and Periphery Rating Area for the purpose of levying the Targeted Services TUAC, will be a 5km radius, all around, from the Information Centre (deemed to be the centre of town). Council considers this boundary of Te Kuiti Rating Area (for the purpose of levying the Targeted Services TUAC) to be fair in consideration that the benefit derived from the services funded by this TUAC are accrued equally by those living within the 5km radius.

A map depicting the Te Kuiti Urban and Periphery Rating Area is attached, as Appendix One.

### (e) Fees and Charges

Fees and Charges will be set according to Council's Revenue and Financing Policy where:

- It is assessed that the level of benefit to identified beneficiary/exacerbator groups justifies the seeking of user charges; and
- There are identifiable and distinct user groups/exacerbators identified by Council's Revenue and Financing Policy; and
- User fees represent the fairest method to seek a contribution from identified beneficiaries or exacerbators.

### (f) Interest and Dividends

Council receives limited interest from cash investments. Any interest received is used to offset the rate required in the year received. Council has investment in Inframax Construction Ltd. Any dividend received are used to offset the rate required in the year received.

### (g) Borrowing

Borrowing is managed by the provisions of Council's Policy on Liability Management. Council's use of funding mechanisms to fund capital development is as follows: Council will first apply depreciation funding

available and other revenue, e.g. subsidy, then loan funding, and lastly rate funding.

### (h) Proceeds from Asset Sales

Funds from any asset sales are applied first to offset borrowing in the relevant activity from which the asset was sold (Policy on Liability Management).

### (i) Development Contributions

Council's Policy on Development Contributions developed as part of the 2006-16 LTCCP determines that Council will not charge development contributions.

This Policy is to be reviewed in the planning period covered by the 2009-19 LTP.

## 6.4 Revenue and Financing Policy

### (j) Grants and Subsidies

Council receives a subsidy from Land Transport New Zealand to part-fund operations, renewal, and capital development in Land Transport. The percentage of this subsidy differs for different types of works.

Council receives a limited subsidy from Department of Internal Affairs to part-fund the operations in Emergency Management.

Council pursues other Grant and Subsidy funding available from Central Government wherever it is considered appropriate.

### 5.0 Analysis of Activities and Funding Conclusions

Council's Activities are aligned under three groups of activities. Council aligns its activities in a manner that describes how Council is promoting community well-being.

<b>COUNCIL - COMMUNITY WELL-BEING</b>		
<b>Community (Social) and Cultural Sustainability</b>	<b>Environmental Sustainability</b>	<b>Economic Sustainability</b>
Leadership	Solid Waste Management	Water Supply
Community Facilities	Stormwater	Land Transport
Community Development	Resource Management	Investments
Regulation and Safety	Sewerage	

## 6.4 Revenue and Financing Policy

### Summary of Funding Sources

The table below summarises by activity the assessment of benefits and the funding sources selected.

Activity	Assessed Benefit (%)					Funding Sources						
	National/ Regional Benefit	District Benefit	Community Benefit	User/ Applicant Benefit	Exacerbator	General Rate	UAGC	Targeted UAC	Targeted Rate	Fees and Charges	Grants and Subsidies	Interest/ Dividend
<b>COMMUNITY AND CULTURAL SUSTAINABILITY</b>												
<b>Leadership</b>												
Mayors Office		100%				50%	50%					
Council and Committees		100%				50%	50%					
Long Term and Annual Planning	20%	80%				50%	50%					
Community Consultation / Communication		100%				50%	50%					
District and Urban Development Planning	20%	80%				50%	50%					
Policy Development/ Advocacy		100%				50%	50%					
Monitoring of Community Outcomes	20%	80%				50%	50%					
Annual Report		100%				50%	50%					
<b>Community Development</b>												
Community Support Strategy Development		100%				50%	50%					
Community Grants	10%	80%		10%		45%	45%				10%	
Economic Development Strategy Development	10%	90%				45%	45%				10%	
Sister City		100%					100%					
Visitor Information Centres	10%	30%		60%		50%	50%					

## 6.4 Revenue and Financing Policy

Activity	Assessed Benefit (%)					Funding Sources						
	National/ Regional Benefit	District Benefit	Community Benefit	User/ Applicant Benefit	Exacerbator	General Rate	UAGC	Targeted UAC	Targeted Rate	Fees and Charges	Grants and Subsidies	Interest/ Dividend
Regional Tourism	10%	90%				45%	45%				10%	
Event Co-ordination		100%				50%	50%					
Automobile Association	5%	15%		80%		10%	10%			80%		
<b>Regulation and Safety</b>												
Environmental Health		60%		30%	10%	30%	30%			40%		
Animal Control		90%			10%		95%			5%		
Dog Control		30%		50%	20%	15%	15%			70%		
Building Control Services		35%		60%	5%	35%				65%		
Liquor Licensing		35%		35%	30%		65%			35%		
Emergency Management	10%	90%					90%				10%	
Rural Fires		40%		50%	10%	100%						
<b>Community Facilities</b>												
Active Reserves		90%		10%		45%	45%			10%		
Passive Reserves		100%				50%	50%					
Esplanade Reserves		100%				50%	50%					
Leased Reserves		20%		80%		10%	10%			80%		
Playgrounds		40%		60%		50%	50%					
Elder Persons Housing		5%		95%		2.5%	2.5%			95%		
Community Halls		100%				50%	50%					
Other Land and Buildings		30%		70%		15%	15%			70%		
District Libraries		20%		80%		45%	45%			10%		
Swimming Pool		20%	60%	20%		5%	5%	58.6% (Urban) 25.1% (Rural)		6.3%		
Arts, Culture and Heritage	20%	60%		20%		45%	45%			10%		
Aerodrome		20%		80%		20%				80%		

## 6.4 Revenue and Financing Policy

Activity	Assessed Benefit (%)					Funding Sources						
	National/ Regional Benefit	District Benefit	Community Benefit	User/ Applicant Benefit	Exacerbator	General Rate	UAGC	Targeted UAC	Targeted Rate	Fees and Charges	Grants and Subsidies	Interest/ Dividend
Public Toilets		60%		40%		50%	50%					
Cemeteries		10%	30%	60%		60%				40%		
Street Furniture		95%			5%	50%	50%					
Public Carparks		100%				50%	50%					
<b>ENVIRONMENTAL SUSTAINABILITY</b>												
<b>Solid Waste Management</b>												
Kerbside Collection			100%					55%		45%		
Kerbside Recycling			100%					100%				
Landfill and Transfer Stations Management		55%		45%				55%		45%		
Waste Minimisation	10%	90%				50%	50%					
<b>Stormwater</b>												
Stormwater Reticulation and Disposal			90%	10%				72% (Urban) 18% (Rural)		10%		
<b>Resource Management</b>												
District Plan Administration		100%				50%	50%					
Consent Monitoring		15%		75%	10%	7.5%	7.5%			85%		
<b>Sewerage</b>												
Sewerage Reticulation, Treatment and Disposal			75%	25%				75%		25%		
<b>ECONOMIC SUSTAINABILITY</b>												
<b>Water Supply</b>												
Water Extraction, Treatment and Reticulation			100%					100%				
<b>Land Transport</b>												

## 6.4 Revenue and Financing Policy

Activity	Assessed Benefit (%)					Funding Sources						
	National/ Regional Benefit	District Benefit	Community Benefit	User/ Applicant Benefit	Exacerbator	General Rate	UAGC	Targeted UAC	Targeted Rate	Fees and Charges	Grants and Subsidies	Interest/ Dividend
Subsidised Roothing	58%	42%					2.1%		39.9%		58%	
Unsubsidised Roothing		100%						90% (Urban) 10% (Rural)				
<b>Investments</b>												
Local Authority Shared Services		100%				100%						
Inframax Construction Limited		100%										100%
Council Owned Quarries		100%										100%
Forestry located at Waitomo District Landfill		100%				100%						

## 6.4 Revenue and Financing Policy

### **COMMUNITY AND CULTURAL SUSTAINABILITY**

The Community and Cultural Sustainability group of activities focuses on building and developing cohesive and functional communities in the Waitomo District. Council provides a range of services and facilities to the various communities in the Waitomo District.

The significant activities contained within this group are:

- 5.1 Leadership
- 5.2 Community Development
- 5.3 Community Facilities and
- 5.4 Regulation and Safety

#### **5.1 LEADERSHIP**

##### 5.1a Description

The Leadership Significant Activity provides for:

Council's governance at District level.  
Conduct of elections.  
Council's advocacy on issues that impact on the Waitomo District's community outcomes.  
Planning and policy development that provides a framework for the Community's strategic direction.  
Monitoring and Reporting.

This Activity includes the preparation of policies guiding strategic direction and strategic financial decisions for presentation to the Community for feedback.

##### 5.1b Functions

There are eight functions under this significant activity –

Mayor's Office	District and Urban Development Planning
Council and Committees	Policy Development/Advocacy
Long Term and Annual Planning	Monitoring of Community Outcomes
Community Consultation/Communication	Annual Report

### 5.1c COMMUNITY OUTCOMES

The table below shows the Community Outcomes that this Activity contributes to:

<b>CO1</b>	<b>Cultural Heritage and Social Harmony</b> A District that is enriched by the values of all it's people and in particular Maori heritage, culture, beliefs and way of life are an inherent and valued part of community life.
<b>CO3</b>	<b>Visitors and Tourism</b> The image and attraction value of tourism is maximised to aid in bringing new business and new residents to Waitomo.
<b>CO4</b>	<b>Water Supplies</b> High quality water supply provisions in all urban centres greater than 200 population.
<b>CO5</b>	<b>Wastewater and Sewage</b> Availability of reliable and functional sewage systems for urban communities greater than 200 population.
<b>CO6</b>	<b>Land Use, Farming, Forestry and Mining</b> Planned 'intensification' and diversity of use to achieve the best economic benefit of land in productive use.
<b>CO9</b>	<b>Urban Development</b> To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.
<b>C13</b>	<b>Energy</b> Minimise energy consumption through efficient use and investment in energy development/capacity is carried out in a manner consistent with a sustainable environment.
<b>C16</b>	<b>Image</b> Work towards creating a readily prosperous, identifiable and attractive image to the world outside Waitomo based on a strong internal sense of pride, self-image and self-esteem.

## 6.4 Revenue and Financing Policy

<b>C17</b>	<b>Employment</b> Collaboratively work towards creating a wide range and number of employment opportunities in the region.
<b>C19</b>	<b>Education</b> To be a community where the level of education of all residents is high enough to take advantage of opportunities that improve the quality of life for the community.
<b>C21</b>	<b>Government Services</b> To ensure the community has appropriate and timely access to services provided by Central Government.

### 5.1d Period Of Benefit (Intergenerational Equity)

Leadership is considered an annually funded activity.

### 5.1e Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo District.
- (b) Greater opportunity for the Waitomo District to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring in terms of how well Council is achieving its COs annually.
- (e) Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

### 5.1f Benefits Allocation And Funding Mechanism

Council's Revenue and Financing Policy has been developed at the functions level. The revenue and financing of separate functions of the Leadership activity follow.

### 5.1g Overall Impact Of Funding Mechanisms

Following the consideration of the matters referred to in Section 101(3)(a) a picture emerges of where the benefits of engaging in the activity accrue. Once this is done and indicative costs allocation compiled, Council considered the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community and made any adjustments as assessed by them.

Council agreed that for most activities where a District benefit has been identified, funding that benefit allocation equally through General Rate and UAGC would be the most efficient, equitable and transparent funding method.

Council's reasoning behind this decision was that for some activities UAGC would be the most appropriate method for funding the District allocation because of the 'equal benefit' nature of the activity, but Council needs to take into account the 'ability to pay' issues of the community. It can also be argued that higher valued properties gain more economic benefit from growth and development of the District as a whole.

This reasoning by Council has not been repeated in the rest of the document except where Council has made exceptions to it.

The results of the individual activity analysis and any adjustments proposed to funding allocations are presented on the following pages.

### ACTIVITY ANALYSIS AND FUNDING MECHANISMS

#### 5.1.1 Mayor's Office

This function involves the provision of leadership and governance of the District

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC

#### 5.1.1a Distribution of Benefits

## 6.4 Revenue and Financing Policy

**District Benefit:** The benefit of the Mayor's Office is considered to be District wide in nature. The Mayor is elected for the benefit of the District at large and has a governance and leadership role for the entire District representing the wider community.

### 5.1.1b Funding Mechanism

**District Allocation:** Given the District wide benefit associated with the Mayor's Office, Council resolved a combination of General Rate and UAGC to be the most efficient and effective funding mechanism for this allocation.

### 5.1.2 Council and Committees

This function is carried out as a subset of the Council's governance and leadership responsibilities. In the interests of business efficiency, and to provide separation between the Council's regulatory and non-regulatory roles, the Council may choose to establish committees. Representation on, and delegations to, committees is decided by the Council, usually after each triennial election. The Waitomo District Council has established two committees for the current triennium, being the Hearings Committee and the Inframax Construction Ltd Relationship Committee.

Attributable Benefit		Proposed Funding	
Benefit Group	% Of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC

### 5.1.2a Distribution of Benefits

**District Benefit:** The benefit of the Council and its Committees is considered to be District wide in nature. Whilst individual Councillors are elected for their areas the Council has a governance and leadership role for the entire District representing the wider community. Further, every resident and ratepayer within the Waitomo District has access to and can engage in Council's decision making processes.

### 5.1.2b Funding Mechanism

**District Allocation:** Given the District wide benefit associated with the Council and Committees, Council resolved a combination of General

Rate and UAGC would be the most efficient, effective and transparent method for funding this allocation.

### 5.1.3 Long Term and Annual Planning

This function involves carrying out long term and annual planning for the District and producing plans which reflect the outcomes desired by the community. It also involves outlining of Council's role and level of involvement in achieving the Community Outcomes.

Attributable Benefit		Proposed Funding	
Benefit Group	% Of Benefit	%	Method
District Benefit	80%	50%	General Rate
		50%	UAGC
Regional Benefit	20%		No funding mechanism

### 5.1.3a Distribution of Benefits

**District Benefit:** Long Term and Annual Planning benefits the wider District as a whole. The Long Term Plan (LTP) and the Annual Plan are developed on a District Wide basis considering the needs of the entire community. Further, every resident and ratepayer within the Waitomo District has access to and can engage in Council's Long Term and Annual Planning processes.

**Regional Benefit:** There is an element of Regional Benefit to Council's Long Term and Annual Planning function in that Regional outcomes and priorities can be advanced at a local level.

### 5.1.3b Funding Mechanism

**District Allocation:** Given the District wide benefit associated with Long Term and Annual Planning a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

**Regional Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

## 6.4 Revenue and Financing Policy

### 5.1.4 Community Consultation/Communication

Communicating and consulting with the community on projects, issues and various planning documents, as well as surveys to gauge community satisfaction with services provided.

Attributable Benefit		Proposed Funding	
Benefit Group	% Of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC

#### 5.1.4a Distribution of Benefits

District Benefit: Community Consultation and Communication benefits the wider District as a whole. Consultation involves the community in Council's decision making process. Communication assists in keeping the Community informed in regard to what Council is doing. Every resident and ratepayer within the Waitomo District has the opportunity to be involved in Council's decision making process.

#### 5.1.4b Funding Mechanism

District Allocation: Given the District wide benefit associated with Community Consultation/Communication, a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

### 5.1.5 District and Urban Development Planning

Planning and strategy development around urban and District development with a view to promoting the principles of sustainable development.

Attributable Benefit		Proposed Funding	
Benefit Group	% Of Benefit	%	Method
District Benefit	80%	50%	General Rate
		50%	UAGC
Regional Benefit	20%		No funding mechanism

#### 5.1.5a Distribution of Benefits

District Benefit: District and Urban Development Planning benefits the wider District as a whole. Sustainable land use and growth planning seeks to uphold and protect outcomes that are important to the entire District. Every resident and ratepayer within the Waitomo District has the opportunity to be involved in Council's District and Urban Development Planning processes.

Regional Benefit: There is an element of Regional Benefit to Council's District and Urban Development Planning function in that Regional outcomes and priorities can be advanced at a local level. Further, there is a requirement in law that Council's District Plan is aligned with the regional policy statement.

#### 5.1.5b Funding Mechanism

District Allocation: Given the District wide benefit associated with District and Urban Development Planning, a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

Regional Allocation: There is no lawful funding mechanism available to Council to recover from this group of beneficiaries, and therefore Council resolved to reallocate this allocation to District Allocation.

### 5.1.6 Policy Development/Advocacy

This function provides for the development of policy to promote community outcomes at a local level, and to influence policy at a regional or national level.

Attributable Benefit		Proposed Funding	
Benefit Group	% Of Benefit	%	Method
District Benefit	100%	50%	General rate
		50%	UAGC

#### 5.1.6a Distribution of Benefits

District Benefit: Policy Development/Advocacy benefits the wider District as a whole. Policy Development and Advocacy seeks to uphold and protect outcomes that are important to the entire District. Policies such as the Revenue and Financing Policy, Significance Policy, etc are

## 6.4 Revenue and Financing Policy

developed on a District wide basis. Council acts as an advocate for the community on issues of interest as they impact on the Waitomo District, e.g. Central Government strategy and policy.

### 5.1.6b Funding Mechanism

District Allocation: Given the District wide benefit associated with Policy Development/Advocacy, a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

### 5.1.7 Monitoring of Community Outcomes

The purpose of this function is to monitor and report on the progress made by the District in achieving its community outcomes. Section 92 of the LGA 2002 requires local authorities to carry out this monitoring activity.

Attributable Benefit		Proposed Funding	
Benefit Group	% Of Benefit	%	Method
Regional Benefit	20%		No funding mechanism
District Benefit	80%	50%	General Rate
		50%	UAGC

### 5.1.7a Distribution of Benefits

District Benefit: The monitoring of community outcomes benefits the wider District as a whole. Monitoring of community outcomes is a requirement of the Local Government Act 2002 (LGA). Monitoring of community outcomes enables community stakeholders to gauge the effectiveness of their strategic planning. The monitoring provides a feedback loop for organisations (including Council) to adjust the strategies established through Long Term and Annual Plans to reflect the changing needs of the community. This monitoring process is strongly linked to the Long Term and Annual Planning function of Council and has the same beneficiary groups.

