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Final Draft

**Revenue and Financing
Policy**

2018

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1.0 Introduction

1.1 Background

- 1.1.1 Under Section 102 of the Local Government Act 2002 (LGA 2002), all local authorities are required to adopt a Revenue and Financing Policy (RFP).
- 1.1.2 The RFP 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.
- 1.1.3 The application of the Revenue and Financing Policy is reflected in the Funding Impact Statement for a particular financial year. To understand the rating impact of the policy it needs to be read in conjunction with the Funding Impact Statement.

1.2 Policy Intent

- 1.2.1 The purpose of this Policy is to clearly and transparently demonstrate how and why each significant activity of Council is funded.

2.0 Legal Requirements

2.1 Local Government Act 2002

- 2.1.1 Section 102(1) of the LGA 2002 requires Council to adopt a Revenue and Financing Policy. Section 103 states the requirements of the policy.

2.2 Section 103 LGA 2002:

- (1) *A policy adopted under section 102(1) 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;*
 - (ba) *lump sum contributions;*
 - (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(1) must also show how the local authority has, in relation to the sources of funding identified in the policy, complied with section 101(3).*

2.3 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; and*
 - (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and*
 - (iii) the period in or over which those benefits are expected to occur; and*
 - (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*
 - (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and*
- (b) the overall impact of any allocation of liability for revenue needs on the community.*

2.4 Section 14 Principles relating to Local Authorities

2.4.1 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.
- Collaborate actively with other local authorities.
- Inclusive of Maori.
- Based on sound business practices in the case of commercial transactions.
- Assess the expected returns of investments and assess if they are likely to outweigh the risks inherent in the investment.
- Demonstrative of prudent stewardship of resources, including planning effectively for the future management of its assets.
- Based on a sustainable approach reflecting the social, economic, environmental and cultural interests of future generations.

2.5 Other Legal Requirements

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

2.6 Local Government (Rating) Act 2002

2.6.1 The Local Government Rating Act 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 targeted fixed rate charges for water or wastewater) may not exceed 30% of total rates revenue.

2.7 Building Act, Sale of Alcohol, etc

- 2.7.1 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”. The Dog Control Act 1996 determines that revenue collected under authority of that Act may only be used to defray expenses incurred in the provision of this activity.

2.8 Resource Management Act 1991

- 2.8.1 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

- 3.1.1 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.
- 3.1.2 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.
- 3.1.3 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.
- 3.1.4 Council has determined the proportion of operating expenditure to be 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.
- 3.1.5 The Funding Impact Statement produced each year (as required by Schedule 10(20) 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.

3.2 Funding Of Capital Expenditure

- 3.2.1 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.
- 3.2.2 The following sources are available for Council under the LGA 2002 to fund capital expenditure:

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

3.2.3 Council makes use of all of the above sources of funding of capital expenditure, with the exception of Development Contributions. Population trends show that there is no demand for growth related infrastructure at the present time. There is currently enough capacity in the infrastructure network to allow for nominal growth should it occur in an area. The RFP does not include a provision for growth related capital expenditure as it has been assumed that capital outlay to cater for growth will not occur until there is evidence that the assumed growth is taking place.

3.2.4 Council makes provision for capital expenditure for renewals and capital developments which relate to improvements to levels of service. Funding sources used by Council for capital expenditure for renewals in order of priority are, subsidies and grants (when available), depreciation funding, then loan funding, and lastly rate funding. Expenditure for capital developments for improvements to levels of service are funded in the following order of priority, subsidies and grants (when available), loan funding and lastly rate funding.

3.2.5 Loan funding is an appropriate funding mechanism to enable the effect of peaks in capital expenditure to be smoothed and also to enable the costs of major developments to be borne by those who ultimately benefit from the expenditure. This is known as the 'intergenerational equity principle' and means that the costs of any expenditure should be recovered from the community at the time or over the period the benefits of that expenditure accrue.

4.0 Policy Development Process

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:

4.1 Community Outcomes (COs)

4.1.1 These are the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions. Section 101(3)(a)(i) of the LGA 2002 requires that in determining the funding sources, Council identify the community outcomes to which each activity primarily contributes.

4.1.2 This Revenue and Financing Policy lists for each group of activities, the outcomes to which it primarily contributes, and states why each activity is undertaken.

4.2 Distribution of Benefits

- 4.2.1 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.
- 4.2.2 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.

4.3 Period of Benefits (Intergenerational Equity)

- 4.3.1 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.
- 4.3.2 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.
- 4.3.3 Operational expenditure is funded annually and therefore there are no intergenerational equality issues to be considered. Intergenerational equality issues arise in relation to capital expenditure and investments and are discussed in the Policy Statement section of this policy and identified in the individual activity analysis sections where relevant.

4.4 Exacerbator Pays

- 4.4.1 Section 101(3)(a)(iv) requires Council to assess the extent to which 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.
- 4.4.2 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.

- 4.4.3 The Exacerbator Pays principle suggests that Council should, where it is practical; recover any costs directly from the individual or group that contributes to the deterioration of a situation or to a cost that is a direct result of their actions.
- 4.4.4 Most activities do not exhibit exacerbator pays characteristics. This heading is only included in the analysis of those activities which do demonstrate such characteristics.

4.5 Costs and Benefits

- 4.5.1 This consideration includes transparency, accountability and some assessment of the cost efficiency and practicality of funding a particular activity separately.
- 4.5.2 Transparency and accountability are most evident when an activity is totally distinctly funded. This allows rate-payers, 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.