Regional Benefit: There is an element of Regional Benefit to monitoring of community outcomes as the information gathered can be shared regionally. Other stakeholders such as the Regional Council will find the data informative for their own planning and monitoring processes.

### 5.1.7b Funding Mechanism

District Allocation: Given the District wide benefit associated with the Monitoring of Community Outcomes, a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

Regional Allocation: There is no lawful funding mechanism available to Council to recover from this group of beneficiaries, and therefore Council resolved to reallocate this allocation to District Allocation.

### 5.1.8 Annual Report

This function involves the preparation of Council's Annual Report comprising public information on achievement against the financial and key performance targets of the previous year. This function is carried out to promote Council's accountability to the community for the decisions that have been made throughout the year.

Attributable Benefit		Proposed Funding	
Benefit Group	% Of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC

### 5.1.8a Distribution of Benefits

District Benefit: The Annual Report benefits the wider District as a whole. The Annual Report is Council's mechanism for reporting progress to the community. The Annual Report outlines Council's performance in giving effect to the Long Term and Annual Plan. It is the community's key accountability tool. The Annual Report is available for the entire community to enable them to monitor Councils performance and progress against the Long Term and Annual Plan. This accountability tool is strongly linked to the Long Term and Annual Planning function of Council and has similar beneficiary groups.

### 5.1.8b Funding Mechanism

District Allocation: Given the District wide benefit associated with the Annual Report, a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

## 6.4 Revenue and Financing Policy

### 5.2 COMMUNITY DEVELOPMENT

#### 5.2a Description

The Community Development Activity works to ensure that individuals living in the Waitomo District have access to a range of services and facilities to increase their quality of life and promote community well-being.

#### 5.2b Functions

There are 8 functions under this significant activity:

Community Support Strategy Development	Visitor Information Centers
Community Grants	Regional Tourism Strategy Development
Economic Development Strategy Development	Event Co-ordination
Sister City	Automobile Association

#### 5.2c COMMUNITY OUTCOMES

The table below shows the Community Outcomes that this Activity contributes to:

<b>CO1 Cultural Heritage and Social Harmony</b>	A District that is enriched by the values of all its people and in particular Maori heritage, culture, beliefs and way of life are an inherent and valued part of community life.
<b>CO2 Communications and Information</b>	The District has a communication network equivalent to that of main urban centres and a community that is conversant in the use of modern communication technology.
<b>CO3 Visitors and Tourism</b>	The image and attraction value of tourism is maximised to aid in bringing new business and new residents to Waitomo.
<b>CO5 Wastewater and Sewage</b>	Availability of reliable and functional sewage systems for urban communities greater than 200 population.

<b>CO7 Manufacturing Process and Service Industries</b>	A District that has primary sector value-added businesses and an infrastructure of commerce that competes in the global market and provides local jobs and local wealth.
<b>CO9 Urban Development</b>	To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.
<b>C16 Image</b>	Work towards creating a readily prosperous, identifiable and attractive image to the world outside Waitomo based on a strong internal sense of pride, self-image and self-esteem.
<b>C17 Employment</b>	Collaboratively work towards creating a wide range and number of employment opportunities in the region.
<b>C18 Health</b>	To pursue personal, social and cultural well-being supported by locally available health services.
<b>C19 Education</b>	To be a community where the level of education of all residents is high enough to take advantage of opportunities that improve the quality of life for the community.
<b>C20 Recreation and Social Amenities</b>	A District where the community is able to enjoy social, cultural and spiritual well-being, through community amenities, facilities, recreation, sports, and arts activities that provide for a full quality of life and choice of enjoyment for all residents.
<b>C21 Government Services</b>	To ensure the community has appropriate and timely access to services provided by Central Government.

#### 5.2d Period Of Benefit (Intergenerational Equity)

The Agency Service and Community Initiatives function is considered to be an annually funded activity, therefore there are not considered to be any intergenerational equality issues.

## 6.4 Revenue and Financing Policy

### 5.2e Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- (b) Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- (e) Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

### 5.2f Benefits Allocation And Funding Mechanism

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Community Development significant activity follow.

### 5.2g Overall Impact Of Funding Mechanisms

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

## ACTIVITY ANALYSIS AND FUNDING MECHANISMS

### 5.2.1 Community Support Strategy Development

This function involves the development and facilitation of a strategy for community support with the purpose of developing the community and contributing to its four well-beings. Monitoring and advocacy of the community's health related issues, funding of "Get Active" recreation programmes for youth and other residents, liaison with NZ Police on community safety issues and projects, are all part of Council's involvement in this activity.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC

#### 5.2.1a Distribution of Benefits

District Benefit: Community Support Strategy Development is considered to have a District wide benefit as the goals and objectives in such a strategy are designed to give effect to the development of the District as a whole.

#### 5.2.1b Funding

District Allocation: Given the District wide benefit associated with the service, a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

### 5.2.2 Community Grants

Grant funding to assist community groups and organisations

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	10%	Grants
District Benefit	80%	45%	General Rate
User Benefit	10%	45%	UAGC

#### 5.2.2a Distribution of Benefits

National Benefit: There is an element of national benefit in the development of communities as local communities are a subset of the larger national community and development of a part contributes to the overall development of the whole. Furthermore, many community initiatives at the local level assist in contributing to Central Government policy objectives.

## 6.4 Revenue and Financing Policy

**District Benefit:** Community initiatives are considered to have a District wide benefit as the provision of grants to organisations assists with the provision of a range of social services that contribute to the social and cultural well-being of the whole District.

**User Benefit:** For the purpose of Community Initiatives (Grants and Schemes) users are those organisations that receive the grant.

### 5.2.2b Funding

**National Allocation:** Council resolved that this allocation be funded through Central Government Grants.

**District Allocation:** Given the District wide benefit associated with the service, a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

**Fees and Charges:** Council resolved that this portion of the allocation be reallocated to District Allocation because although the user benefit of this service is high, the users (i.e. the community organisations) exist for the purpose of servicing the community and not for any private good and hence it would not be fair or equitable to levy fees and charges.

### 5.2.3 Economic Development Strategy Development

This function involves administering grants funding to assist community groups and organisations that provide services benefitting local residents.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	10%	Grants
District Benefit	90%	45%	General Rate
		45%	UAGC

### 5.2.3a Distribution of Benefits

**National Benefit:** Undoubtedly economic development of the District will have the flow on effect of developing the regional and national

economy as Districts do not exist as islands and economic activities are interlinked between District, region and country, e.g. more jobs in the Waitomo District means more people living, working and playing in the region.

**District Benefit:** This service is assessed to have a high District benefit. Economic strategy is intended to be developed such that it benefits the wider District as a whole. The goals and objectives set out in the strategy seek to advance the outcomes that are important to the entire District.

### 5.2.3b Funding

**National Allocation:** Council resolved that funding this allocation through Central Government Grants would be the most effective and transparent funding method. (There are no Grants currently availed of but an effort can be made to identify and obtain).

**District Allocation:** Given the District wide benefit associated with the service, a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

### 5.2.4 Sister City

Promotion and support of Council's Sister City relationship with Tatsuno with the aim of contributing to the cultural and economic well-being of the District.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	100%	UAGC

### 5.2.4a Distribution of Benefits

**District Benefit:** The benefits derived from maintaining and advancing the relationship with our Sister City will serve the District as a whole and cannot be isolated to any particular individual or group or part of the District. The Sister City relationship contributes to the social, cultural and economic well-being of the entire District community.

## 6.4 Revenue and Financing Policy

### 5.2.4b Funding

District Allocation: Council resolved that funding this allocation through UAGC would be the most efficient, effective and transparent funding method, ensuring that every ratepayer pays an equal amount towards this allocation.

### 5.2.5 Visitor Information Centres

Provision of an Information Centre in Te Kuiti which is intended to act as a central repository of tourism related information of the District. Tourism is facilitated through the provision of this service.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
National/Regional Benefit	10%	50%	General Rate
District Benefit	30%		
User Benefit	60%	50%	UAGC

### 5.2.5a Distribution of Benefits

National Benefit: Having well resourced information centres is considered to have a degree of national/regional benefit attributable to visitors from outside the District who benefit from the services.

District Benefit: There is an element of District wide benefit that results from the provision of information to visitors to the District that encourages them to visit attractions, stay longer in the District and as a result spend money which contributes to economic activity.

User Benefit: This service provides a high degree of benefit to the user, who can be local, regional, national or international.

### 5.2.5b Funding

National/Regional Allocation: No lawful funding method is available for this allocation. Council resolved this allocation be reallocated to District Allocation.

District Allocation: Council resolved that a combination of General Rate and UAGC would be the most efficient, effective and transparently

lawful available method for funding this allocation.

Fees and Charges: The user benefit is reflected in the Fees and Charges Revenue collected by the service provider.

### 5.2.6 Regional Tourism

This activity involves regional tourism growth at both domestic and international levels, using Waikato regional branding rather than individual District brands. It also involves coordinating local tourism products and experiences using the regional approach in partnership with Tourism NZ and other tourist organisations.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
National /Regional Benefit	10%	10%	Grants
District Benefit	90%	45%	General Rate
		45%	UAGC

### 5.2.6a Distribution of Benefits

National Benefit: There is an element of national and regional benefit that results from regional tourism. New Zealand as a whole and particularly the region will benefit from the provision and promotion of a tourism product offering that attracts overseas and local visitors. Increased visitor numbers to Waitomo District will have flow on effects for our neighbours and help in promoting other neighbouring Districts as well.

District Benefit: Regional Tourism is considered to have a District wide benefit as the activity gives effect to the economic development and employment within the District as a whole. There are numerous examples that demonstrate tourism can contribute immensely to the whole economy in terms of increased employment, revenue generation and the like and that benefit will accrue to the overall District.

### 5.2.6b Funding

National/ Regional Allocation: Council resolved that this allocation be

## 6.4 Revenue and Financing Policy

funded through Grants (there are none currently availed of but an effort can be made to identify and obtain some).

District Allocation: Given the District wide benefit associated with this service, a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

### 5.2.7 Event Coordination

Coordination of major events in the District including the Great NZ Muster, Christmas Parade and the Gardening Competition.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC

#### 5.2.7a Distribution of Benefits

District Benefit: It is assessed that events provide District wide benefit and are held for the social, and cultural well-being of the entire District and not for any private benefit.

#### 5.2.7b Funding

District Allocation: Given the District wide benefit associated with this service, a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

### 5.2.8 Agencies

This activity aims to facilitate community access to government services through a combination of monitoring, advocating and providing. With regard to the latter, the Council currently acts as an agency for the Automobile Association (AA), including provision of driver licensing services.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
Regional Benefit	5%		No funding mechanism
District Benefit	15%	10%	General Rate
		10%	UAGC
User Benefit	80%	80%	Fees and Charges

#### 5.2.8a Distribution of Benefits

Regional Benefit: Having an AA agency in Te Kuiti is considered to have a degree of regional benefit as the services of the agency are availed by residents of neighbouring Districts as well.

District Benefit: Though it is primarily the users of this service that benefit from it, there is also an element of District wide benefit in that anyone within and around the District requiring the service has easy access to it.

User Benefit: Users of the agency are the direct beneficiaries of the service.

#### 5.2.8b Funding

Regional Benefit: No lawful finding mechanism is available for this allocation. Council resolved that it be reallocated to District Allocation.

District Allocation: A combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

Fees and Charges: Council resolved that user fees and charges would be the most efficient, effective and transparently lawful available method for funding this allocation.

## 5.3 REGULATION AND SAFETY

### 5.3a Description

The Regulation and Safety Activity works towards the goal of seeking to effectively

## 6.4 Revenue and Financing Policy

and efficiently provide a safe and sustainable environment through the administration and enforcement of Central Government Legislation.

### 5.3b Functions

The functions under this activity are -

Environmental Health	Animal Control
Dog Control	Building Control
Liquor Licensing	Emergency Management
Rural Fire	

### 5.3c COMMUNITY OUTCOMES

The table below shows the Community Outcomes that this Activity contributes to:

<b>C06 Land Use, Farming, Forestry and Mining</b> Planned 'intensification' and diversity of use to achieve the best economic benefit of land in productive use
<b>C08 Retail</b> To be seen as a destination for shopping offering choice and convenience.
<b>C09 Urban Development</b> To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.
<b>C10 Housing and Accommodation</b> Availability of choice in housing and visitor accommodation to meet the needs of all people who wish to reside or visit the District, in a way that contributes to the District appeal and image
<b>C11 Transport</b> Movement of goods and people is efficient, safe, competitive and convenient so that commercial and community social needs are able to support the quality of life expected or chosen by the community.
<b>C12 Preserving the Environment</b> Preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.

<b>C13 Energy</b> Minimise energy consumption through efficient use and investment in energy development/capacity is carried out in a manner consistent with a sustainable environment.
<b>C14 Coastline, Parks and Reserves</b> To preserve the natural character of the District's coastline and reserves. Ensuring public access to the coastline and reserves.
<b>C15 Waste</b> A District that works towards minimising the impact of waste on the environment.
<b>C18 Health</b> To pursue personal, social and cultural well-being supported by locally available health services.

### 5.3d Period Of Benefit (Intergenerational Equity)

Regulation and Safety is considered an annually funded activity.

### 5.3e Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

### 5.3f Benefits Allocations And Funding Mechanisms

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Regulation and Safety significant activity follow.

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### 5.3g Overall Impact Of Funding Mechanisms

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

#### ACTIVITY ANALYSIS AND FUNDING MECHANISMS

### 5.3.1 Environmental Health

Provision of environmental health services, including health licencing and noise control. The Council has specific statutory responsibilities under each of these functions.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	60%	30%	General Rate
		30%	UAGC
User/Applicant Benefit	30%	40%	Fees and Charges
Exacerbator	10%		

#### 5.3.1a Distribution of Benefits

District Benefit: Environmental Health delivers District benefits by ensuring minimum health standards, such as premises are licensed and safe, healthy and hygienic for the public to use, and providing general advice and education. Noise control services provided also contribute to healthy living. The investigation and notification of incidents of communicable diseases also provides benefit to the entire District.

User/Applicant Benefit: Individuals and organisations applying for a licence to operate under specific regulations nationally and within the District and those requiring advice about the regulations are direct beneficiaries of this service.

Exacerbator/Offender: These are the costs incurred in responding to the actions of offenders. This includes costs associated with

investigating complaints, non-compliance with licenses and regulations and prosecution of offenders.

#### 5.3.1b Funding

District Allocation: Council resolved that a combination of General Rate and UAGC would be the most effective and transparent funding tool for this allocation.

User Allocation: Council resolved user fees and charges to be the most efficient, effective and transparently lawful available method for funding this allocation.

Exacerbator Allocation: Council resolved that Fees and Charges is the most efficient, effective and transparently lawful available method for funding this allocation.

### 5.3.2 Animal Control

Provision of an animal control service for the District.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	90%	95%	UAGC
Exacerbator	10%	5%	Fees and Charges

#### 5.3.2a Distribution of Benefits

District Benefit: The District benefit is received from general advice given to the public, education and public safety. All residents have equal access to the use of the service.

Exacerbators: These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, impounding of stock and prosecution of offenders.

#### 5.3.2b Funding

District Allocation: Council resolved that the most efficient and effective method for funding this allocation would be UAGC.

## 6.4 Revenue and Financing Policy

Exacerbator Allocation: Council resolved that education and monitoring would be the most effective methods to promote good animal management and control. Moreover, it is usually inefficient to prosecute offenders and therefore, 5% of the exacerbator allocation should be reallocated to District Allocation.

### 5.3.3 Dog Control

Provision of a dog control service for the District and the carrying out of specific statutory responsibilities set out by Central Government.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	30%	15%	UAGC
		15%	General Rate
User/Applicant Benefit	50%	70%	Fees and Charges
Exacerbator	20%		

#### 5.3.3a Distribution of Benefits

District Benefit: The District benefit is received from general advice given to the public, education, visits to schools and public safety.

User/Applicant Benefit: Individuals applying for and maintaining dog registration and receiving education are direct beneficiaries of this service.

Exacerbators: These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, impounding of dogs and stock and prosecution of offenders.

#### 5.3.3b Funding

District Allocation: Council resolved that the most efficient and effective method for funding this allocation would be a combination of General rate and UAGC.

User Allocation: Council resolved that User Fees and Charges would be the most efficient, effective and transparently lawful method available for funding this allocation.

Exacerbator Allocation: Council resolved that education and monitoring would be the most effective method to promote good animal management and control. Council also proposes that User Fees and Charges would be the most efficient, effective and transparently lawful method available for funding this allocation.

### 5.3.4 Building Control Services

Provision of building control services, including issuing and monitoring of building consents.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	35%	35%	General Rate
User/Applicant Benefit	60%	65%	Fees and Charges
Exacerbator	5%		

#### 5.3.4a Distribution of Benefits

District Benefit: The District benefit is received from general advice given to the public, education, and public safety. This Activity is mandatory for Council and has a District benefit by ensuring minimum building standards are met and that buildings are safe for use. This activity is also driven by Central Government policies and there is increased focus at the national level around sustainable building development.

Applicant Benefit: Individuals and groups applying for a building consent, requiring building inspection, compliance certificates and advice, are the direct beneficiaries of this service.

Exacerbator: These are the costs incurred in responding to the actions of offenders. This includes costs associated with non-compliance with consents and Warrants of Fitness.

#### 5.3.4b Funding

District Allocation: Council resolved that the most efficient, effective and transparent method for funding this allocation would be General Rate since any investment in and development of the District will have more positive economic impact on larger property owners.

## 6.4 Revenue and Financing Policy

**Applicant Allocation:** Council resolved that User Fees and Charges would be the most efficient, effective and transparently lawful available method for funding this allocation.

**Offender Allocation:** Council resolved that User Fees and Charges would be the most efficient, effective and transparently lawful available method for funding this allocation.