4.6 Overall Impact of the Funding Mechanisms Selected

- 4.6.1 Following the consideration of the matters referred to in Section 101(3)(a) a picture emerges of where the benefits of engaging in activities accrue. Once this is done and indicative costs allocation compiled, the final step in Council's process of developing this policy has been to consolidate the results of the individual activity analysis and consider these results in terms of Section 101(3)(b). Section 103(b) requires Council to consider the overall impact of any allocation of liability for revenue needs on the community. The impact is assessed on the current and future interests of the community.
- 4.6.2 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. Both the General Rate and the UAGC are appropriate funding sources when a District wide benefit is assessed.
- 4.6.3 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 'rates affordability' and 'ability to pay' considerations within the community and also the legislative 'cap' on the amount that can be funded through the UAGC.
- 4.6.4 This reasoning by Council has not been repeated in the rest of the policy except where Council has made exceptions to it.

4.7 Benefits Allocation and Funding Mechanism

- 4.7.1 Council's Revenue and Financing Policy has been developed at the functions level. The benefit allocation and funding mechanism for each function is included under the relevant activity in sections 6 to 8 of this policy.

4.8 Use of Funding Mechanisms

4.8.1 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 Services, Compliance, Resource Management, Investment and Solid Waste Management. It is set according to the Revenue and Financing Policy for these activities.

The General Rate is a rate per \$100 of capital value applied to all rateable 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
- UAGC use would be a fair method but Council is constricted by the 30% cap (Section 21 LGRA 2002).

b) Uniform Annual General Charge (UAGC)

The UAGC, assessed on each separately used or inhabited part of a rating unit (SUIP), is set under Section 15 of the LGRA 2002 and has been used to part-fund some activities where overall District-wide benefit has been assessed (details are contained within the relevant activity funding sections).

UAGC is assessed on each separately used or inhabited part (SUIP) 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 uses pay a fair share
- Provide a consistent treatment between all uniform charges.

In setting the UAGC, based on the Revenue and Financing Policy, Council will consider the following aspects:

- Adherence to the legislative cap (UAGC to be maximum of 30% of total rates excluding any fixed rate charges for water or wastewater) and;
- Set the amount of UAGC such that it is as fair as possible to all ratepayers and in consideration of the principles of affordability and sustainability.

Council may consider 'capping' the amount of the UAGC at a certain value or that any increase in UAGC will be limited to a maximum of the Local Government Cost Indicator (LGCI) for that year (to be determined by Council through the annual rates setting process).

This consideration is primarily to maintain rates affordability and is in keeping with section 101(3) of LGA 2002 which explicitly requires that the funding needs be met by sources considered appropriate by Councils', giving consideration to, among other things, the impact of the funding allocations on the interests of the community.

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 groups of activities of Community Development, Community Services, Sewerage and Treatment and Disposal of Sewage, Water Supply, Stormwater Drainage, Solid Waste Management and Provision of Roads and Footpaths. 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 assessed on land 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 fixed rate or differentially based on property uses.

Council will use location (Schedule 2(6) of LGRA) to define the land liable for a number of targeted rates based on location. The following location definitions for the respective rating areas will apply:

Te Kuiti Urban Rating Area	All rating units shown as shaded blue on the map attached in Appendix One.
Te Kuiti Urban and Periphery Rating Area	All rating units situated within a 5km radius, all around, from the Information Centre (deemed to be the centre of town) in Te Kuiti, shaded in grey and purple on the map attached in Appendix Two. Council considers this boundary of Te Kuiti Urban and Periphery Rating Area (for the purpose of assessing the Targeted Services Fixed Rate to be fair in consideration that the benefit derived from the services funded by this Targeted Fixed Rate are accrued equally by those living within the 5km radius.)
Rural Rating Area	All rating units shaded green on the map attached as Appendix Three in the district (excluding those rating units shaded blue on the map attached in Appendix One.)
Piopio Township	All rating units connected or with the ability to connect to the Piopio Sewerage System.
Piopio Wider Benefit Rating Area/ PWBRA	The area shown as yellow on the map attached as Appendix Four, but excludes all SUIPs / rating units connected or with the ability to connect to the Piopio Sewerage system.
Marokopa Community Centre Rating Area	Any SUIP or part of a SUIP shaded blue on the map attached as Appendix Five.

d) Targeted Services Fixed Rate

A Targeted Services Fixed Rate is set under Sections 16 and 18 of the LGRA 2002 and has been used to part fund the activities of Aquatic Centre and

Unsubsidised Roading. This Targeted Services Fixed Rate is set according to the Revenue and Financing Policy for these services. This rate will be assessed as a Targeted Fixed Rate differentiated by rating areas being the Te Kuiti Urban and Periphery Rating Area and Rating Units in the district not in the Te Kuiti Urban and Periphery Rating Area.

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.

The Revenue and Financing Policy includes the percentage of fees and charges Council aspires to collect for the relevant activity. The actual fees and charges collected by Council will vary dependent on a number of external factors.

f) Interest, Subventions 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 an investment in Inframax Construction Ltd. Any dividends and/or subventions received are used to accelerate repayment of debt.

g) Borrowing

Borrowing is managed by the provisions of Council's Treasury Policy. Council's use of funding mechanisms to fund capital development is set out in the Funding of Capital Expenditure section of this policy.

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 and secondly for repayment of existing term debt (Treasury Policy).

i) Development Contributions

Population trends show that there is no demand on infrastructure created by growth at the present time. Council has resolved to reconsider the applicability of a Development Contributions Policy as part the review of the District Plan.

j) Grants and Subsidies

Council receives a subsidy from New Zealand Transport Agency to part-fund operations, renewal, and capital development in provision of roads and footpaths.

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

4.9 Definition of SUIP

- 4.9.1 For the purposes of the Revenue and Financing Policy, the definition of SUIP / separately used or inhabited part of a rating unit shall be as set out in the Council's Funding Impact Statement.

5.0 Analysis of Activities and Funding Conclusions

Council's functions are arranged under ten Groups of Activities.

- Governance: Leadership and Investments
- Solid Waste Management
- Water Supply
- Community Service
- Stormwater Drainage
- Provision of Roads and Footpaths
- Community Development
- Resource Management
- Compliance
- Sewerage and Treatment and Disposal of Sewage

5.1 Summary of Funding Sources

- 5.1.1 The table below summarises the funding sources to be used for different activities.

Activity	Fees and Charges	Grants and Subsidies	General Rate	UAGC	Targeted Fixed Rate	Targeted Rate	Rate Type	Assessment basis: CV/Rating Unit/SUIP
Governance: Leadership and Investments								
Leadership								
Representation			50%	50%			GR	CV
							UAGC	SUIP
Planning & Policy & Monitoring			50%	50%			GR	CV
							UAGC	SUIP
							UAGC	SUIP
Investments								
Local Authority Shared Services			50%	50%			GR	CV
							UAGC	SUIP
Inframax Construction Limited			50%	50%			GR	CV
							UAGC	SUIP
Council Owned Quarries	100%							
Community Development								
Community Support			48%	48%	4%		GR	CV
							UAGC	SUIP
							TFR (Piopio Retirement Village)	Rating Unit – within Piopio Township and the Piopio Wider Benefit Rating Area
District Development			60%			20% Commercial and	TR	CV

Activity	Fees and Charges	Grants and Subsidies	General Rate	UAGC	Targeted Fixed Rate	Targeted Rate	Rate Type	Assessment basis: CV/Rating Unit/SUIP
						Industrial Businesses 20% Rural Businesses		
Compliance								
Environmental Health	60%		20%	20%			GR	CV
							UAGC	SUIP
Animal and Dog Control	80%		10%	10%			GR	CV
							UAGC	SUIP
Building Control Services	60%		40%				GR	CV
Alcohol Licensing	40%		30%	30%			GR	CV
							UAGC	SUIP
Community Services								
Parks and Reserves			50%	50%			GR	CV
							UAGC	SUIP
Leased Reserves	60%		20%	20%			GR	CV
							UAGC	SUIP
Elderly Persons Housing	60%		20%	20%			GR	CV
							UAGC	SUIP
Community Halls	3%		47.5%	47.5%	2%		TFR	SUIP – Marokopa Community Centre Rating Area
							GR	CV

Activity	Fees and Charges	Grants and Subsidies	General Rate	UAGC	Targeted Fixed Rate	Targeted Rate	Rate Type	Assessment basis: CV/Rating Unit/SUIP
							UAGC	SUIP
Other Land and Buildings	25%		37.5%	37.5%			GR	CV
							UAGC	SUIP
District Libraries	8%		22%	70%			GR	CV
							UAGC	SUIP
Aquatic Centre	10%		3.5%	3.5%	58% (Te Kuiti Urban and Periphery Rating Area) 25% (Rating Units in the district not in the Te Kuiti Urban and Periphery Rating Area)		TFR	SUIP
							GR	CV
							UAGC	SUIP
Arts Culture and Heritage	10%		45%	45%			GR	CV
							UAGC	SUIP
Aerodrome	40%		30%	30%			GR	CV
Cemeteries	40%		30%	30%			GR	CV
							UAGC	SUIP
Public Amenities			50%	50%			GR	CV
							UAGC	SUIP
Emergency Management			50%	50%			GR	CV
							UAGC	SUIP

Activity	Fees and Charges	Grants and Subsidies	General Rate	UAGC	Targeted Fixed Rate	Targeted Rate	Rate Type	Assessment basis: CV/Rating Unit/SUIP
Solid Waste Management								
Kerbside Collection and Recycling	40%				60%		TFR	SUIP
Landfill and Transfer Station Management	60%				40%		TFR	SUIP
Waste Minimisation		55%	22.5%	22.5%			GR	CV
							UAGC	SUIP
Stormwater Drainage								
Urban Stormwater Reticulation and Disposal					67% (urban areas)	33%	TFR	Rating Unit
							TR	CV
Rural Stormwater Reticulation and Disposal					100% (rural areas)		TFR	SUIP
Resource Management								
District Plan Administration	35%		32.5%	32.5%			GR	CV
							UAGC	SUIP
District and Urban Development			50%	50%			GR	CV
							UAGC	SUIP
Sewerage and Treatment and Disposal of Sewage								
Te Kuiti Sewage Extraction, Treatment and Disposal	25%				75%		TFR	Residential properties per SUIP –connected/ serviceable – District TFR

Activity	Fees and Charges	Grants and Subsidies	General Rate	UAGC	Targeted Fixed Rate	Targeted Rate	Rate Type	Assessment basis: CV/Rating Unit/SUIP
							TFR - Base charge	Non-residential Per SUIP
							TFR – Pan Charge	Non –Residential Per Pan
							TFR - Trade Waste Contribution	Rating Unit – District Wide
							TFR - District-wide benefit allocation	Rating Unit – District Wide
Te Waitere, Piopio, Benneydale Sewage Extraction, Treatment and Disposal					100%		TFR - District-wide benefit allocation	Rating Unit – District Wide
Te Waitere Sewage Extraction, Treatment and Disposal							TFR – collection and disposal	SUIP – connected/serviceable – District TFR
Water Supply								
Te Kuiti, Mokau, Piopio, Benneydale Water Extraction, Treatment and Reticulation					605%+10%	305%	TFR	SUIP – connected/serviceable – District TFR (transition rate)
							TR	Water meter / consumption
							TFR - District-wide benefit allocation	Rating Unit – District Wide

Activity	Fees and Charges	Grants and Subsidies	General Rate	UAGC	Targeted Fixed Rate	Targeted Rate	Rate Type	Assessment basis: CV/Rating Unit/SUIP
Provision of Roads and Footpaths								
Subsidised Roding	2%	40%		1%		57%	TR	CV - Rating Unit
Unsubsidised Roding	25%				67% (Te Kuiti Urban and Periphery Rating Area) 8% (Rating Units in the district not in the Te Kuiti Urban and Periphery Rating Area)		TFR	SUIP

6.0 Governance: Leadership and Investments

Leadership

6.1 Description

The Leadership 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.