### 5.3.5 Liquor Licensing

The provision of a liquor licensing agency. It also involves ensuring bylaws are enforced and complied with for public safety and well-being.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	35%	65%	UAGC
User/Applicant Benefit	35%	35%	Fees and Charges
Exacerbator	30%		

#### 5.3.5a Distribution of Benefits

**District Benefit:** This activity is assessed at having a medium level of District benefit which occurs from ensuring Liquor Licenses are complied with, sellers of liquor have certain qualifications, etc, which contributes towards public safety and well-being. General advice and education is also provided.

**Applicant Benefit:** The user benefit for this service is high. Individuals and organisations applying for a licence to operate under specific regulations nationally and within the District and those requiring advice about the regulations are direct beneficiaries of this service.

**Exacerbators:** These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, non-compliance with licenses and regulations and prosecution of offenders.

#### 5.3.5b Funding

**District Allocation:** Council considered that this activity ensures the safety and well-being of all residents equally and resolved that UAGC would be the fairest funding method, ensuring that every ratepayer pays an equal amount towards this allocation.

**Applicant Allocation:** Council resolved user Fees and Charges to be the most equitable method for funding this portion of the benefit allocation.

**Offender Allocation:** Council agreed that it was not efficient or effective to separately fund this allocation due to the costs associated with prosecution, collection and administration and that education and monitoring are probably the most effective methods to promote health and safety in the District. It was resolved to reallocate this portion to District Allocation.

### 5.3.6 Emergency Management

Provision of emergency response capability, includes public education and administering the Civil Defence and Emergency Management Act 2002.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
National and Regional Benefit	10%	10%	Government Subsidy
District Benefit	90%	90%	UAGC

#### 5.3.6a Distribution of Benefits

**National Benefit:** Emergency Management has been assessed to have a certain element of National and Regional benefit, in that this service provides safety and general well-being to the national public under a national civil defence and emergency management network. By way of example, any significant natural disaster has the potential to disrupt state highways and the rail system which might affect the Country as a whole.

**District Benefit:** Civil Defence is considered to have a high District benefit. The benefit of this function is for the safety and well-being of all people within the District.

## 6.4 Revenue and Financing Policy

### 5.3.6b Funding

National Allocation: Council resolved that given the element of national benefit provided by the service, Central Government subsidy would be the most efficient and effective method of funding this allocation.

District Allocation: Council resolved that given the wide public benefit associated with this activity and the fact that the benefits fall more or less equally among all District residents, UAGC would be the most equitable method of funding this allocation.

### 5.3.7 Rural Fires

Provision of rural fire fighting capability and support of Tainui Rural Fire Party.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	40%	100%	General Rate
User/Applicant Benefit	50%		
Exacerbator	10%		

#### 5.3.7a Distribution of Benefits

District Benefit: The Rural Fire Service has a medium degree of public benefit in that it provides security to the entire population that the District has emergency preparedness plans in place for rural fire. Also, the District benefit accrues from the fact that any escalated rural fire not contained, can cause widespread damage to forestry or farms which will have a negative economic impact on the District as a whole.

User Benefit: With regard to Rural Fire Services, both public and private rural property owners can be identified as the users and hence beneficiaries of this service. This benefit accruing to rural property owners is assessed as high because Rural Fire service is offered to all properties excluding those in urban areas, and they gain benefit through the use of Council's resources and training.

Exacerbator: The offender for Rural Fire is the fire starter.

#### 5.3.7b Funding

District Allocation: Council resolved General Rate to be the most equitable, efficient and transparent method of funding this allocation. This service is provided in the rural area but it does mitigate the negative impacts of a rural fire on the whole District.

User Benefit Allocation: Council resolved that this portion of benefit be reallocated to District Allocation, because although the user benefit level for this service is assessed as high and the users can be identified as a particular group and Targeted Rate would be the most equitable method for funding this portion of the benefit, but it would not be efficient or cost effective to set a separate rate for this service.

Exacerbator Allocation: It is usually not practicable or possible to identify or prosecute the offender or starter of a fire (it could be natural causes) and so it would not be effective or efficient to separately fund this part of this function. Council resolved that it be reallocated to District Allocation and be funded through General Rate.

## 5.4 COMMUNITY FACILITIES

### 5.4a Description

Council provides recreation and community facilities with the aim of ensuring that basic ranges of recreational activities are available to meet the present and future needs of the Community, and that Council meets its statutory obligations under such acts as the Reserves Act 1977 and Burials and Cremations Act 1964.

This Activity also ensures that the Community has essential community facilities such as public toilets and cemeteries. These facilities are necessary to ensure that public health and safety is maintained.

### 5.4b Functions

The functions comprising this activity are:

Active Reserves	Elder Persons Housing
Passive Reserves	Community Halls
Esplanade Reserves	Other Land and Buildings
Leased Reserves	Public Toilets
Playgrounds	Cemeteries
District Libraries	Street Furniture
District Swimming Pools	Public Car parks

## 6.4 Revenue and Financing Policy

Arts, Culture and Heritage	Aerodrome
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### 5.4c COMMUNITY OUTCOMES

The table below shows the Community Outcomes that this Activity contributes to:

<b>CO1 Cultural Heritage and Social Harmony</b>	A District that is enriched by the values of all its people and in particular Maori heritage, culture, beliefs and way of life are an inherent and valued part of community life.
<b>CO7 Manufacturing Process and Service Industries</b>	A District that has primary sector value-added businesses and an infrastructure of commerce that competes in the global market and provides local jobs and local wealth.
<b>CO8 Retail</b>	To be seen as a destination for shopping offering choice and convenience.
<b>CO9 Urban Development</b>	To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.
<b>C10 Housing and Accommodation</b>	Availability of choice in housing and visitor accommodation to meet the needs of all people who wish to reside or visit the District, in a way that contributes to the District appeal and image.
<b>C14 Coastline, Parks and Reserves</b>	To preserve the natural character of the District's coastline and reserves. Ensuring public access to the coastline and reserves.
<b>C20 Recreation and Social Amenities</b>	A District where the community is able to enjoy social, cultural and spiritual well-being, through community amenities, facilities, recreation, sports, and arts activities that provide for a full quality of life and choice of enjoyment for all residents.

### 5.4d Period Of Benefit (Intergenerational Equity)

The Agency Service and Community Initiatives function is considered to be an annually funded activity, therefore there is not considered to be any intergenerational equality issues.

### 5.4e Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

### 5.4f Benefits Allocation And Funding Mechanism

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Community Facilities significant activity follow.

### 5.4g Overall Impact Of Funding Mechanisms

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

## ACTIVITY ANALYSIS AND FUNDING MECHANISMS

### 5.4.1 Active Reserves

This function involves the provision of areas for organised sporting activity and other recreational activity for residents and visitors in the District.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method

## 6.4 Revenue and Financing Policy

District Benefit	90%	45%	General Rate
		45%	UAGC
User Benefit	10%	10%	Fees and Charges

### 5.4.1a Distribution of Benefits

District Benefit: Provision and maintenance of Active Reserves is considered to have an element of District wide benefit as they can be used by any and everyone in the District. These reserves are also provided for the promotion of an active and healthy lifestyle and to meet the recreational needs of the District as a whole.

User Benefit: The individuals or clubs who use these facilities can be identified and are considered direct beneficiaries of the service.

### 5.4.1b Funding

District Allocation: Council resolved that a combination of General Rate and UAGC would be the most effective and transparent method of funding this allocation.

Fees and Charges: Council resolved Fees and Charges to be the most appropriate funding tool for this allocation.

### 5.4.2 Passive Reserves

This function involves the provision of open space, including public gardens, to enhance the visual amenity of the locality and provide informal and impromptu recreational activities.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC

### 5.4.2a Distribution of Benefits

District Benefit: Provision and maintenance of Passive Reserves provides benefit to the wider District as a whole. They are available for anyone and everyone to use as well as providing aesthetic value to the District. They contribute to the social and cultural well-being of the

District as a whole.

### 5.4.2b Funding

District Allocation: Council resolved that a combination of General Rate and UAGC would be the most appropriate funding tool for this allocation, given the District wide benefit associated with the service and considering that the users are not readily identifiable or excludable.

### 5.4.3 Esplanade Reserves

This function involves the management and provision of Esplanade Reserves that control/reduce the risk from natural hazards, protect conservation values and promote and improve recreational opportunities along the District's principal waterways.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC

### 5.4.3a Distribution of Benefits

District Benefit: Maintenance of Esplanade Reserves provides benefit to the wider District as a whole. They are available for anyone and everyone to use as well as providing aesthetic value to the District. It is also difficult to identify or exclude any particular user group for these reserves.

### 5.4.3b Funding

District Allocation: Council resolved that a combination of General Rate and UAGC would be the most effective and transparent method of funding this allocation.

### 5.4.4 Leased Reserves

This function involves the management and maintenance of land held, though not currently used by Council as reserves, but is land-banked for future recreational purposes should the need arise.

## 6.4 Revenue and Financing Policy

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	10%	General Rate
		10%	UAGC
User Benefit	80%	80%	Fees and Charges

### 5.4.4a Distribution of Benefits

District Benefit: There is a small element of District wide benefit in the provision of leased reserves in that they are still available to be used by the general public or a group, if required.

User Benefit: The Lessee of the land is the user and hence the direct beneficiary of the service.

### 5.4.4b Funding

District Allocation: Council resolved that a combination of General Rate and UAGC would be the most effective and transparent method of funding this allocation.

User Allocation: Council resolved user Fees and Charges to be the most appropriate method for funding this allocation.

### 5.4.5 Playgrounds

This function involves the provision of playground equipment to provide opportunities for recreation and physical development of children

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	40%	50%	General Rate
		50%	UAGC
User Benefit	60%	50%	UAGC

### 5.4.5a Distribution of Benefits

District Benefit: Provision and maintenance of Playgrounds provides benefit to the wider District as a whole as they are available for anyone and everyone to use. They contribute to the social and cultural well-being of the District as a whole and also promote a healthy and active lifestyle.

User Benefit: The users of the playgrounds are considered direct beneficiaries of the service.

### 5.4.5b Funding

District Allocation: Council resolved that a combination of General Rate and UAGC would be the most effective and transparent method of funding this allocation.

User Allocation: Council discussed that although the user benefit of this service is high, charging Fees and Charges for the use of playgrounds would be detrimental to their usage and also extremely hard to administer as it would mean somehow segregating these areas and putting in charge collection mechanisms. It would also defeat the purpose of promoting a healthy community and hence it was resolved that this allocation be transferred to District Allocation.

### 5.4.6 Elder Persons Housing

This function involves the provision of affordable housing for the elderly. There are currently 20 pensioner units owned by Council. This function also involves maintenance of these units.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	5%	2.5%	General Rate
		2.5%	UAGC
User Benefit	95%	95%	Fees and Charges

### 5.4.6a Distribution of Benefits

District Benefit: Provision and maintenance of housing for the elderly provides a level of District wide benefit as it provides for the social well-being of the District.

User Benefit: This service has a high degree of private benefit. The

## 6.4 Revenue and Financing Policy

direct beneficiaries of Elder Persons Housing are the occupants, and the family and friends of the occupants.

### 5.4.6b Funding

District Allocation: Due to the public nature of the benefit derived, Council resolved that a combination of General Rate and UAGC would be the most effective and transparent method of funding this allocation.

User Allocation: Council resolved Fees and Charges to be the most appropriate funding tool for this allocation as the users (tenants) are easily identifiable and excludable and the user charges can be easily administered.

### 5.4.7 Community Halls

This function involves the provision and maintenance of halls through the support of Hall Committees throughout the District.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC

#### 5.4.7a Distribution of Benefits

District Benefit: Provision of Community halls is assessed to provide benefit to the wider District as a whole as any member of the District can use the halls directly or as guests for functions, etc. Halls serve as places for meetings or functions, particularly where other options are unavailable.

#### 5.4.7b Funding

District Allocation: Given the element of general public benefit associated with this activity, the Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Council recognised that most community halls are operated and maintained by the different communities themselves and Council's

expenditure on the activity was in the form of grants provided to the various hall committees towards operating costs.

In the case of Council assistance given for the development of Marokopa Community Hall, the same will be recovered over time as a Targeted Uniform Annual Charge levied within the Marokopa Community Centre rating area.

### 5.4.8 Other Land and Buildings

This function involves the maintenance and management of other miscellaneous Council owned properties (including two camping grounds).

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	30%	15%	General Rate
		15%	UAGC
User Benefit	70%	70%	Fees and Charges

#### 5.4.8a Distribution of Benefits

District Benefit: This activity is assessed to have a degree of District wide benefit as these land and buildings are retained and maintained by Council either with strategic intent or as investments which provide benefit to the District as a whole.

User Benefits: Lessees of these properties are the direct beneficiaries of the service. They are identifiable and excludable.

#### 5.4.8b Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council resolved Fees and Charges to be the most efficient and transparently lawful method of funding this allocation.

### 5.4.9 District Libraries

This function involves the provision of library services to support

## 6.4 Revenue and Financing Policy

culture, education, economic and personal development in the District. The main library is located at Te Kuiti with mobile services to Mokau and Piopio.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	45% 45%	General Rate UAGC
User Benefit	80%	10%	Fees and Charges

### 5.4.9a Distribution of Benefits

**District Benefit:** District libraries provide a degree of benefit to the wider District as a whole which relates to enhancing the knowledge and skills of the population and provides enjoyment. Benefits also include the promotion of knowledge building, social interaction and the provision of services to people with special needs (e.g. the visually impaired and people with disabilities).

**User Benefit:** Borrowers, information seekers and users of other library services are direct beneficiaries of the service.

### 5.4.9b Funding

**District Allocation:** Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

**User Allocation:** Council resolved that although the user benefit for this service is high, funding this allocation totally through Fees and Charges would be detrimental to usage. Since libraries provide intangible benefits of promoting social and cultural development of the general population and also contribute to increasing literacy, it would be to the advantage of the District to promote their usage. It was resolved that 10% of the allocation be funded through Fees and Charges and the remaining be reallocated to District allocation.

### 5.4.10 District Swimming Pool

This function involves the provision and maintenance of the Waitomo District Swimming Pool for leisure and competitive recreation opportunities for the community. Council's current aquatic asset is

the public swimming pool in Te Kuiti.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	5% 5%	General Rate UAGC
Community Benefit	70%	58% 25%	TUAC (Urban rating area) TUAC (Rural rating area)
User Benefit	20%	7%	Fees and Charges

### 5.4.10a Distribution of Benefits

**District Benefit:** This activity is assessed to provide a degree of benefit to the wider District as a whole in that anyone wanting to use the facility has access to it. It is a facility that can be used by all and provides for the leisure, training or health needs of the entire District.

**Community Benefit:** Swimming pools have a comparatively high degree of community benefit. It is assessed that people who live within the Community will benefit more than those who have to travel a longer distance to use the facility.

**User Benefit:** Individual users, clubs and schools are direct beneficiaries of the service.

### 5.4.10b Funding

**District Allocation:** Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

**Community Allocation:** Council discussed that a large proportion of the benefit of this service lay in the urban area and resolved that the activity be funded through a Targeted Uniform Annual Charge differentiated by rating area (Te Kuiti Urban and Periphery Rating Area/Rural Rating Area).

**User Allocation:** Council discussed that although the user benefit of this service is high, charging higher for the use of the pool would be detrimental to its usage. It would also impact on the purpose of

## 6.4 Revenue and Financing Policy

promoting a healthy community and hence it was resolved that part of this allocation be transferred to Community Allocation.

### 5.4.11 Arts, Culture and Heritage

This function involves the maintenance and management of Culture and Heritage Buildings in the District including the Cultural and Arts Centre and Piopio Museum Buildings.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
National/Regional Benefit	10%		No Funding Mechanism
District Benefit	80%	45% 45%	General Rate UAGC
User Benefit	10%	10%	Fees and Charges

#### 5.4.11a Distribution of Benefits

National/Regional Benefit: Preserving arts, culture and heritage have a small national benefit as they add benefit to the nation as a whole through stimulating preservation of local knowledge and history. They also help to add tourism value to the District.

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that it contributes to the cultural well-being of the District as a whole. The facilities can also be enjoyed by all.

User Benefit: Individual users are direct beneficiaries of the service.

#### 5.4.11b Funding

National Allocation: A lawful funding method for this allocation is not available. Council resolved that this allocation be transferred to District Allocation.

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council resolved user Fees and Charges to be the

most appropriate funding tool for this allocation.

### 5.4.12 Aerodrome

This function involves the provision of an Aerodrome facility in Te Kuiti to provide leisure and recreational opportunities for residents and visitors to the District. Provision of a base for commercial aerial activities

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	20%	General Rate
User Benefit	80%	80%	Fees and Charges

#### 5.4.12a Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that it provides a facility that contributes to the District economy through commercial use.

User Benefit: Individual users, clubs and commercial users are direct beneficiaries of the service.

#### 5.4.12b Funding

District Allocation: Council resolved General Rate to be the most efficient, effective and transparent method to fund this allocation.

User Allocation: Council resolved that user Fees and Charges would be the most appropriate funding tool for this allocation.

### 5.4.13 Public Toilets

This function involves the provision of Public Toilet facilities in the District to ensure visitors and residents have access to safe, clean and sanitary facilities. Council presently owns and maintains 18 public toilets located through the District.

## 6.4 Revenue and Financing Policy

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	60%	50% 50%	General Rate UAGC
User Benefit	40%		

### 5.4.13a Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that all people from within and outside the District have the ability to come and use public toilets. There are also public health benefits associated with the provision of public toilets which accrue to the District as a whole.

User Benefit: Individual users are the direct beneficiaries of the service. These can be visitors, as well as people from within the District.

### 5.4.13b Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council agreed that although users are the direct beneficiaries of this service it would be highly inefficient to try and recover the costs through Fees and Charges, moreover, the usage is not high enough to warrant such a funding mechanism. Council resolved that this allocation be reallocated to District Allocation.

## 5.4.14 Cemeteries

This function involves the provision and maintenance of cemeteries in the District as required under the provisions of the Burials and Cremations Act 1964.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	60%	General Rate
Community Benefit	30%		
User Benefit	60%	40%	Fees and Charges

### 5.4.14a Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole. District benefit results from the promotion of public health and sanitary disposal of the deceased. It also contributes to the cultural well-being of all people in the District.