6.2 Functions

There are two functions under this activity –

1. Representation
2. Planning & Policy & Monitoring

6.3 Community Outcomes

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

Vibrant Communities
CO1 A place where the multicultural values of all its people and, in particular, Maori heritage and culture is recognised and valued.
Thriving Business
CO6 A place that attracts more people who want to live, work and play, and raise a family.
CO7 A place where wealth and employment are created through local businesses and tourism opportunities and facilities are developed, facilitated and encouraged.
Effective Leadership
CO8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.
CO9 A place where the governance actively seeks to participate and take a leadership role in regional and national initiatives aimed at the development of the District.

6.4 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.

6.5 Activity analysis and funding mechanisms

6.5.1 Representation

This function involves the provision of leadership and governance of the District and includes the Mayor's Office and Council's governance, including committees.

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

a. Distribution of Benefits

District Benefit: The benefit of the Representation activity is considered to be District wide in nature as the benefits of good governance and representation benefit the District as a whole.

b. Funding Mechanism

District Allocation: It is proposed that the most appropriate method of funding this activity is 50:50 between the UAGC and General Rate (GR). While the fairest method would be to fund this activity by UAGC, a combination of UAGC and General Rate is considered most appropriate, given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

6.5.2 Planning and Policy and Monitoring

This function includes:

- Carrying out long-term and annual planning for the District and producing plans which reflect the outcomes desired by the community.
- Communicating and consulting with the community on projects, issues and various planning documents, as well as surveys to gauge community satisfaction with services provided.
- Development of policy to promote community outcomes at a local level, and to influence policy at a regional or national level.
- Monitoring the achievement of the levels of service.
- Preparation of Council's Annual Report comprising public information on achievement against the financial and key performance targets of the previous year.

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

a. Distribution of Benefits

District Benefit: The benefit of this activity is considered to be District wide in nature as the benefits of effective planning and policy development and the monitoring of Council activities and performance is of benefit to the entire District.

b. Funding Mechanism

District Allocation: It is proposed that the most appropriate method of funding this activity is 50:50 between the UAGC and General Rate (GR). While the fairest method would be to fund this activity by UAGC, a combination of UAGC and General Rate is considered most appropriate, given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

Investments

6.6 Description

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

6.7 Functions

The functions comprising this activity are:

1. Local Authority Shared Services (LASS)
2. Council Owned Quarries
3. Inframax Construction Limited

6.8 Community Outcomes

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

Thriving Business
CO6 A place that attracts more people who want to live, work and play, and raise a family.
CO7 A place where wealth and employment are created through local businesses and tourism opportunities and facilities are developed, facilitated and encouraged.

6.9 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.

6.10 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.

6.11 Activity Analysis and Funding Mechanisms

6.11.1 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		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	80%	50%	General Rate
		50%	UAGC
Regional Benefit	20%	0%	No funding mechanism

a. 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.

National Benefit: Gaining the most effective access to regional information and services of mutual value to the regional community is seen as having national benefit.

b. Funding

District Allocation: The fairest method of funding this investment would be by way of UAGC. However, due to the 30% UAGC 'cap' and rates affordability issues, Council resolved a combination of General Rate and UAGC to be the most efficient, effective and transparently lawful funding mechanism for this allocation.

National Allocation: As there is no lawful funding mechanism available to Council to recover from this group of beneficiaries Council resolved that the National Benefit be reallocated to District Benefit and funded by a combination of General Rate and UAGC.

6.11.2 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		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC
		0%	Dividend or Subvention

a. Distribution of Benefits

District Benefit: ICL is assessed to have District wide benefit as it exists to give effect to social and economic outcomes that benefit 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.

b. Funding

Investment Income: Council resolved that as this investment has been entered into for social and economic purposes it would be equitable to fund the cost of this activity through Investment Income (i.e. dividend and/or subventions), when available.

Any surplus generated through this investment will be used to accelerate the repayment of term debt which benefits the wider community by enhancing the financial sustainability of the Waitomo District Council.

District Allocation: Any deficit resulting from Council's investment in ICL will be funded by way of a combination of General Rate and UAGC which reflects the public good associated with the investment. This is considered to be the most efficient, effective and transparent method for funding this allocation.

6.11.3 Council Owned Quarries

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

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

a. Distribution of Benefits

District Benefit: Council owned quarries are assessed to have District wide benefit as they exist to give effect to social and economic outcomes 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.

b. Funding

Investment Income: Council resolved that as this investment has been entered into for social and economic purposes it would be most equitable to fund this activity through investment income (e.g. metal royalties/leases). Any net surplus income generated through this investment will be used to offset rates income collected from the entire District.

District Allocation: Any deficit resulting from Council's investment in Quarries will be funded from the General Rate which reflects the public good associated with the investment. This is considered to be the most efficient, effective and transparent method for funding this allocation.

7.0 Community Development

7.1 Description

The Community Development Activity is a group of activities where the Council, in a number of diverse roles, is actively involved in 'helping the community to help itself'. Community Development activities represent a group of collaborative and partnership approaches and initiatives involving many agencies and organisations. These activities involve a common theme of promoting a better quality of life and a better living environment within the District.

7.2 Functions

There are two functions under this significant activity:

1. Community Support
2. District Development

7.3 Community Outcomes

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

Vibrant Communities
CO1 A place where the multicultural values of all its people and, in particular, Maori heritage and culture is recognised and valued.
CO2 A place where all age groups have the opportunity to enjoy social, cultural and sporting activities within our District
CO3 A place where young people have access to education, training and work opportunities.
CO4 A place where young people feel valued and have opportunities for input into the decisions for the District.
CO5 A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
Thriving Business
CO6 A place that attracts more people who want to live, work and play, and raise a family.
CO7 A place where wealth and employment are created through local businesses and tourism opportunities and facilities are developed, facilitated and encouraged.
Effective Leadership
CO8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.

7.4 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.

7.5 Activity Analysis and Funding Mechanisms

7.5.1 Community Support

As part of this function Council seeks to improve social outcomes within Waitomo District by working closely with the District community. It includes making grants to the community, provision of service contracts, Council's Sister City relationship and Youth Initiatives.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	96%	48%	UAGC
		48%	General Rate
Community Benefit	4%	4% (approx.)	Targeted Fixed Rate

a. Distribution of Benefits

District Benefit: The benefit of this activity is considered to be District wide in nature as the benefits of the activity of supporting the community by working to create a better quality of life is beneficial to the entire District.

Community Benefit: A small element of this activity benefits the Piopio Community specifically via support to the Piopio retirement village. The wider Piopio community consider the Piopio retirement village is an asset that should be retained.

b. Funding

District Allocation: It is considered that the most appropriate method of funding this activity is 50:50 between the UAGC and General Rate (GR). The Community Support activity aims to develop a more liveable and vibrant district which can have an effect on the prosperity of the entire District.

Community Allocation: In recognition of the unique situation that exists with Piopio Retirement Village and of the invaluable role it plays within the Piopio Community, both now and in the future, the Piopio Retirement Village will receive an annual rates remission as determined by Council's Rates Remission Policy, to support the Trust in the continued delivery of elderly housing accommodation services.

The amount determined as the annual rates remission for the Piopio Retirement Village will be separately funded by way of a Targeted Fixed Rate assessed on all rateable units situated within the Piopio Township and the Piopio Wider Benefit Rating Area.

7.5.2 District Development

This function encompasses four activities that serve to attract visitors to the District and contribute over time to the overall development of the District.

- 1) **Economic Development** - This function involves the development, support and promotion of business-related programmes and activities and new employment initiatives within the District. It also involves the maintenance of a high quality environment, input into the urban infrastructure, the need to recognise the importance of international relationships and the tourism industry and utilisation of the landscape and culture of the Waitomo District.
- 2) **Visitor Information Centres** - The Information Centre in Te Kuiti acts as a central repository of tourism related information of the District. Tourism is facilitated through the provision of this service.
- 3) **District and Regional Promotion** - 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.
- 4) **Event Coordination** - Co-ordination of major events in the District, including the Great NZ Muster and the Christmas Parade.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	0%	No funding mechanism
District Benefit	80%	60%	General Rate
Community Benefit	10%	20%	Commercial and Industrial Businesses (Targeted Capital Value Rate)
		20%	Rural Businesses (Targeted Capital Value Rate)

a. Distribution of Benefits

National Benefit: There is an element of national and regional benefit that results from attracting visitors to the District. New Zealand as a whole and particularly the region will benefit from services and events which attract 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: The Visitor Industry 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.

Community Benefit: The Visitor Industry provides a high degree of benefit to communities that provide meals, entertainment and accommodation.

b. Funding

National/Regional Allocation: Council resolved that this allocation should be funded through Grants when available.

District/Community Allocation: Council considered that the overall District benefits to an extent from District Development Activities but also that specific beneficiaries can be identified (businesses) and therefore resolved a targeted District Development rate is the most efficient, effective and transparent method for funding this allocation. Council resolved that funding should be a rate per \$100 of capital value apportioned on the basis of 60% General rate, 20% Commercial and industrial businesses (categorised as Commercial, Industrial and Utilities in the Rating Information Database) and 20% Rural Businesses (categorised as Dairy, Pastoral, Specialist, Forestry, Minerals and Horticulture in the Rating Information Database).

8.0 Compliance

8.1 Description

The Compliance activity works towards the goal of seeking to effectively and efficiently provide a safe and sustainable environment through the administration and enforcement of Central Government Legislation.

8.2 Functions

The functions under this activity are:

1. Environmental Health
2. Animal and Dog Control
3. Alcohol Licensing
4. Building Control.

8.3 Community Outcomes

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

Thriving Business
CO6 A place that attracts more people who want to live, work and play, and raise a family.
CO7 A place where wealth and employment are created through local businesses and tourism opportunities and facilities are developed, facilitated and encouraged.
Effective Leadership
CO8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.

8.4 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 Community Outcomes and service delivery goals through detailed understanding and planning.

- d) Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.
- e) Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

8.5 Activity Analysis and Funding Mechanisms

8.5.1 Environmental Health

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

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	50%	20%	General Rate
		20%	UAGC
User/Applicant Benefit	40%	60%	Fees and Charges
Exacerbator	10%		

a. Distribution of Benefits

District Benefit: Environmental Health delivers District benefits by ensuring minimum health standards, such as premises are licenced 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 licences and regulations and prosecution of offenders.

b. Funding

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: User fees and charges are considered to be the most efficient, effective and transparently lawful available method for funding the Exacerbator allocation.