Community Benefit: Cemeteries have a small degree of community benefit. The Community benefit results from the promotion of public health and sanitary disposal of the deceased. It is also assessed that those people who live within the Community will utilise the cemetery more than those outside the Community.

User Benefit: Families and friends of the deceased are direct beneficiaries of the service.

### 5.4.14b Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Community Allocation: It was resolved that this allocation be reallocated to District Allocation as it was difficult to draw boundaries around the area serviced by a cemetery. Also, allocating the exact users of the cemeteries on a per community basis would be fraught with difficulties.

User Allocation: Council resolved user Fees and Charges to be the most efficient, effective and transparently lawful available method to fund this allocation. However, as it is difficult to accurately predict the fees and charges that will be generated from this activity and it can vary quite a bit from year to year, it was resolved that 20% be

## 6.4 Revenue and Financing Policy

reallocated to District Allocation.

### 5.4.15 Street Furniture

This function involves the provision and maintenance of street furniture, bins and other structures to visually enhance the town's environment and provide facilities for people to relax and enjoy the environment.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	95%	50% 50%	General Rate UAGC
Exacerbator	5%		

#### 5.4.15a Distribution of Benefits

District Benefit: This activity is assessed to provide District wide benefit since all people of the District benefit from the provision of street furniture, bins and the like. The service also contributes to public health and sanitation. Information displayed on notice boards is for all.

Exacerbator: These are costs associated with responding to offenders (vandals).

#### 5.4.15b Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Exacerbator Allocation: Council resolved that as it is usually hard to identify or inefficient to prosecute offenders so this allocation be transferred to District Allocation.

### 5.4.16 Public Car Parks

This function involves the provision and maintenance of car park areas to ensure residents and visitors to the District can access conveniently located off street parking in our towns.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	50% 50%	General Rate UAGC

#### 5.4.16a Distribution of Benefits

District Benefit: This activity is assessed to provide District wide benefit since all people of the District can benefit from usage of parking facilities.

#### 5.4.16b Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

## **ENVIRONMENTAL SUSTAINABILITY**

The Environmental Sustainability group of activities works towards promoting and ensuring that the environment is sustainably managed.

The significant activities contained within this group are:

- 5.5 Solid Waste Management
- 5.6 Stormwater
- 5.7 Resource Management
- 5.8 Sewerage

## **5.5 SOLID WASTE MANAGEMENT**

### 5.5a Description

The Solid Waste Activity manages the refuse collection, disposal and recycling services for the Waitomo District. The solid waste network involves a series of recycling and transfer stations throughout the District. Residual waste is deposited at the District Landfill in Te Kuiti.

The Solid Waste Activity is made up of two sub activities:

- Collection which includes Kerbside Collection and Recycling and,
- Management which includes Landfill Management and Waste Minimisation.

## 6.4 Revenue and Financing Policy

People generate un-recyclable waste each day and the current trend of increasing amounts of packaging and waste material results in an ongoing challenge for waste management. If waste is not managed in an appropriate manner it may result in serious public health and environmental concerns.

### 5.5b Functions

The functions comprising this activity are

Kerbside Collection	Kerbside Recycling
Landfill and Transfer Stations Management	Waste Minimisation

### 5.5c COMMUNITY OUTCOMES

The table below shows the Community Outcomes that this Activity contributes to:

<b>C03</b>	<b>Visitors and Tourism</b> The image and attraction value of tourism is maximised to aid in bringing new business and new residents to Waitomo.
<b>C07</b>	<b>Manufacturing Process and Service Industries</b> A District that has primary sector value-added businesses and an infrastructure of commerce that competes in the global market and provides local jobs and local wealth.
<b>C09</b>	<b>Urban Development</b> To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.
<b>C12</b>	<b>Preserving the Environment</b> Preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
<b>C15</b>	<b>Waste</b> A District that works towards minimising the impact of waste on the environment.

### 5.5d Period Of Benefit (Intergenerational Equity)

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

### 5.5e Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

### 5.5f Benefits Allocation And Funding Mechanism

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Solid Waste significant activity follow.

### 5.5g Overall Impact Of Funding Mechanisms

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

## ACTIVITY ANALYSIS AND FUNDING MECHANISMS

### 5.5.1 Kerbside Collection

This function involves the provision of kerbside collection service to residents of Te Kuiti, Piopio, Mokau and Waitomo (part only).

## 6.4 Revenue and Financing Policy

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
Community/ User Benefit	100%	45%	Fees and Charges
		55%	TUAC (per community where service is provided)

### 5.5.1a Distribution of Benefits

Community Benefit/User: Communities that are provided with kerbside collection service are the beneficiaries of this service.

### 5.5.1b Funding

Community Allocation/User Allocation: As users can be identified as a particular group (communities that are provided with the service) and also individuals that will avail of the service, Council resolved that Fees and Charges and a Targeted Uniform Annual Charge per separately used or inhabitable part of a rating unit differentiated by Community would be the most effective, efficient and transparent method for funding this allocation. Fees and charges are resolved upon in order to meet the Waste Minimisation objectives in the draft Solid Waste Management and Minimisation Plan.

The utilisation of fees and charges (including the cost of solid waste disposal in the cost of the rubbish bag) will ensure that the true cost of collection and disposal is reflected in the right place and paid for by the beneficiary. Reflecting the true cost of disposal in the price of a rubbish bag is also expected to encourage waste minimisation.

### 5.5.2 Kerbside Recycling

This function involves the provision of kerbside recycling service to residents of Te Kuiti, Piopio, Mokau and Waitomo (part only).

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
Community/ User Benefit	100%	100%	TUAC (per community where service is provided)

### 5.5.2a Distribution of Benefits

Community/User Benefit: Communities that are provided with kerbside recycling are considered to be the beneficiaries of this service.

### 5.5.2b Funding

Community Allocation/User Allocation: Since users can be identified as a particular group (communities that are provided with the service) Council resolved that Targeted Uniform Annual Charge per separately used or inhabitable part of a rating unit differentiated by Community would be the most effective, efficient and transparent method for funding this allocation.

### 5.5.3 Landfill and Transfer Stations Management

This function involves the maintenance and management of the Waitomo District Landfill in Te Kuiti and Transfer Stations across the District

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	55%	55%	Solid Waste TUAC (District wide)
Community/ User Benefit	45%	45%	Fees and Charges

### 5.5.3a Distribution of Benefits

District Benefit: The provision of this service provides benefit to the entire District derived from the accessibility of landfill and transfer stations and in terms of maintaining public health standards within the District.

User Benefit: Users of the landfill and transfer stations are the direct beneficiaries of this service.

### 5.5.3b Funding

District Allocation: Council resolved that a Targeted Uniform Annual Charge levied on the basis of separately used or inhabitable part of a rating unit across the entire District would be the most efficient and

## 6.4 Revenue and Financing Policy

transparent method for funding this allocation.

User Allocation: Council resolved that user Fees and Charges would be the most efficient and transparent method to fund this allocation.

### 5.5.4 Waste Minimisation

Preserves the environment and minimises potentially negative effects of the solid waste activity. Includes education programmes aimed at drawing attention to the benefits of waste minimisation and recovery.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	50%	General Rate UAGC
District Benefit	90%	50%5	

#### 5.5.4a Distribution of Benefits

National Benefit: Effective Waste Minimisation provides not only environmental, but economic benefits as well, that accrue to the nation as a whole. Effective and appropriate disposal of solid waste helps protect public health and the environment for all New Zealanders

District Benefit: All residents of the District benefit from general advice and education provided as part of this service. This activity is driven by Central Government policies and there is increased focus on waste minimisation at a national level, the benefits and costs of which accrue to the wider District as a whole.

#### 5.5.4b Funding

National Allocation: There is no lawful funding method to fund this allocation and therefore Council resolved that it be transferred to District Allocation.

District Allocation: Since all residents of the District benefit from the provision of this service, Council resolved a combination of General Rate and UAGC to be the most efficient, effective and transparent funding mechanism available to fund this allocation.

## 5.6 STORMWATER

### 5.6a Description

Stormwater is rain that runs over the ground on its way to a natural watercourse. When rain falls on buildings, carparks, driveways, roads and gardens, if it doesn't soak into the ground it follows its natural flow path downhill until it reaches a water course or is collected by a pipe system. Where there is development, runoff from properties and roads flow into stormwater systems. The greater the level of development in a catchment, the greater the level of impervious surfaces (e.g. roofs, driveways, paths etc), and therefore the greater the conversion of rainfall into runoff. If this runoff is not managed well, it will cause flooding. Generally stormwater is channeled on to roads or into open watercourses, then down streams and rivers to lakes and then the sea.

The stormwater system manages runoff by collecting and removing the runoff, eventually disposing of it into natural streams and rivers. The Stormwater Activity involves maintaining and extending the capacity of the existing system and advocating for the appropriate management of rivers and streams within the Waitomo District.

### 5.6b COMMUNITY OUTCOMES

The table below shows the Community Outcomes that this Activity contributes to:

<b>C03</b>	<b>Visitors and Tourism</b> The image and attraction value of tourism is maximised to aid in bringing new business and new residents to Waitomo.
<b>C09</b>	<b>Urban Development</b> To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.
<b>C11</b>	<b>Transport</b> Movement of goods and people is efficient, safe, competitive and convenient so that commercial and community social needs are able to support the quality of life expected or chosen by the community.
<b>C12</b>	<b>Preserving the Environment</b> Preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.

## 6.4 Revenue and Financing Policy

### 5.6c Period Of Benefit (Intergenerational Equity)

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

### 5.6d Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- (b) Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- (e) Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

### 5.6e Activity Analysis And Funding Mechanisms

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
Community Benefit	90%	72%	TUAC (Urban rating area)
		18%	TUAC (Rural rating area)
User Benefit	10%	10%	Fees and Charges

### 5.6f Distribution Of Benefits

Community Benefit: Communities that are provided with this service are the direct beneficiaries as it is their land and buildings that are protected from potential flooding. There are general public health benefits in providing a stormwater system. A further significant community benefit from the stormwater system is that roads remain passable during times of heavy rain and flooding.

User/Applicant Benefit: Individual land or property owners who can connect or are connected to the stormwater network are the direct beneficiaries of the service.

### 5.6g Funding

Community Allocation: Council resolved that the most effective and transparent method to fund this allocation is through a Targeted Uniform Annual Charge to be differentiated between the Urban and Rural rating areas. In deciding the funding split between the Urban and Rural rating areas, Council recognised that most of the stormwater network exists in the Urban rating area and Urban properties benefitted most from the service.

User/Applicant Allocation: Council resolved that user Fees and Charges is the most efficient and transparently lawful available method for funding this allocation.

### 5.6h Overall Impact Of Funding Mechanisms

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

## 5.7 RESOURCE MANAGEMENT

### 5.7a Description

The Resource Management Activity works towards the goal of seeking to effectively and efficiently provide a safe and sustainable environment through the administration and enforcement of the Resource Management Act 1991 (RMA 1991).

### 5.7b Functions

The functions comprising this activity are:

District Plan Administration	Consent Monitoring
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### 5.7c COMMUNITY OUTCOMES

The table below shows the Community Outcomes that this Activity contributes to:

## 6.4 Revenue and Financing Policy

<b>C03</b>	<b>Visitors and Tourism</b> The image and attraction value of tourism is maximised to aid in bringing new business and new residents to Waitomo.
<b>C01</b>	<b>Cultural Heritage and Social Harmony</b> A District that is enriched by the values of all it's people and in particular Maori heritage, culture, beliefs and way of life are an inherent and valued part of community life.
<b>C06</b>	<b>Land Use, Farming, Forestry and Mining</b> Planned 'intensification' and diversity of use to achieve the best economic benefit of land in productive use.
<b>C07</b>	<b>Manufacturing Process and Service Industries</b> A District that has primary sector value-added businesses and an infrastructure of commerce that competes in the global market and provides local jobs and local wealth.
<b>C08</b>	<b>Retail</b> To be seen as a destination for shopping offering choice and convenience.
<b>C09</b>	<b>Urban Development</b> To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.
<b>C10</b>	<b>Housing and Accommodation</b> Availability of choice in housing and visitor accommodation to meet the needs of all people who wish to reside or visit the District, in a way that contributes to the District appeal and image.
<b>C11</b>	<b>Transport</b> Movement of goods and people is efficient, safe, competitive and convenient so that commercial and community social needs are able to support the quality of life expected or chosen by the community.
<b>C12</b>	<b>Preserving the Environment</b> Preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
<b>C14</b>	<b>Coastline, Parks and Reserves</b> To preserve the natural character of the District's coastline and reserves. Ensuring public access to the coastline and reserves.

- 5.7d Period Of Benefit (Intergenerational Equity)  
Resource Management is considered to be an annually funded activity, therefore there is not considered to be any intergenerational equality issues.
- 5.7e Costs and Benefits  
The merit of identifying and accounting for functions under this Activity separately from other functions enables:
- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.
  - (b) Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
  - (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
  - (d) Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
  - (e) Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.
- 5.7f Benefits Allocation And Funding Mechanism  
This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Resource Management significant activity follow.
- 5.7g Overall Impact Of Funding Mechanisms  
Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

### ACTIVITY ANALYSIS AND FUNDING MECHANISMS

#### 5.7.1 District Plan Administration

Administration of the District Plan for the sustainable management of physical and natural resources in the District and ensuring the District is developed in a planned and orderly manner.

## 6.4 Revenue and Financing Policy

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC

### 5.7.1a Distribution of Benefits

District Benefit: Proper and careful administration of the District Plan benefits the wider District as a whole as it implements the framework set out for sustainable land use practices. Accurate administration is instrumental in protecting Environmental Outcomes that are important to the entire District.

### 5.7.1b Funding

District Allocation: Council resolved that a combination of General Rate and UAGC would be the most effective and efficient method of funding this allocation.

## 5.7.2 Consent Monitoring

Issuing of Resource Consents for land use and subdivisions and monitoring consents for compliance with conditions. This function ensures protection of the District's environment and sustainable land use.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	15%	7.5% 7.5%	General Rate UAGC
User/Applicant Benefit	75%	75%	Fees and Charges
Exacerbator	10%	10%	Fees and Charges

### 5.7.2a Distribution of Benefits

District Benefit: This function benefits the wider District as a whole to a certain extent as it promotes, advances and controls sustainable land

use, the benefits of which are accrued by the whole District. Central Government policies are an important driver behind this activity and promoting practices that are of national interest and focus is beneficial to the District as a whole.

User/Applicant Benefit: Individuals and groups applying for Resource Consents requiring monitoring are direct beneficiaries of this service.

Exacerbators: These are costs incurred in responding to the actions of offenders. This includes costs associated with non-compliance with consent conditions, and can result in expensive legal action and/or hearings.

### 5.7.2b Funding

District Allocation: Council resolved that a combination of General Rate and UAGC would be the most effective, efficient and transparently lawful method available for funding this allocation.

User/Applicant Allocation: Council resolved that user Fees and Charges would be the most efficient, effective and transparently lawful method available for funding this allocation.

Exacerbator Allocation: Council resolved user Fees and Charges to be the most efficient and effective method to fund this allocation.

## 5.8 SEWERAGE

### 5.8a Description

The purpose of the Sewerage Activity is to collect and dispose of sewage in an effective and environmentally friendly manner. Effective and efficient sewage collection and disposal is essential to protect the environment, maintain public health and to facilitate further economic development.

### 5.8b Schemes

Council provides sewerage disposal facilities in the following communities, in order to ensure the effective disposal of sewage in an environmentally sustainable manner and to promote and protect public health.

Te Kuiti	Benneydale
Piopio (proposed)	Te Waitere

## 6.4 Revenue and Financing Policy

### 5.8c COMMUNITY OUTCOMES

The table below shows the Community Outcomes that this Activity contributes to:

<b>C03</b>	<b>Visitors and Tourism</b> The image and attraction value of tourism is maximised to aid in bringing new business and new residents to Waitomo.
<b>C05</b>	<b>Wastewater and Sewage</b> Availability of reliable and functional sewage systems for urban communities greater than 200 population.
<b>C07</b>	<b>Manufacturing Process and Service Industries</b> A District that has primary sector value-added businesses and an infrastructure of commerce that competes in the global market and provides local jobs and local wealth.
<b>C09</b>	<b>Urban Development</b> To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.
<b>C12</b>	<b>Preserving the Environment</b> Preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.

### 5.8d Period Of Benefit (Intergenerational Equity)

Capital works that are an improvement or addition to the asset are considered intergenerational.

### 5.8e Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.

- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

### 5.8f Activity Analysis And Funding Mechanisms

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
Community Benefit	75%	75%	TUAC Differentiated by Scheme
User/Applicant Benefit	25%	25%	Fees and Charges

### 5.8g Distribution Of Benefits

Community Benefit: Sewer Collection and Treatment reduces the possibility of health problems like spread of communicable diseases resulting from open sewer or inadequate septic tank facilities the benefits of which can be attributed to the community as a whole. Inadequate sewer disposal facilities can also detract from the aesthetic nature of the community and impact on receiving waterways. The Community benefit can vary depending upon the amount of demand present. High users include premises with multiple pans.

User Benefit: Individual users in the particular sewer scheme who want to and are able to use the service can be identified as beneficiaries of the service.

### 5.8h Funding

Community Allocation: Council resolved that a Targeted Uniform Annual Charge differentiated by scheme and levied on each separately used or inhabited part of a rating unit, would be the most efficient, effective and transparently lawful method for funding this allocation.

Within a scheme area, the charge will be differentiated for properties that are connected or have the ability to connect (serviceable). Any rating unit will be considered to have the ability to connect (serviceable) if its boundary is situated within 30 metres of a public sewerage drain,

## 6.4 Revenue and Financing Policy

to which it is able to be connected but is not so connected.