District Allocation: Council is not able to recover all the costs of this activity from fees and charges. The most appropriate method of funding the remainder of this activity is considered to be 20% UAGC and 20% General Rate (GR).

8.5.2 Animal and Dog Control

Provision of an animal and dog control service for the District. This activity involves the registration of dogs as well as the prevention of harm to the

community in cases of menacing or dangerous behaviour by dogs and dealing with roving stock.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	10%	General Rate
		10%	UAGC
User/Applicant Benefit	70%	80%	Fees and Charges
Exacerbator	10%		

a. 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.

User/Applicant Benefit: Individuals applying for and maintaining dog registration and receiving education are direct beneficiaries of this service. The allocation reflects the benefit to those individuals with animals.

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.

b. Funding

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 (in the form of infringements and penalties) would be the most efficient, effective and transparently lawful method available for funding this allocation.

District Allocation: Council considers that given there is some benefit to the entire district in the form of public safety, the most appropriate method of funding this allocation is through an equal split between General rate and UAGC.

8.5.3 Building Control Services

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

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	40%	General Rate
User/Applicant Benefit	75%	60%	Fees and Charges
Exacerbator	5%		

a. 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.

b. 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.

User Allocation: Council resolved that User Fees and Charges would be the most efficient, effective and transparently lawful available method for funding this allocation. However, since not all of the recovery of this benefit can be done through Fees and Charges which would make the fees too high and could potentially impact on development, Council resolved to partly fund this benefit through General Rate.

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

8.5.4 Alcohol Licensing

The Alcohol Licensing function oversees the administration of the Sale and Supply of Alcohol Act 2012 at a local level acting as the District Licensing committee on behalf of the Alcohol Regulatory and Licensing Authority which encourages the responsible sale and use of alcohol through licensing, monitoring of premises and enforcement of the Act. It also involves ensuring bylaws are enforced and complied with for public safety and well-being.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	35%	30%	General Rate
		30%	UAGC
User/Applicant Benefit	35%	40%	Fees and Charges
Exacerbator	30%		

a. Distribution of Benefits

District Benefit: This activity is assessed at having a medium level of District benefit which occurs from ensuring Licenses are complied with, sellers of

alcohol 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.

b. **Funding**

Applicant Allocation: Council resolved user fees and charges to be the most equitable method for funding this portion of the benefit allocation. However, Council considered that not all of the recovery of this benefit can be done through Fees and Charges as the fees are set by legislation and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

Offender Allocation: User fees and charges are considered to be the most efficient, effective and transparently lawful available method for funding the Exacerbator funding allocation for this activity.

District Allocation: Council resolved that the most efficient, effective and transparent method for funding this allocation would be 30% UAGC and 30% General Rate.

9.0 Community Services

9.1 Description

Council's Community Services activity 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.

Community safety is provided for by the Emergency Management function.

9.2 Functions

The functions comprising this activity are:

1. Parks and Reserves
2. Leased Reserves
3. Elder Persons Housing
4. Community Halls
5. Other Land and Buildings
6. District Libraries
7. District Aquatic Centre
8. Arts Culture and Heritage
9. Aerodrome
10. Cemeteries
11. Public Amenities
12. Emergency Management

9.3 Community Outcomes

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

Vibrant Communities
CO1 A place where the multicultural values of all its people and, in particular, Maori heritage and culture is recognised and valued.
CO2 A place where all age groups have the opportunity to enjoy social, cultural and sporting activities within our District
CO3 A place where young people have access to education, training and work opportunities.
CO4 A place where young people feel valued and have opportunities for input into the decisions for the District.
CO5 A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
Thriving Business
CO6 A place that attracts more people who want to live, work and play, and raise a family.
CO7 A place where wealth and employment are created through local businesses and tourism opportunities and facilities are developed, facilitated and encouraged.
Effective Leadership
CO8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.
Sustainable Infrastructure
CO10 A place that provides safe, reliable and well managed infrastructure which meets the District community needs and supports maintenance of public health, provision of good connectivity and development of the District.

9.4 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.

9.5 Activity Analysis and Funding Mechanisms

9.5.1 Parks and Reserves

This function involves the provision of parks and reserves in order to support the health and well-being of the community by supplying and maintaining

areas for sport and recreation, as well as green places and landscapes that are restful and enhance the visual amenity. This function includes: active reserves, passive reserves, esplanade reserves and play equipment.

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

a. Distribution of Benefits

District Benefit: The benefit of this activity is considered to be District wide in nature as the benefits of providing recreational spaces and facilities for the community is of benefit to the entire District.

b. Funding

District Allocation: The most appropriate method of funding this activity is 50:50 between the UAGC and General Rate given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

9.5.2 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.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	40%	20%	General Rate
		20%	UAGC
User Benefit	60%	60%	Fees and Charges

a. 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.

b. 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.

9.5.3 Elderly 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		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	5%	20%	General Rate
		20%	UAGC
User Benefit	95%	60%	Fees and Charges

a. 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 current and future social well-being of the District.

User Benefit: This service has a high degree of private benefit. The direct beneficiaries of Elder Persons Housing are the occupants, and the family and friends of the occupants.

b. 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. However, Council considered that not all of the recovery of this benefit can be done through Fees and Charges as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

9.5.4 Community Halls

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

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	47.5%	General Rate
		47.5%	UAGC
		2%	TFR
User Benefit	0%	3%	Fees and Charges

a. 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.

b. 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 Fixed Rate assessed on every SUIP within the Marokopa Community Centre Rating Area.

A small percentage of funding for this activity comes from fees and charges for hall hire to the community.