### ***In Te Kuiti, sewer charges will be levied as per the following considerations –***

- Sewer charges will be further differentiated on the basis of residential and non residential properties.
- All residential properties will be treated as having one pan.
- Non residential properties will be charged the same as one connected residential property for up to 3 pans and will be charged per pan for any additional pans.
- Based on their average hours of operation or business hours per week (calculated as an average over the year) all non residential properties will fall under one of the three categories mentioned below and their per pan charges (for over three pans) will be calculated as follows:

Business hours greater than 40 hrs per week	76% of residential pan charge
Business hours equal to 40 hrs per week	36% of residential pan charge
Business hours less than 40 hrs per week	20% of residential pan charge

### **Assistance for Smaller Communities**

Wastewater services are provided by Council in communities where environmental, public health/safety and/or economic outcomes require it as an imperative. Council recognises that there are smaller, comparatively under populated, communities in the Waitomo District that may require assistance in funding the sustainable operation of such a service. Council resolved that a contribution be made by all rating units in the District towards the funding of existing Wastewater services in smaller communities that are eligible so that appropriate and affordable services can be provided on a sustainable basis in response to community outcomes. Council notes that the social, economic and environmental benefits of smaller communities in the District having sustainable wastewater services accrue to the entire District and not just to those communities or the Rural Ward alone.

Council will consider applying this Assistance for Smaller Communities policy to eligible rural communities when the cost per connection to an existing wastewater service exceeds a trigger level of \$900 (incl. GST). This trigger will be reviewed in line with the LTCCP review every

3 years. In future, Council might consider capping the total level of assistance that will be provided to eligible communities, making allowance only for annual Consumer Price Index (CPI) adjustments.

User Allocation: Council resolved user Fees and Charges to be the most efficient method for funding this allocation. Revenue is received from connection fees and Trade Waste charges.

### **Trade Waste Charges**

As part of its 2008/09 Annual Plan, Council decided to levy Trade Waste charges, as applied to the larger industries, in accordance with its Trade Waste Bylaw which became operative in 2006. The new Fees and Charges regime, as applied to the larger industries, reflects the actual cost of receiving their trade waste into the Council Sewerage System in Te Kuiti. Council noted that the new charging regime caused a substantial increase in charges for the larger industries.

Bearing in mind the affordability test that Council needs to apply for financing its activities, Council resolved that the new charging regime be implemented in a phased manner and 60% of the calculated annual charges be levied for the 2008-09 year. Council also decided that in principle total cost should be recovered from users and that it must be an incremental increase of 10% per year starting in 2009-2010 year.

Council recognizes the contribution made by these industries to the social and economic well-being of the District as a whole and the role they play in the benefit of the local economy. With this in mind Council resolved that a contribution be made by all rateable properties in Te Kuiti towards the calculated trade waste charges for the larger industries. This contribution from the ratepayers will decrease over time as the industrial users move towards paying the full cost of the service utilized by them.

Council resolved that this contribution would be levied as a special rate, in keeping with the transparency principle that Council has upheld in developing this Policy, on all separately used and inhabited parts of a rating unit in the Te Kuiti Sewer Scheme area.

The impact of the implementation of Trade Waste Charges as explained above will be monitored by Council to test the effect on the funding split and changes to the Revenue and Financing Policy will be made periodically in accordance with this.

5.8i

Overall Impact Of Funding Mechanisms

## 6.4 Revenue and Financing Policy

On the basis of the activity analysis in terms of benefits and cost allocation, Council resolved that no adjustments need to be made to the cost liability allocations.

### **ECONOMIC SUSTAINABILITY**

The Environmental Sustainability group of activities works to promote a growing and sustainable economy in the Waitomo District.

The significant activities contained within this group are:

- 5.9 Investments
- 5.10 Water Supply
- 5.11 Land Transport

### **5.9 INVESTMENTS**

#### 5.9a Description

Council has investments in land and other organisations that it manages for the benefit of the community and to generate income.

#### 5.9b Functions

The functions comprising this activity are

Local Authority Shared Services (LASS)	Inframax Construction Limited
Council Owned Quarries	Forestry located at Waitomo District Landfill

#### 5.9c COMMUNITY OUTCOMES

The table below shows the Community Outcomes that this Activity contributes to:

<b>CO7</b>	<b>Manufacturing Process and Service Industries</b> A District that has primary sector value-added businesses and an infrastructure of commerce that competes in the global market and provides local jobs and local wealth.
<b>CO9</b>	<b>Urban Development</b> To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.

### **C11 Transport**

Movement of goods and people is efficient, safe, competitive and convenient so that commercial and community social needs are able to support the quality of life expected or chosen by the community.

#### 5.9d Period Of Benefit (Intergenerational Equity)

The total expenditure and income of Investment Activities needs to be specified over the proposed investment period as part of intergenerational funding decisions.

#### 5.9e Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- (b) Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- (e) Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

#### 5.9f Benefits Allocation And Funding Mechanism

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Investments significant activity follow.

#### 5.9g Overall Impact Of Funding Mechanisms

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

### **ACTIVITY ANALYSIS AND FUNDING MECHANISMS**

## 6.4 Revenue and Financing Policy

### 5.9.1 Investment in Local Authority Shared Services (LASS)

This function represents Council's shareholding/ investment in Local Authority Shared Services (LASS). The principle objective for the company is to provide the most effective access to regional information of mutual value to the regional community using modern technology and processes and to be an umbrella for future development of shared services within the region.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	100%	General Rate

#### 5.9.1a Distribution of Benefits

District Benefit: LASS are assessed to have a District wide benefit as they are either made to generate income or to explore opportunities for cost reduction/efficiencies, which are used for the benefit of the entire District, or Council is involved in them for a strategic reason which again is for the benefit of the District as a whole.

#### 5.9.1b Funding

District Allocation: Council resolved that General rate would be the most effective, efficient and transparently lawful method available for funding this allocation.

### 5.9.2 Investment in Inframax Construction Ltd (ICL)

This function represents Council's investment in Inframax Construction Ltd (ICL). ICL is a provider of roading construction and maintenance and other civil engineering infrastructural services.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	100%	Dividends

#### 5.9.2a Distribution of Benefits

District Benefit: ICL is assessed to have District wide benefit as it exists to generate income which is used for the benefit of the entire District. Council's investment in ICL is considered to be strategic in nature and for the benefit of the wider District as a whole.

#### 5.9.2b Funding

Investment Income: Council resolved that as this investment has been entered into for income purposes, it would be equitable to fund the cost of this activity through Investment Income. Any net surplus income generated through this investment will be used to offset rates income collected from the entire District.

### 5.9.3 Council Owned Quarries

This function involves the maintenance and management of council owned quarries.

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	100%	Investment Income

#### 5.9.3a Distribution of Benefits

District Benefit: Council owned quarries are assessed to have District wide benefit as they exist to generate income which is used for the benefit of the entire District. Council's investment in quarries is considered to be strategic in nature and for the benefit of the wider District as a whole.

#### 5.9.3b Funding

Investment Income: Council resolved that as this investment has been entered into for income purposes, it would be most equitable to fund this activity through investment income. Any net surplus income generated through this investment will be used to offset rates income collected from the entire District.

### 5.9.4 Forestry located at Waitomo District Landfill

This function involves the maintenance and management of forestry located at Waitomo District Landfill.

## 6.4 Revenue and Financing Policy

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	100%	General Rate

### 5.9.4a Distribution of Benefits

**District Benefit:** The forestry plantation at Waitomo District Landfill is assessed to have District wide benefit as it exists to generate income which is used for the benefit of the entire District. Council's investment in forestry is considered to be strategic in nature and for the benefit of the wider District as a whole.

### 5.9.4b Funding

**Investment Income:** Council resolved that the income generated from this investment depends upon harvest plans and maturity and hence will be intergenerational and therefore it would be most appropriate and transparently lawful to fund this allocation through General Rate.

## 5.10 WATER SUPPLY

### 5.10a Description

The purpose of the Water Supply Activity is to supply safe water to the communities in the Waitomo District. Water supply is essential to run households, maintain public health and sustain economic development. Council is committed to providing a water supply service that meets the diverse needs of the Waitomo District.

### 5.10b Supply Areas

Council provides water supply in the following communities

Te Kuiti	Mokau
Benneydale	Piopio

### 5.10c COMMUNITY OUTCOMES

The table below shows the Community Outcomes that this Activity contributes to:

<b>C03</b>	<b>Visitors and Tourism</b> The image and attraction value of tourism is maximised to aid in bringing new business and new residents to Waitomo.
<b>C04</b>	<b>Water Supplies</b> High quality water supply provisions in all urban centres greater than 200 population.
<b>C07</b>	<b>Manufacturing Process and Service Industries</b> A District that has primary sector value-added businesses and an infrastructure of commerce that competes in the global market and provides local jobs and local wealth.
<b>C09</b>	<b>Urban Development</b> To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.
<b>C12</b>	<b>Preserving the Environment</b> Preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
<b>C09</b>	<b>Image</b> Work towards creating a readily prosperous, identifiable and attractive image to the world outside Waitomo based on a strong internal sense of pride, self-image and self-esteem.

### 5.10d Period Of Benefit (Intergenerational Equity)

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

### 5.10e Costs And Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required to support the Activity in terms

## 6.4 Revenue and Financing Policy

of time involved in planning, monitoring, accounting, reporting and administration.

### ACTIVITY ANALYSIS AND FUNDING MECHANISMS

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
Community Benefit	100%	100%	TUAC (per community)

#### 5.10.1a Distribution Of Benefits

Community Benefit: Water treatment and supply contributes to providing a safe and healthy lifestyle and reduces the possibility of health problems resulting from contaminated water and inadequate supply. These benefits are attributable to the community (where the services are provided) as a whole. Provision of water supply ensures the maintenance of fire fighting capability, the benefits of which accrue to the entire community. All residents and properties in the area serviced by a particular water supply scheme can be identified as direct beneficiaries of the service.

#### 5.10.1b Funding

Community Allocation: Council resolved that Targeted Uniform Annual Charge differentiated by supply area and levied on each separately used or inhabited part of a rating unit, would be the most efficient, effective and transparently lawful method for funding this allocation.

Within a water supply area, the charge will be differentiated for properties that are connected or have the ability to connect (serviceable). Any rating unit will be considered to have the ability to connect (serviceable) if its boundary is situated within 100 metres of a water main, to which it is able to be connected but is not so connected.

Any rating unit fitted with a water meter and/or defined as an extraordinary user will be charged a fixed rate per cubic metre of water consumed.

#### Assistance for Smaller Communities

Water Supply services are provided by Council in communities where environmental, public health/safety and/or economic outcomes

require it as an imperative. Council recognises that there are smaller, comparatively under populated, communities in the Waitomo District that may require assistance in funding the sustainable operation of such a service. Council resolved that a contribution be made by all rating units in the District towards the funding of existing Water Supply services in smaller communities that are eligible, so that appropriate and affordable services can be provided on a sustainable basis in response to community outcomes. Council notes that the social, economic and environmental benefits of smaller communities in the District having sustainable Water Supply services accrue to the entire District and not just to those communities or the rural ward alone.

Council will consider applying this Assistance for Smaller Communities policy to eligible rural communities when the cost per connection to an existing water supply service exceeds a trigger level of \$1,300 (incl. GST). This trigger will be reviewed in line with the LTCCP review every 3 years. In future, Council might consider capping the total level of assistance that will be provided to eligible communities.

At this point in time Benneydale is the only small community eligible for this assistance.

#### 5.10g Overall Impact Of Funding Mechanisms

Council proposes as a result of the activity analysis that no adjustment needs to be made to the cost liability allocations.

### 5.11 LAND TRANSPORT ACTIVITY

#### 5.11a Description

The Land Transport Activity involves the maintenance and development of roads, kerbs and channels, bridges, street lighting, footpaths and street cleaning for all of the Waitomo District, with the exception of the State Highways, which are managed by Transit New Zealand. Council maintains its roads under contract to a standard that provides safe and comfortable driving within the limitations of available funding.

#### 5.11b Functions

The functions comprising this activity are:

Subsidised Roading	Unsubsidised Roading
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## 6.4 Revenue and Financing Policy

### 5.11c COMMUNITY OUTCOMES

The table below shows the Community Outcomes that this Activity contributes to:

<b>C03</b>	<b>Visitors and Tourism</b> The image and attraction value of tourism is maximised to aid in bringing new business and new residents to Waitomo.
<b>C07</b>	<b>Manufacturing Process and Service Industries</b> A District that has primary sector value-added businesses and an infrastructure of commerce that competes in the global market and provides local jobs and local wealth.
<b>C08</b>	<b>Retail</b> To be seen as a destination for shopping offering choice and convenience.
<b>C09</b>	<b>Urban Development</b> To create vibrant communities that attract people and investment and offer a quality of life and society expected by New Zealanders in the 21st century.
<b>C11</b>	<b>Transport</b> Movement of goods and people is efficient, safe, competitive and convenient so that commercial and community social needs are able to support the quality of life expected or chosen by the community.
<b>C12</b>	<b>Preserving the Environment</b> Preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
<b>C14</b>	<b>Coastline, Parks and Reserves</b> To preserve the natural character of the District's coastline and reserves. Ensuring public access to the coastline and reserves.

#### 5.11d Period Of Benefit (Intergenerational Equity)

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

#### 5.11e Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- (b) Greater opportunity for the Waitomo Community to have input on

- (c) decisions, proposals, issues and other matters through consultation. Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of an Activity in terms of how well Council is achieving its COs annually.
- (e) Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

#### 5.11f Benefits Allocation And Funding Mechanism

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Land Transport significant activity follow.

#### 5.11g Overall Impact Of Funding Mechanisms

Following the consideration of the matters referred to in Section 101(3)(a) a picture emerges of where the benefits of engaging in the activity accrue. Once this is done and indicative costs allocation compiled, Council considered the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community and made any adjustments as assessed by them. Elected member judgement was important at this point, because many of the benefit distribution and resulting funding allocations are subjective and benefit from final overall assessment and adjustment by community representatives.

The results of the individual activity analysis and any adjustments made to funding allocations are presented on the following pages.

### ACTIVITY ANALYSIS AND FUNDING MECHANISMS

#### 5.11.1 Subsidised Roding

Land Transport New Zealand (LTNZ), the national road funding authority, provides a subsidy for works that meet the criteria for subsidy. The Activities currently subsidised by LTNZ are:

- Sealed Pavement Maintenance
- Unsealed Pavement Maintenance
- Routine Drainage Maintenance
- Traffic Services Maintenance
- Level Crossing Warning Devices
- Emergency Reinstatement

## 6.4 Revenue and Financing Policy

- Structures Maintenance
- Environmental Maintenance
- Network and Asset Management

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	58%	58%	Subsidy
District Benefit	42%	39.9%	Targeted Rate (rate in dollar of capital value)
		2.1%	UAGC

### 5.11.1a Distribution of Benefits

**National Benefit:** The District's roading network is part of the national and regional transport network. Efficient and sustainable development of the network within the District contributes to the economic and social well-being of the entire nation as it is used by travellers, goods transporters and others who may or may not live in the District. Transport facilities are maintained and developed to provide safe and comfortable travel within and through the District.

**District Benefit:** All residents and properties within the District can be identified as direct beneficiaries of the service as provision of roads enables access and transport to people and organisations within the District. The economic benefits of maintaining efficient transport facilities accrue to all residents of the District in one way or another.

### 5.11.1b Funding

**National Allocation:** The National benefit portion is funded through LTNZ subsidy. The amount of subsidy is decided by LTNZ and is based on assessing costs and benefits.

**District Allocation:** Council resolved that a combination of Targeted Rate (rate in dollar of capital value) levied on all rating units and UAGC would be the most efficient and transparently lawful method of funding this allocation. Council resolved that funding a small portion of the allocation through UAGC would ensure equity in the funding sources by recognizing the fact that the entire community has equal access to

the roading network.

In the past, some operational expenditure in this activity has been funded through loan funding. This has led to a greater increase in debt than prudent with no corresponding assets to show for it. In its 2007/08 Annual Plan, Council agreed on a policy response to this of replacing loan funding with rate funding for operating expenditure. This 'catch-up' funding is to be funded through a 'Special Land Transport rate' which will be a District wide Targeted Rate based on capital value.

Having a separate rate for the 'catch-up' funding is in keeping with the transparency principle upheld by Council in its funding policy and will ensure that the ratepayers are clear as to what portion they are having to pay for this 'catch-up' and what they are paying for the service levels they agreed upon and receive.

### 5.11.2 Unsubsidised Roothing

These are activities carried out to ensure the safe and efficient travel within and through the District and are necessary for road or pedestrian safety and convenience, but are not subsidised by LTNZ and for which Council has sole financial responsibility. These include:

- Footpath Maintenance
- Footpath Renewals
- Amenity Lights
- Unsubsidised Miscellaneous
- Street Cleaning
- Professional Services

Attributable Benefit		Proposed Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	90%	Targeted Rate (Urban rating area)
		10%	Targeted Rate (Rural rating area)

### 5.11.2a Distribution of Benefits

**District Benefit:** Maintenance of transport services to provide for pedestrian safety and convenience has a District wide benefit in that all residents use or visit the urban centres.