9.5.5 Other Land and Buildings

This function involves the maintenance and management of other miscellaneous Council owned properties.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	30%	37.5%	General Rate
		37.5%	UAGC
User Benefit	70%	25%	Fees and Charges

a. 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.

b. 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. However, Council considered that not all of the recovery of this benefit can be done through Fees and Charges as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

9.5.6 District Libraries

This function involves the provision of library services to support 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		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	22%	General Rate
		70%	UAGC
User Benefit	80%	8%	Fees and Charges

a. 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.

b. 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 as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC. 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 user benefit allocation be funded through Fees and Charges and the remaining be reallocated to District allocation.

9.5.7 District Aquatic Centre

This function involves the provision and maintenance of the Waitomo District Aquatic Centre for leisure and competitive recreation opportunities for the community. Council's current aquatic asset is the public swimming pool in Te Kuiti.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	3.5%	General Rate
		3.5%	UAGC
Community Benefit	70%	58%	TFR (Te Kuiti Urban and Periphery Rating Area)
		25%	TFR (Rating Units in the district not in the Te Kuiti Urban and Periphery Rating Area)
User Benefit	20%	10%	Fees and Charges

a. 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: Aquatic Centres 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.

b. 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 Fixed Rate differentiated by rating area (Te Kuiti Urban and Periphery Rating Area/Rating units in the district not in the Te Kuiti Urban and Periphery Rating Area) assessed per SUIP.

User Allocation: Council discussed that although the user benefit of this service is high, not all of the recovery of this benefit can be done through Fees and Charges as charging higher for the use of the pool would be detrimental to its usage. It would also impact on the purpose of promoting a healthy community and hence it was resolved that part of this allocation be transferred to Community Allocation.

9.5.8 Arts, Culture and Heritage

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

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National/Regional Benefit	10%	0%	No funding mechanism
District Benefit	80%	45%	General rate
		45%	UAGC
User Benefit	10%	10%	Fees and Charges

a. 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.

b. 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.

9.5.9 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		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	30%	General rate
		30%	UAGC
User Benefit	80%	40%	Fees and Charges

a. 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.

b. Funding

District Allocation: Council resolved General Rate and UAGC 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. However, Council considered that not all of the recovery of this benefit can be done through Fees and Charges as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

9.5.10 Public Amenities

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.
- Street furniture, bins and other structures to visually enhance the town's environment and provide facilities for people to relax and enjoy the environment.
- Car park areas to ensure residents and visitors to the District can access conveniently located off street parking in our towns.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	75%	50%	General rate
		50%	UAGC
User Benefit	20%	0%	Fees and Charges
Exacerbator	5%		

a. 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, car park facilities and benefit from the provision of street furniture, bins and the like.

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

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

b. Funding

District Allocation: A combination of UAGC and General Rate is considered the most appropriate method of funding this activity.

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

User Benefit: Council agreed that although users are the direct beneficiaries of this service it would not levy fees and charges given the public health benefits of this service and the benefits to visitors of our district this service provides. Therefore, the user benefit allocation is transferred to District Allocation.

9.5.11 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		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	30%	General rate
		30%	UAGC
Community Benefit	30%	40%	Fees and Charges
User Benefit	60%		

a. 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.

b. 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 reallocated to District Allocation.

9.5.12 Emergency Management

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

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National and Regional Benefit	10%	0%	Government Subsidy
District Benefit	90%	50%	General rate
		50%	UAGC

a. 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.

b. Funding

National Allocation: Council considers 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. However Central Government subsidies are no longer available so it was resolved that this allocation be re-allocated to District Benefit.

District Allocation: A combination of UAGC and General Rate is the most appropriate method of funding this activity given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of this activity.

10.0 Solid Waste Management

10.1 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 three sub activities:

1. Kerbside Collection and Recycling;
2. Management which includes Landfill; and
3. Management and Waste Minimisation.

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.

10.2 Functions

The functions comprising this activity are:

1. Kerbside Collection and recycling
2. Landfill and Transfer Stations Management
3. Waste Minimisation.

10.3 Community Outcomes

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

Vibrant Communities
CO5 A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
Effective Leadership
CO8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.
Sustainable Infrastructure
CO10 A place that provides safe, reliable and well managed infrastructure which meets the District community needs and supports maintenance of public health, provision of good connectivity and development of the District.

10.4 Period of Benefit (Intergenerational Equity)

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

10.5 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.

10.6 Activity Analysis and Funding Mechanisms

10.6.1 Kerbside Collection and Recycling

This function involves the provision of kerbside collection and recycling services to residents of Te Kuiti, Piopio, Awakino, Mokau and Waitomo Village and some surrounding parts.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Community/User Benefit	100%	40%	Fees and Charges
		60%	TFR Per community where service is provided

a. Distribution of Benefits

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

b. 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 benefit from the service, Council resolved that Fees and Charges and a Targeted Fixed Rate per separately used or inhabited part of a rating unit differentiated by Community receiving the service 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 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.

10.6.2 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		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	45%	40%	Solid Waste TFR District wide
Community/User Benefit	60%	60%	Fees and Charges

a. 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.

b. Funding

District Allocation: Council resolved that a Targeted Fixed Rate assessed on the basis of separately used or inhabited part of a rating unit across the entire District would be the most efficient and 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.

10.6.3 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		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	0%	No funding mechanism
District Benefit	90%	22.5%	General Rate
		22.5%	UAGC
		55%	Waste Minimisation Rebate

a. 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.

b. 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, UAGC and Ministry of the Environment Waste Minimisation Rebates (when available) to be the most efficient, effective and transparent funding mechanism available to fund this allocation.