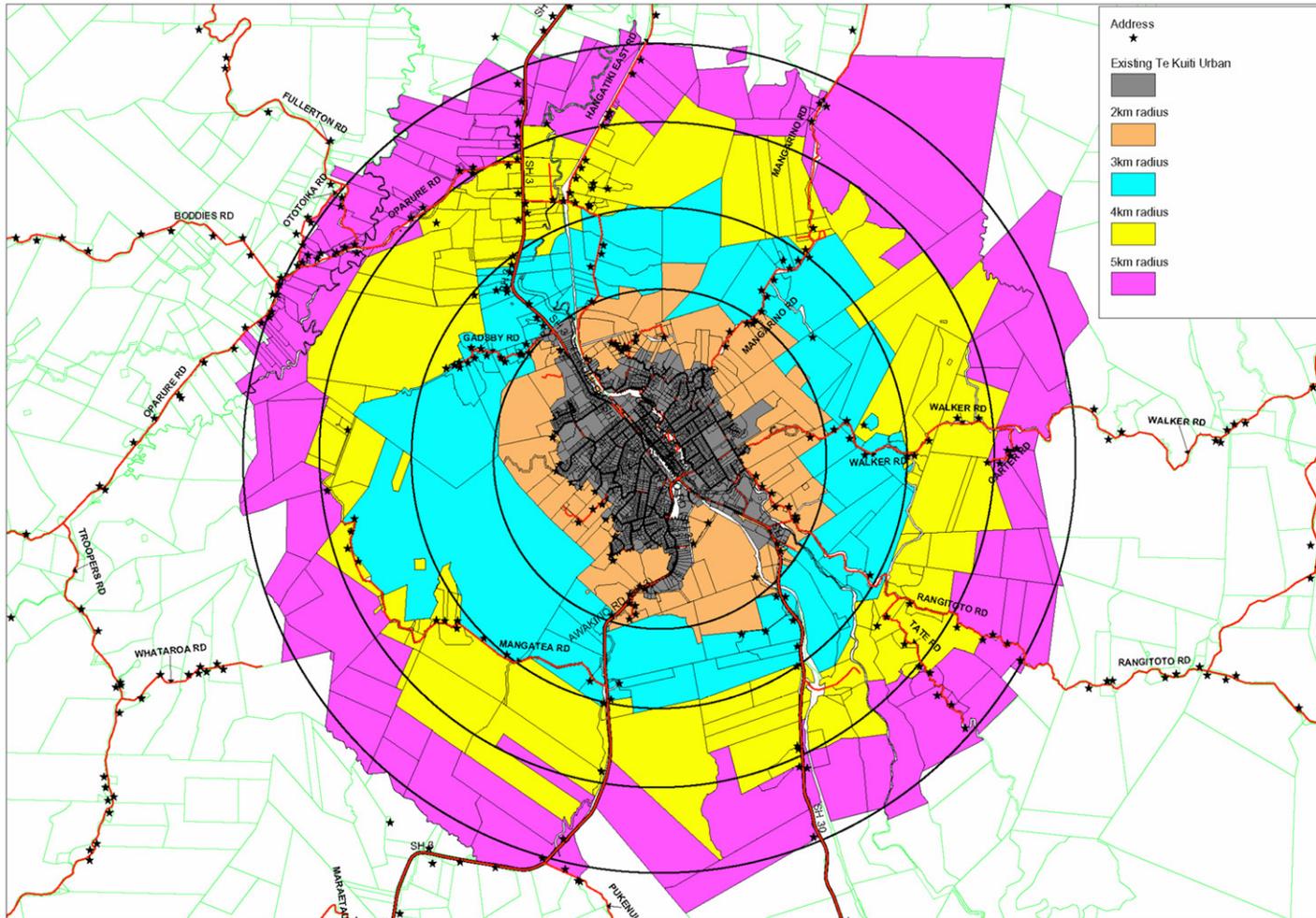
## 6.4 Revenue and Financing Policy

### 5.11.2b Funding

District Allocation: Council resolved that it would be most equitable to ring fence the costs of the activity as they fall in terms of Wards, and therefore a Targeted Rate in dollar of capital value differentiated by rating area would be the most efficient method of funding this allocation.

## 6.4 Revenue and Financing Policy

### APPENDIX ONE: TE KUITI URBAN AND PERIPHERY RATING AREA



## 6.5 Liability Management Policy

### 1.0 Background

- 1.1 The Local Government Act 2002 (LGA 2002) empowers a local authority to undertake any activity or business on behalf of its communities. Unlike its predecessor, LGA 2002 provides a form of general empowerment to councils to enable them to enter contracts and undertake transactions, etc, similar to the way in which a private individual or company would. The introduction of an empowering framework provided for in the legislation removes the need for complex prescriptive legislation that by definition prevents council flexibility and responsiveness.
- 1.2 The legislation however requires that Councils' must conduct their business in an open and transparent manner and be accountable for the decisions made by them. They have to undertake any commercial transactions in accordance with sound business practices. Councils have to abide by significant procedural requirements especially with regard to financial management. These are aimed to ensure that decisions are made in light of community views; decisions are subject to public scrutiny; and ultimately electoral accountability.
- 1.3 The requirement to have a Liability Management Policy is an example of these procedural requirements. This requirement is designed to ensure that local government is transparent and accountable when exercising its stewardship role.

### 2.0 Statutory Requirements

- 2.1 Section 104 of the LGA 2002 outlines the content of a liability management policy:
- 104 Liability Management Policy
- A policy adopted under section 102(4)(b) must state the local authority's policies in respect of both borrowing and other liabilities, including—
- (a) interest rate exposure; and  
(b) liquidity; and

- (c) credit exposure; and  
(d) debt repayment; and  
(e) specific borrowing limits; and  
(f) the giving of securities.

### 3.0 Draft Liability Management Policy for the Waitomo District Council

- 3.1 The following is developed pursuant to Section 102 (4). It seeks to outline the suggested content for a Liability Management Policy in compliance with Section 104 of the LGA 2002. It discloses Council's principles of prudent financial management and risk mitigation strategies as they relate to liability management.

### 4.0 Policy Objectives

- 4.1 The objectives of this Policy are:
- To comply with Sections 102 (4) and 104 of the LGA 2002.
  - To promote long term prudent financial management.
  - To outline how liability risk associated with borrowing activities is assessed and managed.
  - To outline how liabilities (current and non current) are managed and reported on.

### 5.0 Relationship to other Council Policies

- 5.1 It is important when reading this Policy that it is read in conjunction with other related Council policies. Council policies often reference and inform each other so that any issue before Council can be dealt with in an integrated and comprehensive fashion. Policies that have a clear relationship with this Liability Management Policy are:
- The Policy on Investments (outlines principles of prudent financial management and risk mitigation strategies as they relate to investments).
  - Council's Significance Policy (which if triggered by a proposal will mean that the proposal will be subject to further decision-making and consultation requirements).
  - The Partnerships with the Private Sector Policy.
  - The Revenue and Financing Policy (which outlines that

## 6.5 Liability Management Policy

proceeds from assets sales will be applied to debt repayment).

### 6.0 Interest Rate Exposure

- 6.1 Interest rate risk is the risk of significant unplanned changes to interest costs as a result of financial market movements.
- 6.2 The objective of managing interest rate risk is to have a framework in place under which Council can actively manage its borrowings within overall guidelines to spread and reduce risk and stabilise interest costs.
- 6.3 Borrowings can only be made in New Zealand dollars (Section 113 of the LGA 2002).
- 6.4 In order to minimise interest rate exposure, up to 60% of total borrowings may have a floating rate profile.
- 6.5 The interest rate exposure may also be limited by borrowing with the ability to convert fixed rate borrowing into floating rate, floating rate borrowing to fixed or hedged borrowing.

### 7.0 Liquidity

- 7.1 The objective of managing liquidity is to ensure that Council has adequate financial resources available to meet all its obligations as they fall due.
- 7.2 Liquidity risk will be managed by ensuring that no more than 35% of total borrowings may fall due in any one financial year.
- 7.3 Council's main revenue sources are cyclical in nature and therefore committed bank facilities are required to ensure sufficient funds can be called upon when required.
- 7.4 Council will have access to committed lines of no less than \$2 million.

### 8.0 Credit Exposure

- 8.1 Credit risk is the risk that a party to a transaction will default on its contractual obligation. A credit risk may exist when the credit rating of an entity with which Council has borrowings with deteriorates.
- 8.2 Council will only enter into borrowing agreements with creditworthy counterparties. Creditworthy counterparties are selected on the basis of their Standards and Poors rating which must be AA- or better.

### 9.0 Debt Repayment

- 9.1 The objective of the managing debt repayment is to ensure that Council is able to repay debt on maturity with minimum impact on Council operations.
- 9.2 Borrowings will be repaid as it falls due in accordance with the applicable loan agreement. Subject to borrowing limits, a loan may be rolled over or re-negotiated as and when appropriate.
- 9.3 All borrowings are deemed to be corporate borrowings. Debt repayments will be made from general funds and the proceeds from the asset sales. Funds derived from any asset sales are applied first to offset borrowing in the relevant activity from which the asset is sold.
- 9.4 The cost of capital is spread over significant activities using internal loans. Internal loans are raised to cover the economic life of capital projects to a maximum of 30 years for infrastructural assets and 15 years for other assets.

### 10.0 Specific Borrowing Limits

- 10.1 Council will borrow to fund the total funding need in accordance with the annual plan. Borrowing includes funding of short term working capital and long term capital investment.
- 10.2 In general terms, Council approves borrowing through the Annual Planning process with public disclosure by way of resolution. Borrowing of new debt is also subject to Council approval at the time the loans are to be raised.

## 6.5 Liability Management Policy

- 10.3 Ratios based on revenue and debt servicing and debt to equity are used for measuring a prudent borrowing level. Council borrowing limits are based on these ratios.
- 10.4 Total interest expense will not exceed 40% of total revenue. This equates to \$9.08 million as per 2008/09 Annual Plan financials.
- 10.5 Total borrowings will not exceed 30% of total equity. This equates to \$74 million as per 2008/09 Annual Plan financials.
- 10.6 Total borrowings must not exceed 25% of total assets. This equates to \$72 million as per 2008/09 Annual Plan financials.

### 11.0 Giving of Securities

- 11.1 Council borrowings are secured over annual rates on every rateable property within the Waitomo District.
- 11.2 Security may be offered over specific assets with Council approval or infrastructural assets where special rating provisions apply.
- 11.3 Council will not borrow, underwrite or guarantee loans on behalf of any other person, association or organisation (with the exception of one existing guarantee to the Waitomo Caves Museum Society that is due to expire on 31 January 2013).
- 11.4 The Securities Act 1978 and the Securities (Local Authority Exemption) Amendment Bill allow Council to issue debt securities to raise funds for Capital Investment. Any issue of debt securities must be approved by Council and will be in compliance with the Securities Act 1978 and the Securities (Local Authority Exemption) Amendment Bill.

### 12.0 Management and Reporting

- 12.1 Borrowings will generally be monitored and reported through Council's established reporting procedures (Quarterly and Annual Report).
- 12.2 In general terms reporting will comply with generally accepted accounting practice and International Financial Reporting Standards.

## 6.6 Policy on Investments

### 1.0 Summary

1.1 The following is developed pursuant to Section 102 (4). It seeks to outline the suggested content for an Investment Policy in compliance with Section 105 of the LGA 2002. It discloses Council's principles of prudent financial management and risk mitigation strategies as they relate to investments.

### 2.0 Policy Objectives

2.1 The objectives of this Policy are:

- To comply with Sections 102 (4) and 105 of the LGA 2002.
- To promote long term prudent financial management.
- To outline how investment risk associated with investment activities is assessed and managed.
- To outline how investments (strategic, equity, and treasury) are managed and reported on.

### 3.0 Statutory Requirements

3.1 Section 105 of the LGA 2002 outlines the content of an investment policy:

#### **105 Investment policy**

*A policy adopted under section 102(4)(c) must state the local authority's policies in respect of investments, including-*

- (a) the objectives in terms of which financial and equity investments are to be managed; and
- (b) the mix of investments; and
- (c) the acquisition of new investments; and
- (d) an outline of the procedures by which investments are managed and reported on to the local authority; and
- (e) an outline of how risks associated with investments are assessed and managed.

### 4.0 Relationship to other Council Policies

4.1 It is important when reading this Policy that it is read in conjunction with other related Council policies. Council policies often reference and inform each other so that any issue before Council can be dealt

with in an integrated and comprehensive fashion. Policies that have a clear relationship with this Investment Policy are:

- The Liability Management Policy (for borrowing by the Council and guarantees by the Council which are ultimately a liability).
- Council's Significance Policy (which if triggered by a proposal to make an investment will mean that the proposal will be subject to further decision-making and consultation requirements).
- The Partnerships with the Private Sector Policy.

### 5.0 Mix of Investments

5.1 Council is a risk adverse entity and therefore takes a prudent approach to managing its investments. Council seeks to maintain diversity in its investment portfolio to spread and minimise risk. Council generally has three types of investments:

- Strategic Investments - investments made or held in alignment to Council's strategic direction and typically retained on a long term basis.
- Equity Investments - equity (ownership) participation in a private (unlisted) company or a startup (a company being created or newly created).
- Treasury Investments - short to medium term financial investments that maximise financial return but ensure an appropriate level of liquidity for forecast expenditure.

### 6.0 New Investments

6.1 Prior to making new strategic or equity investments Council will consider (where relevant):

- The expected financial return.
- How the investment will contribute in furthering the Waitomo District's Community Outcomes as documented in the Long Term Plan.
- The existing investment portfolio and how the proposed investment 'fits' in terms of Council's preference to spread and minimise risk.
- Any other consideration Council deems appropriate.

## 6.6 Policy on Investments

### 7.0 Management and Reporting

- 7.1 Investments will generally be monitored and reported through Council's established reporting procedures (Quarterly and Annual Report).
- 7.2 For equity investments:
- Transparency and reporting mechanisms will be key elements in any governance arrangements. The frequency and nature of reporting will depend on the nature and size of each investment.
  - In general terms reporting will comply with generally accepted accounting practice and International Financial Reporting Standards.
  - Performance of investments will be reported in accordance with any governance arrangements, but no less than on a six monthly and annual basis.

### 8.0 Risk Management

- 8.1 Council is a risk adverse entity and therefore takes a prudent approach to managing its investments. Council seeks to maintain diversity in its investment portfolio to spread and minimise risk.
- 8.2 Where material risk to Council is apparent (e.g. equity investments) Council will commission an independent risk assessment and management report prior to entering into the investment.
- 8.3 To ensure the protection of Treasury investments Council will only invest with credit worthy counter parties. Low risk counter parties are defined as those having a Standard and Poors rating of AA- or better.

*Doc 178619*

## 6.7 Policy on Partnerships with the Private Sector

### 1.0 Summary

1.1 This Policy has been developed to comply with Section 107 of the LGA 2002. The Policy outlines the circumstances in which Council may enter partnerships with a private sector partner, circumstances under which consultation may be undertaken prior to any such partnership being entered in to, and conditions that may be imposed on such a partnership including risk management measures, and the financial reporting required of any such partnership.

### 2.0 Policy Objectives

2.1 The objectives of this Policy are:

- To comply with Section 107 of the LGA 2002.
- To outline under what situations Council would consider entering into partnerships with the private sector.
- To disclose what conditions may be imposed on a partnership with the private sector.
- To outline Council's position in relation to risk management and reporting on partnerships with the private sector.

To outline what consultation would be required prior to entering a partnership with the private sector.

### 3.0 Statutory Requirements

3.1 Section 107 of the LGA 2002 outlines the content of a policy on partnerships with private sector:

107 Policy on partnerships with private sector

- (1) A policy adopted under section 102(4)(e)---
  - (a) must state the local authority's policies in respect of the commitment of local authority resources to partnerships between the local authority and the private sector; and
  - (b) must include---
    - (i) the circumstances (if any) in which the local authority will provide funding or other resources to any form of partnership with the private sector, whether by way of grant, loan, or investment, or by way of acting as a guarantor for any such partnership; and
    - (ii) what consultation the local authority will undertake

- in respect of any proposal to provide funding or other resources to any form of partnership with the private sector; and
- (iii) what conditions, if any, the local authority will impose before providing funding or other resources to any form of partnership with the private sector; and
- (iv) an outline of how risks associated with any such provision of funding or other resources are assessed and managed; and
- (v) an outline of the procedures by which any such provision of funding or other resources will be monitored and reported on to the local authority; and
- (vi) an outline of how the local authority will assess, monitor, and report on the extent to which community outcomes are furthered by any provision of funding or other resources or a partnership with the private sector.

- (2) In this section, partnership with the private sector means any arrangement or agreement that is entered into between 1 or more local authorities and 1 or more persons engaged in business; but does not include---
  - (a) any such arrangement or agreement to which the only parties are-
    - (i) local authorities; or
    - (ii) 1 or more local authorities and 1 or more council organisations; or
  - (b) a contract for the supply of any goods or services to, or on behalf of, a local authority.

### 4.0 Relationship to other Council Policies

4.1 It is important when reading this Policy that it is read in conjunction with other related Council policies. Council policies often reference and inform each other so that any issue before Council can be dealt with in an integrated and comprehensive fashion. Policies that have a clear relationship with this Policy on partnerships with the private sector are:

- The Investment Policy (for the investment of funds for financial gain).
- The Liability Management Policy (for borrowing by the Council and guarantees by the Council which are ultimately a liability).
- Council's Policy on Significance (which if triggered by a proposal

## 6.7 Policy on Partnerships with the Private Sector

to partner with the private sector will mean that the proposal will be subject to further decision-making and consultation requirements).

### 5.0 Definition of 'Partnership with the Private Sector'

5.1 Section 107(2) provides a definition of 'partnership with the private sector'.

*In this section, partnership with the private sector means any arrangement or agreement that is entered into between 1 or more local authorities and 1 or more persons engaged in business; but does not include-*

- (a) *any such arrangement or agreement to which the only parties are-*
  - (i) *local authorities; or*
  - (ii) *1 or more local authorities and 1 or more [council-controlled organisations]; or*
- (b) *a contract for the supply of any goods or services to, [by,] or on behalf of, a local authority.*

5.2 This Policy on Partnerships with the Private Sector relates to arrangements or agreements where Council may enter with persons engaged in business (other than local authorities or Council organisations), but which are not contracts for the supply of goods or services to or on behalf of Council. As a result the following general approach is utilised:

- Any venture where the Council participates with a person engaged in business with some joint objective is included. This is irrespective of whether or not that joint venture also involves the supply of goods or services to or on behalf of Council.
- Contracts between the Council and its ordinary suppliers of goods and services (for example office supplies or legal services) are excluded.
- Contracts for the supply of goods or services between the Council and its agents for undertaking activities of the Council (such as building or maintaining roads) are excluded.
- Borrowing by the Council and the investment of Council funds for financial gain are excluded as they are addressed in the liability and investment management policies required by Section 102(4)(b) and (c) of the LGA 2002.

- The making of grants to community groups is not included as these groups are not engaged in business, and because grants do not have the same characteristics of partnerships.

### 6.0 Circumstances where Council may Consider a Partnership Approach

6.1 Council may consider a Partnership with the Private Sector when:

- Entering such a partnership offers material leverage to the Council and the community in furthering the goals and outcomes in the Long Term Plan.
- A partnership with the private sector can deliver better value for money in terms of time, cost, risk management and other financial arrangements than other identified methods of delivery.
- The private sector can demonstrate particular skills and/or innovative capability that are not readily available to the public sector.
- There is opportunity for Council to allocate risk that it is unfamiliar with to a partner that, due to the very nature of its business activities, has the experience and expertise to manage.
- The sheer size and nature of the particular project requires a partnership approach and justifies related transaction and ongoing management costs.
- Benefits to the community (measured in terms of cost, quality, efficiency and ability to promote the social, economic, cultural and environmental well-being of the community) are demonstrated.

### 7.0 Consultation with respect to any proposal to form a Partnership

7.1 Any decision by Council to form a Partnership with the Private Sector will be subject to the requirements for decision-making under Section 76 of the LGA 2002.

7.2 For the avoidance of doubt any decision to form a Partnership with the Private Sector that triggers Council's Policy on Significance as required by Section 90 of the LGA 2002 will be subject to the special consultative procedure required by section 83 of that Act. Where possible, such a decision will be incorporated into a review of Council's Long Term Plan or preparation of Annual Plan.

## 6.7 Policy on Partnerships with the Private Sector

### 8.0 Conditions of Partnership

8.1 Any partnership between the Council and the Private Sector will be subject to certain conditions before Council will agree to the provision of funding or any resources. The relative weighting and means of compliance with the following conditions will be commensurate with the level of risk for Council:

- Any partnership with the private sector will be tested for its ability to further the community goals and outcomes in the Long Term Plan. This will be compared with alternative methods of service delivery.
- Where Council sees an opportunity to partner with the private sector any resulting partnership will be subject to competitive process. However, Council reserves the right to respond directly to approaches from the private sector with unique proposals.
- Private sector partners will be subject to independent due diligence assessment (to the satisfaction of the Council) in relation to the proposed partnership to ensure possible partners have the adequate expertise, capacity and financial stability to deliver their responsibilities under the partnership agreement.
- The expected outputs of any partnership with the private sector will be clearly articulated including the service standards required and related measurable performance indicators including but not limited to:
  - a) The clear articulation of Council's legislative responsibilities and those which are being transferred to the private sector partner under the agreement.
  - b) The establishment of reporting mechanisms and standards to the satisfaction of the Council including the identification of penalties for failure to comply with those mechanisms and standards.
  - c) The establishment of a partnership review dates and how at those review dates the partnership will be tested in terms of its effectiveness and efficiency.

### 9.0 Risk Management

9.1 In the event of a partnership with the private sector triggering this Policy and where material risk to the Council is apparent, Council will commission an independent risk assessment and management report prior to entering the relationship. Any identified risks will then be managed via the partnership agreement and related contractual

documentation.

### 10.0 Procedures for Monitoring and Reporting

10.1 Procedures for monitoring and reporting any partnership with the private sector to Council:

- Transparency and reporting mechanisms will be key elements in any partnership contracts with the private sector. The frequency and nature of reporting will depend on the nature and size of each partnership arrangement.
- In general terms the private sector partner will be expected to report using generally accepted accounting practice and to comply with International Financial Reporting Standards.
- Performance of the partnership will be reported in accordance with the partnership agreement, but no less than on an annual basis.

### 11.0 Contribution to Community Outcomes

11.1 Formal objectives will be established for any partnership with the private sector including how the relationship should/will contribute to community outcomes;

11.2 Wherever possible appropriate indicators will be contained within contract documents that will be used to monitor progress towards identified outcomes;

11.3 Objectives and indicators will be formally reviewed and reported on completion of the partnership arrangement. For long-standing partnerships periodic reviews will be established through the contractual documentation.

*Doc 178623*

## 6.8 Policy on Remission of Rates including Rates Remissions and Postponements of Maori Land

### 1.0 Introduction

- 1.1 The Local Government (Rating) Act 2002 (LGRA 2002) authorises Council to set, assess and collect rates to fund its activities.
- 1.2 Section 85 of the LGRA 2002 and Section 102 (5) of the Local Government Act 2002 (LGA) provide authority for Council to remit rates and to adopt a rates remission policy. Council sets rates on all rateable land in accordance with its Revenue and Financing Policy (RFP) adopted under Section 102 (4) (a) of the LGA and its Funding Impact Statement (FIS) adopted under Section 10, Schedule 10 of the LGA.
- 1.3 The Rates Remission Policy (RRP) documents any exceptions to the application of the Funding Impact Statement, the objectives sought by way of exception and the criteria applied to determine eligibility.
- 1.4 The RRP sets out a policy for the remission of rates under the following headings:
- Remission of Uniform Annual General Charges.
  - Rates assessed against land owned or occupied by Community Organisations.
  - Remission for Organisations providing Care for the Elderly
  - Rates assessed against land owned or occupied by Societies and Associations.
  - Rates assessed against land owned by Council.
  - Rates assessed against Maori Freehold land.
  - Remission of Penalties levied for Late or Non Payment of Rates.
  - Rates assessed against land comprised in new residential subdivisions in District Townships.
- 1.5 The RRP is authorised by the LGA 2002. In particular Section 109 of the LGA 2002 provides that any **Rates Remission Policy** must address the following;
- (1) A policy adopted under section 102(5) (a) must state-
    - (a) The objectives sought to be achieved by the remission of rates; and
    - (b) The conditions and criteria to be met in order for rates to be remitted.
  - (2) In determining a policy under section 102(5) (a), the local authority may consider the matters set out in Schedule 11.
  - (3) For the purposes of this section, the term rate includes penalties payable on unpaid rates.

1.6 Section 85 of the LGRA 2002 provides that Council may remit rates on the following basis:

- (1) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if-
  - (a) The local authority has adopted a remissions policy under section 102 (5) (a) of the Local Government Act 2002; and
  - (b) The local authority is satisfied that the conditions and criteria in the policy are met.
- (2) The local authority must give notice to the ratepayer identifying the remitted rates.

### 2.0 Delegation to Operate, Application Process and Review of Decisions

- 2.1 The Chief Executive is delegated the authority to apply the Rates Remission Policy. Access to the rate remission arrangements is by way of annual application to the Council by the owner or occupier of the rating unit(s).
- 2.2 In the event that any applicant, for remission of rates, seeks a review of any decision taken under delegation the following process shall be followed:
1. Any application for review shall be made in writing, on the prescribed form, outlining the reasons for seeking a review and including appropriate documentation in support.  
*Note: Additional information may be requested to allow a better understanding of the merits and background of the application.*
  2. The application will be investigated and the application together with a report and recommendation thereon will be submitted to a meeting of the Council for its consideration and decision.
- 2.3 The decision of the Council will be final, and the applicant will be notified of the decision within 10 working days.

## 6.8 Policy on Remission of Rates including Rates Remissions and Postponements of Maori Land

### 3.0 Remission of Uniform Annual General Charges (UAGC) – where two or more rating units are held in common ownership

#### 3.1 Introduction

3.2 Section 15 (2) of the LGRA 2002 provides that a Uniform Annual General Charge (UAGC) is a rate for the purposes of the Act.

3.3 The Council's RFP sets out how UAGCs are assessed against rateable land.

3.4 Section 20 of the LGRA 2002 provides that two or more rating units must be treated as one unit for setting a rate if certain criteria are met;

*... those units are –*

*(a) owned by the same person or persons; and*

*(b) used jointly as a single unit; and*

*(c) contiguous or separated only by a road, railway, drain, water race, river or stream.*

3.5 This section of the DRRP addresses land ownership and land use situations that fall outside of that limitation defined by Section 20 of the LGRA 2002.

3.6 In certain situations Council believes the criteria provided for in Section 20 (a) and (c) of the LGRA 2002 does not assist ratepayers where rateable land is used as part of a farm operation.

3.7 A remission will be granted in respect of rateable property used for farming purposes where Council is satisfied its objectives are met.

#### 3.8 Objectives of the Policy

- To extend the definitions of ownership and contiguous land as contained in Section 20 (a) and (c).
- To assist the use of rateable land as part of a farming operation where not all the rateable land is contiguous with land owned, or occupied under long term lease, by the same person or persons but is nevertheless used jointly as a single farming unit. The intention being to ensure that the use of such rateable land for farming purposes is not disadvantaged by the obligation to pay multiple UAGCs.
- To assist ongoing rural economic development by removing a UAGC liability that might create a cost barrier to the efficient integration of non contiguous land into one farming operation.

- To assist in the utilisation of unoccupied, undeveloped land in township areas to achieve:

- good land management,
- an improvement to visual amenity values
- better environmental outcomes through assisting in weed and pest management
- reduction of risk of fire hazard and to public health

by enabling non-contiguous vacant sections that are owned or occupied under long term lease by the same person or persons and used jointly as a single unit that might otherwise be unfairly disadvantaged by way of the obligation to pay multiple UAGCs.

#### 3.9 Conditions and Criteria

3.10 The following categories of land use shall determine whether or not this policy shall apply to rateable land.

##### 1 Rateable Land used for Farming Purposes

For the purposes of this policy, land used for farming purposes shall be defined as land used for 'pasturage'; being, the business of feeding or grazing livestock. Eligible farming properties are those where:

- a The applicant is the owner or can demonstrate a long term interest in two or more separately rateable rural farm properties and that two or more of those properties are used for farming purposes; and
- b The properties are used jointly as a single farm property for the purpose of carrying out a farming operation; and
- c The property for which the remission is sought does not carry sufficient improvements to allow it to be operated as a separate farming unit; and
- d The land for which the remission is sought is not occupied by a habitable dwelling.

##### 2 Rateable Land located in Townships

Rateable land located within Waitomo District townships where:

## 6.8 Policy on Remission of Rates including Rates Remissions and Postponements of Maori Land

- a The applicant is the owner or holds a written long term interest in two or more separately rateable properties that are not contiguous; and
- b The properties are used jointly as a single property; and
- c The property for which the remission is sought does not carry improvements exceeding \$1,000 in value, and is not occupied by a dwelling.
- d The property for which the remission is sought must be maintained in good order and repair as ascertained by the Council.
- 3.11 Application for remission of UAGCs where two or more rating units are held in common ownership must be made on an annual basis to ensure continued eligibility for remission.
- 4.0 Remissions for Community Organisations** (Schedule 1, Part 1: Land fully non-rateable)
- 4.1 Introduction**
- 4.2 Schedule 1, Part 1 of the LGRA 2002 defines land classified as non-rateable for the purposes of the LGRA 2002.
- 4.3 Council recognises that Schedule 1, Part 1 of the LGRA 2002 limits the authority to set, assess, and collect rates on certain land. However non-rateable properties are liable for Targeted Rates assessed for the provision of services as contained within the Funding Impact Statement.
- 4.4 The LGRA 2002 provides in Schedule 1, Part 1 that the land defined in the following clauses is fully non-rateable:
- (4) *Land used by a local authority-*
- (c) *for a public hall, library, athenaeum, museum, art gallery, or other similar institution.*
- (6) *Land owned or used by, and for the purposes of, -*
- (b) *an education establishment defined as-*
- (iv) *an early childhood centre*
- (9) *Land used solely or principally-*
- (a) *as a place of religious worship*
- (12) *Land that is set apart under s338 of Te Ture Whenua Maori Act 1993*
- and-
- (a) *that is used for the purposes of a Marae or meeting place and that does not exceed 2 hectares*
- 4.5 Council wishes to limit the liability for Targeted Rates for some properties classified under Schedule 1, Part 1 of the LGRA 2002.
- 4.6 Council also wishes to remit rates on rateable land where the land use is similar to the land uses defined in Schedule 1, Part 1 but which fall outside of the uses defined in the schedule.
- 4.7 This Policy sets out the remissions available to Waitomo arts and heritage groups, pre-schools, Marae and churches. This Policy clarifies liability for groups listed under Schedule 1, Part 1, Sections (4) (6) (9) and (12)).
- 4.8 Objectives of the Policy**
- To extend the arrangement provided for in the LGRA 2002 (for arts and heritage groups on Council land), to similar arts and heritage groups on private land.
  - To support the development of arts and culture in the Waitomo District.
  - To clarify liability for Marae, churches and pre-schools' service charges.
  - To facilitate the ongoing provision of not for profit emergency services for the residents of the Waitomo District.
- 4.9 Conditions and Criteria**
- (a) Community halls, art galleries and museums receive a rates remission of 100% of the assessed Rates INCLUDING service charges EXCEPT for a maximum of one Targeted Rate charge, set for each of water, sewerage and solid waste collection services. Any Community halls, art galleries or museums opting for a private solid waste collection arrangement will not pay the solid waste collection rate, and would not receive a collection service. Community halls are defined as those halls and community centres located on Council administered land, and those privately owned community halls recognised as fulfilling the same primary function as public halls.
- (b) Pre-schools, Marae and churches receive a rates remission of 100% of the assessed Rates INCLUDING service charges EXCEPT for a maximum of one Targeted Rate charge, set for each of water, sewerage and solid waste collection services. Any Pre-school, Marae or church opting for a private solid waste collection arrangement would not pay the solid waste collection rate, and would not receive

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a collection service.

- (c) Not for Profit organisations, which exist exclusively or principally for the provision of emergency services receive a rates remission of 100% of the assessed rates INCLUDING service charges EXCEPT for a maximum of one Targeted Rate charge, set for each of water, sewerage and solid waste collection services. Any organisations opting for a private solid waste collection arrangement will not pay the solid waste collection rates, and would not receive a collection service.
- (d) The policy does not apply to organisations operated for the purposes of profit or gain. Nor will it apply to groups and organisations who engage in community services as a secondary purpose only.
- (e) Organisations making application should include the following documents in support of their application:
  - Statement of objectives
  - Full financial accounts
  - Information of activities and programmes
  - Details of membership
- (f) Council retains a discretion:
  - On whether to grant a remission in any particular case.

### 5.0 Remission for Organisations providing Care for the Elderly

#### 5.1 Introduction

5.2 Council wishes to support not for profit organisations that provide much needed facilities and services for the Elderly within the Waitomo District. The intent is to recognise and assist those organisations that provide specialised care for the Elderly who, in the absence of such services, may need to relocate outside of the Waitomo District, away from family and friends.

#### 5.3 Objectives of the Policy

5.4 To support those organisations that provide facilities and services that care for and enable the Elderly to reside in the Waitomo District.

#### 5.5 Conditions and Criteria

5.6 Organisations that demonstrate compliance with the following criteria will receive a rates remission of 100% of assessed rates EXCLUDING service charges set for Water, Sewerage and Solid Waste Collection and Disposal

Services. Any organisation opting for a private Solid Waste Collection arrangement will not pay the Solid Waste Collection Rate and would not receive a Collection Service.

5.7 This remission arrangement is available on application on an annual basis by qualifying organisations which:

- (a) Are charitable organisation(s). Charitable organisations are organisations (incorporated or not) that carry out charitable activities or exist exclusively for charitable purposes. For an organisation's purposes to be charitable its activities or aims must be for public purposes - the benefit must be available to a large part of the community. In addition, it must not be carried on for the benefit or profit of any individual or group, and
- (b) Provide Rest Home level of care to the Elderly. Rest Home level of care is defined as the provision of 'everyday living assistance' to the Elderly who are fully dependant on other people to assist them with everyday life (e.g. to cook, clean, shower, etc), and/or
- (c) Provide Hospital Level Care for the Elderly. Hospital level care is defined as provision of palliative care type facilities, the ability to prescribe medicines as per national health standards and have the requisite number of trained nurses as per national and DHB health standards.
- (d) For the avoidance of doubt – retirement villages are not eligible for remission of rates under this policy.

### 6.0 Remissions for land owned by Clubs and Societies (Schedule 1, Part 2 of the Local Government Rating Act 2002 Land 50% non-rateable).

#### 6.1 Introduction

6.2 This Policy provides remissions of rates to sport clubs and societies.

6.3 Section 8 and Schedule 1, Part 2 of the LGRA 2002 provide that certain land used or owned by a society, or an association of persons must not be assessed for rates at a value of more than 50% of the rates that would otherwise have been assessed under Council's RFP and in the Rating Impact Statement (RIS).

6.4 This land is known as 50% non-rateable.

6.5 The land for which assessed rates must not exceed 50% includes:

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- Land owned or used by Agricultural and Pastoral Societies as a showground or place of meeting, and
- Land used or owned by sport clubs.
- Land used or owned for the purpose of any branch of the arts

*Note: 50% non-rateable land is rateable for Targeted Rates set under Sections 16 and 19 of the LGRA 2002 for water supply, sewage disposal and solid waste collection.*

6.6 For the purposes of this part of this Policy, those Targeted Rates are described as Service Charges.

6.7 Council seeks to remit Service Charges set for the purpose of funding water supply, sewage disposal and solid waste collection as defined in the RFP and in the RIS. That remission arrangement is made for land used or owned by certain societies and sports clubs.

*Note: This remission arrangement does not extend to all land defined as 50% rateable under Schedule 1, Part 2, LGRA 2002. That land remains liable for the payment of service charges as defined in the RFP and in the RIS.*

6.8 The LGRA 2002 provides:

*Land 50% non-rateable (Schedule 1 Part 2):*

(2) *Land owned or used by a society or association of persons (whether incorporated or not) for games or sport, except galloping races, harness races, or greyhound races.*

*For the purposes of this Part, unless the context otherwise requires-*

- *land does not include land used for the private pecuniary profit of any members of the society or association*
- *land in clause 2, excludes land in respect of which a club licence under the Sale of Liquor Act 1989 is for the time being in force.*

*Rate liability on 50% non-rateable land (section 8):*

(2) *Rates assessed for the land described in Part 2 of Schedule 1 must not exceed 50% of the rates that would otherwise have*

*been assessed if the land were not described in that schedule.*

### 6.9 Objectives of the Policy

6.10 Council recognises the value of encouraging participation in active and passive recreation for the well-being of its communities. This Policy

aims to support the development of sport and physical recreation in the Waitomo District by providing rates remissions for private clubs at the same level as those clubs located on and having long term tenure over Council owned land which is non-rateable under Schedule 1, Part 1 (4) of the LGRA 2002.

### 6.11 Conditions and Criteria

6.12 The following policy applies to sport and recreation clubs located on either Council owned or privately owned or administered land.

(a) Sport and recreation groups receive a rates remission of 100% of the assessed Rates INCLUDING service charges EXCEPT for a maximum of one Targeted Rate charge, set for each of water, sewerage and solid waste collection services. Any Club or Association opting for a private solid waste collection arrangement would not pay the solid waste collection rate, and would not receive a collection service.

(b) This remission arrangement is available on application on an annual basis by qualifying societies and organisations who:

- 1 Are groups identified by Schedule I Part 1(4b) and Part 2(2) of the LGRA 2002 and who:
  - (i) Demonstrate that their primary function is for the purpose of sport or physical recreation, and
  - (ii) Are non-profit organisations, not providing recreation or fitness services for commercial profit, and
  - (iii) Are able to demonstrate that they are currently operative, and
  - (iv) The primary use of their facility for which they are seeking remissions is for the purpose of that organisation's sport or physical recreation activity, and
  - (v) Can demonstrate that their activities benefit or are available to the entire community.
- (c) That sport and recreation clubs apply on an annual basis for a remission of rates to ensure their continued eligibility and confirm the land-use remains eligible for remissions.

## 7.0 Remissions of Rates for Council Properties

### 7.1 Introduction

7.2 This section of the Policy is included for the sake of transparency. The LGRA 2002 provides that certain Council land is non-rateable. This Policy extends that non-rateable status to include any Council property which does not fall within the category of non-rateable land, but never the less the land held by Council has no current operational use that can be

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attributed for the day to day delivery of a service to the communities of Waitomo District.

7.3 The LGRA 2002 defines non-rateable Council land (Schedule 1, Part 1, Section 4 LGRA 2002) as:

- (4) Land used by a local authority-
  - (a) for a public garden, reserve or children's playground:
  - (c) for a public hall, library, athenaeum, museum, art gallery or other similar institution:
  - (d) for public baths, swimming baths, bathhouses, or sanitary conveniences

### 7.4 **Objectives of the Policy**

7.5 To avoid the need to set, assess and collect rates funding from the District community to pay rates on Council property that is for the time-being not used for any operational purpose.

### 7.6 **Conditions and Criteria**

7.7 The Council has delegated authority to the Chief Executive to remit rates set, assessed and levied on land owned or occupied by the Council where the Chief Executive is satisfied that no operational use can be attributed to that land.

## 8.0 **Remission of Rates on Maori Freehold Land**

### 8.1 **Introduction**

8.2 The LGA provides that Council must adopt under Section 102(4)(f) a policy on the remission and postponement of rates set, assessed and levied on Maori freehold land.

8.3 Section 108 (3) of the LGA provides that any such policy places no obligation on Council to provide for the remission of, or postponement of the requirement to pay, rates on Maori freehold land.

8.4 Council wishes to provide for a fair and equitable rating system, recognising that some Maori owned freehold land has particular conditions, features, ownership structures, or other circumstances.

8.5 Council wishes to support and promote sustainable growth and development within key sectors of the local economy. In addition all of the community have a stake in the District's open spaces. Council recognises Tangata Whenua aspirations to define, preserve and maintain

their traditional spiritual, cultural, social, and economic links with Ancestral Lands, waterways, places of habitation, Waahi Tapu and other Taonga.

8.6 The Council is of the view that Waitomo District community outcomes are improved if:

- Owners or Trustees of Maori freehold land benefit from better and appropriate use of undeveloped land, through providing a clear policy on the liability of the land for the payment of rates.
- Council and the Waitomo District community benefit through the efficient collection of rates where they are deemed to be payable.

### 8.7 **Objectives**

8.8 The remission of rates on Maori freehold land pursuant to Section 108, LGA 2002, and in recognition of the objectives of the Te Ture Whenua Maori Act, recognises that:

- (a) There are situations where there is no occupier or person gaining economic or financial benefit from the use of, or habitation on the land.
- (b) Some freehold Maori land might be better set-apart from development because of its natural features, significant vegetation and/or habitat, and cultural significance.
- (c) Physical access to some Maori freehold land is not available or is not practicable.
- (d) Takes into account the presence of waahi tapu that may limit the use of the land for other purposes.
- (e) A remission of rates should ONLY apply to those portions of land not occupied, and/or undeveloped.
- (f) Assessing rates against certain Maori freehold land might limit or restrict the development of an economic use of the land.

8.9 The Local Government (Rating) Act 2002 (LGRA 2002) provides:

- *Maori freehold land is defined by the LGRA 2002 as "land whose beneficial ownership has been determined by the Maori Land Court by freehold order". Only rateable land that is the subject of such an order may qualify for remission under this policy.*
- *Maori freehold land is liable for rates in the same manner as if it were general land, subject to the provisions of Part 4 of the LGRA 2002.*

8.10 The Local Government Act 2002 provides:

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- Section 102 (4)(f), 108 and Schedule 11 of the LGA sets out the requirements Council must consider in adopting any policy on the remission and postponement of rates on Maori freehold land.

8.11 Te Ture Whenua Maori Act 1993 states as its purposes:

- (1) It is the intention of Parliament that the provisions of this Act shall be interpreted in a manner that best furthers the principles set out in the Preamble to this Act:

Preamble principles:

- to recognise that land is a taonga tuku iho of special significance to Maori people,
- to promote the retention of that land in the hands of its owners, their whanau, and their hapu,
- to protect waahi tapu,
- to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whanau, and their hapu,
- to maintain a Court and to establish mechanisms to assist the Maori people to achieve the implementation of these principles:

8.12 Te Tiriti o Waitangi (Treaty of Waitangi):

- Shall be taken into account under the LGA and the Resource Management Act 1991.

### 8.13 Interpretation of Terms

Term	Interpretation
Hapu:	Whanau groups descended from their own hereditary ancestor.
Maori customary land:	Land held under the customs and usages of the Maori people, the title to which has not been investigated by the Maori Land Court
Maori freehold land:	Land whose beneficial ownership has been determined by the Maori Land Court by freehold order.
Taonga tuku iho:	Legacy, treasure

Term	Interpretation
Waahi tapu:	Means land set apart under Section 338(1) (b) of the Te Ture Whenua Maori Act 1993 (a place of special significance according to the meaning, custom, obligation and conditions to Maori).
Whanau:	Extended family in which a person is born and socialised.

### 8.14 Conditions and Criteria

8.15 This policy does not provide for permanent remission or postponement of rates on Maori freehold land recognising the potential for changes in circumstance and land use.

#### Part A: Council Discretion

- (1) Maori freehold land is liable for rates in the same manner as if it were general land and any rates set, assessed and levied will be collected to the extent authorised by and practicable under legislation.
- (2) Where a remission of rates is made the obligation is on the applicant to advise any change of use that might affect the eligibility of the land for any remission. Note – Council will require that any rates remissions be repaid where the failure to notify Council of a change in circumstance impacts on the eligibility of the land for a rate remission.
- (3) Council's valuation service provider will provide three yearly land use reports to coincide with the three yearly revaluation cycle. These reports will be used to monitor changes in land use and to determine any eligibility for rates remission under this policy.
- (4) Council will monitor, on an ongoing basis the use of any Maori freehold land enjoying a rate remissions under this policy. If, in the Council's opinion, the underlying status of the land has changed and income is being generated from the land, Council will review the land's eligibility for rates remissions.

#### Part B: Maori Freehold Land Rates Remission Register

- (1) Council will maintain a register titled the Maori Freehold Land Rates Remission Register for the purpose of recording the rating units for which rates are remitted pursuant to this Policy. The Register will comprise of two category lists, which are summarised as:

Category A: Maori Freehold Land – General Remissions List

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- For the purpose of recording remissions on unoccupied or unproductive land that achieves objectives (a), (b), (c), (d), (e).
- 100% of all rates set on these properties, except Targeted Rates set for water supply, sewage disposal or solid waste collection will be remitted.
- Where there are no services provided to the property and/or it is uneconomic to pursue rates, all rates will be remitted.

### Category B: Maori Freehold Land - Economic Use and Development Remissions List

- For the purpose of recording remissions on potentially productive land that achieves objective (f).
- The level of rate liability on land recorded on this list will be subject to the criteria and calculations in PART D of this Policy.

### Part C: Category A: Maori Freehold Land - General Remissions List

#### (1) Eligibility

The following land use categories will be considered for remission of rates:

- Unoccupied or undeveloped Maori freehold land (meaning land that is unoccupied and where no income is derived from the use of that land):
  - That is better set aside and protected from use because:
    - of its special cultural significance and unique natural features, or
    - to protect the indigenous flora and fauna under a formal protection arrangement.
  - Has no legal or practicable road access available to the land.

#### (2) Criteria

An annual application for a rate remission under Category A: Maori Land General Remissions List must be made prior to commencement of the rating year and no later than 30 April in each year. The application must be made on the prescribed form. That application must be supported by sufficient supporting information to allow an informed decision to be made in respect of the application. Other material that Council will require is outlined under each of the following land-use sections.

- Documentation that the land in question has been determined to be Maori freehold land by the Maori Land Court by way of freehold

order.

- A copy of the Certificate of Title if available.
- An identified owner, agent of owner, or occupier to be recorded on the rating records pursuant to Part 4 of the Local Government (Rating) Act 2002.
- That identified owner, agent of owner or occupier must provide Council with evidence that he or she has full control over the property.
- Details of the property size and use.
- Aerial photographs if available.
- A description of the intended use of the land, and a statement as to how the objectives defined under this Policy will be achieved by the granting of rates remission.
- Other documentation that Council may require to make a decision.

#### (3) Arrears and Penalties

- Remission of penalties may be applied for under this Policy.
- No penalties will be incurred whilst the Agreement on Rates Remission is upheld.
- The remittance of rate arrears will be considered, where it can be shown that current rates have been paid for a continuous period of three years.

#### (4) Unproductive and Unoccupied Land Blocks

The following provision shall apply:

- Where a property is unproductive (assessed as having no income derived from the land) and unoccupied, including land that is better set aside for non-use because of its natural features and cultural significance and/or is inaccessible, shall be placed be recorded on the Category A: Maori Land General Remissions List.

#### (5) Dwellings on Maori Freehold Land

The following provisions shall apply:

- Where there is one or more dwelling on the land, Council may establish and identify separately used or inhabited parts of the rating unit:
  - That separately used or inhabited portion of the rating unit will be defined based on the area occupied, and/or the area undeveloped and uneconomic, with the written consent of the Trustee or Occupier.
- Rates set assessed and levied on the separately used or inhabited portion of the property will be payable, shall remain paid and in all other respects comply with the provisions of this policy.

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### (6) Indigenous Flora and Fauna

Indigenous Vegetation lots located wholly or partially on Maori freehold land shall be recorded on the "Maori Land Indigenous Vegetation Register". Each identified indigenous vegetation lot shall be checked every 3 years to verify the land use has remained unchanged.

(a) Land considered under this policy is subject to the list by one or more of the following criteria being met. The land is unoccupied and:

1. A traditional and important food source for Tangata Whenua.
2. A traditional and important source for cultural, medicinal, symbolic and spiritual needs of Tangata Whenua.
3. Includes important tribal landmarks significant to Tangata Whenua.
4. Important water catchment system to Tangata Whenua for sustaining physical and spiritual values.

(b) Council will also take into consideration whether the land:

1. Has road access and/or access to other services.
2. Contains indigenous forest of high ecological value.
3. Is contiguous with forest reserves or National/Forest Parks
4. Is complementary with Marae Reserve Areas.
5. Contains remnants of interspersed indigenous vegetation that provide ecological value.
6. Offers significant or assessable benefits and protection of developed lower lying land and/or protection for the investment in public roads.
7. Complements the objectives of and quality of water achieved within formal established water catchment areas.
8. Enhances and complements the objectives and quality of formal established wildlife areas.

(c) Where part of the land is deemed to be in indigenous vegetation, the following information must be provided:

1. Location and calculation of the area of the land in question shall be provided.
2. Photographs and valuation data shall be provided where available.

### (7) Other Property

Maori freehold land where no body corporate has been constituted under Part XIII of the Te Ture Whenua Maori Act 1993 has been established to administer such land and/or the whereabouts of such owner/s is unknown may be considered for Category A remissions at Council's discretion.

### Part D: Category B: Maori Freehold Land - Economic Use and Development Remissions List

#### (1) Objectives and Eligibility

The objective for Category B: Maori Land - Economic Use and Development Remissions is to provide an incentive to assist the conversion of otherwise undeveloped, unoccupied Maori freehold land, to an economic use through a progressive stepped application of a full liability for the payment of rates, over a five year period where:

(a) There is an intention to make economic use of the land, or a clear intent to progressively develop the economic use of the land over time, Council will enter into a remission of rates arrangement with the Trustees/Owner(s) or Occupier(s) where the Council is satisfied such an arrangement will encourage economic use through development over time.

#### (2) Extent of Remissions

- (a) No remission will be granted on Targeted Rates for water supply, sewage disposal, and solid waste services.
- (b) All applications for rates remissions toward economic development will be remitted on satisfaction of the application criteria outlined in clause Part C (2) and Part D (4) of this Policy.

#### (3) Calculation of Liability

(a) At Council's discretion during the annual review and/or with negotiations with the land owner/s or trustees, a staged rates requirement will be implemented according to the following schedule:

Year 1	Not less than 20% payable for that year
Year 2	Not less than 40% payable for that year
Year 3	Not less than 60% payable for that year
Year 4	Not less than 80% payable for that year
Year 5	100% payable for that year.

#### (4) Criteria

The following additional supporting material may be required to make annual application for remissions under B: Maori Land - Economic Use and Development Remissions prior to commencement of the rating year.

(a) A written plan setting out the planned economic use of the land or the planned economic development against a five year timeline

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prepared by a suitable person holding authority over the land and responsible for the planned use.

- (b) Any other documentation that the Council may require to make an assessment.

### 8.16 Appeals

8.17 Appeals relating to decisions taken on the eligibility of Maori freehold land for rates remissions will follow the process outlined under the Delegations and Appeals Process Policy.

### 9.0 Remission of Penalties

#### 9.1 Introduction

9.2 This Policy outlines Council's process and criteria for the remission of penalties incurred by way of late or non-payment of rates, in accordance with Section 85 of the Local Government (Rating) Act 2002. Penalties are incurred for late or non-payment of rates in accordance with the amount set in Council's Funding Impact Statement.

#### 9.3 Objective of the Policy

9.4 To disclose the circumstances under which Council will consider remitting penalty payments for late or non-payment of rates.

#### 9.5 Policy and Criteria

9.6 Remissions for late or non-payment of rates will be considered on the following grounds:

Circumstance	Policy and Criteria	Delegation
Extenuating circumstances	<p>Remission of a penalty incurred on an instalment will be considered in the following circumstances:</p> <ul style="list-style-type: none"> <li>The ratepayer has a good payment history.</li> <li>Extenuating personal circumstances such as family illness, death or other tragedy.</li> <li>In circumstances considered just and equitable.</li> <li>Where there is an error made on the part of Council.</li> </ul>	Team Leader Customer Services
Approved Payment Arrangement	Penalties will not be levied where an Approved Payment Arrangement of a minimum of the annual rate x1.5 has been made.	Team Leader Customer Services
	Penalties will not be levied where the remission of all or part of additional charges already levied, or yet to be incurred, will assist in resolving a long term debt situation.	Sub-Committee (CE and Group Manager Corporate Services)
Change of ownership	Remission of a penalty incurred on an instalment will be made where a property changes ownership, but the rates assessment and invoice has been sent to the previous owner.	Manager - Financial Services
Abandoned Land sales or Rating sales	Any remaining arrears or penalties following sale of abandoned land, or rating sale, will be written off to ensure that the new owner begins with a nil balance.	Manager - Financial Services

9.7 All penalties remitted shall be recorded in the Penalty Remission Register, where the amount remitted is over \$10 for any individual ratepayer.

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### 10.0 Remission of Rates for New Residential Subdivisions

#### 10.1 Introduction

10.2 Council wishes to assist the establishment of new residential subdivisions by providing temporary rates relief from UAGCs assessed against individual vacant lots prior to sale. The Policy provides for the remission of uniform charges for the first full year following subdivision for residential use of 3 vacant lots or more. In that situation multiple lots will be treated as one rating unit. Application of remissions for one full rating year following subdivision provides incentive to sell as intended, but recognises that a full year may be required to achieve the developer's aim.

#### 10.3 Objective of the Policy

- To provide a one off remission of rates assessed against land held in separate title and forming part of a new residential subdivision so as to limit the impact of multiple UAGCs in the first year.
- To encourage development within Waitomo District by providing a one off remission to the subdivider or developer of any UAGC assessed against the newly created lot(s).

#### 10.4 Conditions and Criteria

1. This Policy will apply to land that:
  - (a) Has been subdivided into 3 or more vacant residential lots where the Titles have been issued; and
  - (b) The unsold lots remain in the ownership of the original subdivider/developer and the land has yet to be sold on to subsequent purchasers.
2. A Remission will be made for 100% of the UAGC for each unsold vacant residential lot, except one.
3. The Remission will only be made for the first full rating year following the creation of the new residential lots following subdivision.

*Doc 177981*

## 6.9 Financial Contributions Policy

### *Summary*

Section 102 of the Local Government Act 2002 (LGA 2002) requires Council to have a policy on development contributions or financial contributions. Council may operate both, but only for different purposes.

A financial contributions policy prepared under the Resource Management Act 1991 forms part of Council's operative District Plan. It provides for the protection of the natural and physical environment, retention and possible enhancement of public access to the sea and along the margins of the District's significant lakes, rivers and streams in the form of access strips and esplanade reserves, and the equitable sharing of the costs of the provision and maintenance of infrastructure for development. The latter includes connection to Council's water supply, stormwater and sanitary services.

Full details of Council's Financial Contributions Policy can be found in Part 3, section 25, of Council's Operative District Plan.

Council intends to introduce a development contributions policy during the term of this 2009-19 LTP.