11.0 Stormwater Drainage

11.1 Description

Stormwater is rain that runs over the ground on its way to a natural watercourse. When rain falls on buildings, car parks, 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 channelled 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.

11.2 Community Outcomes

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

Vibrant Communities
CO5 A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
Effective Leadership
CO8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.
Sustainable Infrastructure
CO10 A place that provides safe, reliable and well managed infrastructure which meets the District community needs and supports maintenance of public health, provision of good connectivity and development of the District.

11.3 Period of Benefit (Intergenerational Equity)

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

11.4 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.

11.5 Activity Analysis and Funding Mechanisms

11.5.1 Urban areas

Attributable Benefit – urban areas		Funding	
Benefit Group	% of Benefit	%	Method
Community Benefit	90%	67%	TFR
		33%	Targeted Rate (rate per \$100 of capital value)
User Benefit	10%	0%	Fees and Charges

11.5.2 Rural areas

Attributable Benefit – rural areas		Funding	
Benefit Group	% of Benefit	%	Method
Community Benefit	90%	100%	TFR
User Benefit	10%	0%	Fees and Charges

a. 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.

b. Funding

Community Allocation: Council resolved that the most effective, equitable and transparent methods to fund this allocation is:

Te Kuiti Urban Rating Area

A combination of:

- a) a Targeted Fixed Rate assessed on a per rating unit basis (which will fund the standing charges associated with the provision of the service). This charge will be increased no more than annually to a maximum of the Local Government Cost Index for that year.
- b) the residual funding requirement will be met from a targeted rate assessed on a rate per \$100 of capital value per rating unit in the Te Kuiti Urban Rating Area.

Urban properties in the Te Kuiti Urban Rating Area that hold current resource consents to discharge stormwater directly into the Mangaokewa Stream, and which are not utilising any part of the urban reticulated Stormwater or drainage network, will not be assessed for the targeted rate based on property

value. However, the TFR is associated with the overall provision of an urban Stormwater service. As such this component is deemed to relate to the public good element of an urban Stormwater service. Therefore, the TFR will be assessed on all properties in the Te Kuiti Urban Rating Area.

Rural Rating Area

A Targeted Fixed Rate will be assessed on the basis of every separately used or inhabited part of a rating unit within the Rural Rating Area.

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 benefited most from the service.

User/Applicant Allocation: Given that minimal new development is forecast, Council resolved that the Targeted Rate and the Targeted Fixed Rate differentiated by urban and rural areas is the most efficient and transparently lawful available method for funding this allocation.

12.0 Resource Management

12.1 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).

This activity involves the administration, application and enforcement of the Waitomo District Plan provisions including:

- Issuing of resource consents for land use and subdivisions
- Monitoring consents for compliance with conditions
- Making amendments to the District Plan.

12.2 Functions

There are two functions under this activity –

1. District Plan Administration
2. District and Urban Development

12.3 Community Outcomes

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

Vibrant Communities
CO1 A place where the multicultural values of all its people and, in particular, Maori heritage and culture is recognised and valued.
Thriving Business
CO6 A place that attracts more people who want to live, work and play, and raise a family.
CO7 A place where wealth and employment are created through local businesses and tourism opportunities and facilities are developed, facilitated and encouraged.
Vibrant Communities

CO5 A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
Thriving Business
CO6 A place that attracts more people who want to live, work and play, and raise a family.
Sustainable Infrastructure
CO10 A place that provides safe, reliable and well managed infrastructure which meets the District community needs and supports maintenance of public health, provision of good connectivity and development of the District.

12.4 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.

12.5 Activity Analysis and Funding Mechanisms

12.5.1 District Plan Administration

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	60%	32.5%	General Rate
		32.5%	UAGC
User/Applicant Benefit	35%	35%	Fees and Charges
Exacerbator	5%		

a. Distribution of Benefits

District Benefit: There is a district wide benefit to this activity as ensuring that the sustainable management of physical and natural resources in the District are developed in a planned and orderly matter is beneficial to the entire District.

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.

b. Funding

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: It is usually inefficient to prosecute offenders. 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 a safe and sustainable environment in the District. It was resolved to reallocate this portion to District Allocation.

District Allocation: The most appropriate method of funding the remainder of this activity is considered to be 32.5% UAGC and 32.5% General Rate given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

12.5.2 District and Urban Development

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

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	80%	50%	General Rate
		50%	UAGC
Regional Benefit	20%	0%	No funding mechanism

a. 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.

b. 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: As there is no lawful funding mechanism available to Council to recover from this group of beneficiaries, Council resolved that the Regional Benefit be reallocated to District Benefit and funded by a combination of General Rate and UAGC.

13.0 Sewerage and Treatment and Disposal of Sewage

13.1 Description

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

13.2 Schemes

Council provides sewerage (or wastewater) schemes in the following communities, in order to ensure the effective treatment and disposal of sewage in an environmentally sustainable manner and to promote and protect public health.

1. Te Kuiti
2. Piopio
3. Benneydale
4. Te Waitere.

13.3 Community Outcomes

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

Vibrant Communities
CO5 A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
Effective Leadership
CO8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.
Sustainable Infrastructure
CO10 A place that provides safe, reliable and well managed infrastructure which meets the District community needs and supports maintenance of public health, provision of good connectivity and development of the District.

13.4 Period of Benefit (Intergenerational Equity)

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

13.5 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.

13.6 Activity Analysis and Funding Mechanisms

13.6.1 Te Kuiti

Attributable Benefit – Te Kuiti		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	10%	TFR – District Benefit
Community Benefit	65%	65%	TFR – residential TFR – Non residential Base Charge TFR – Non residential pan charge
User/Applicant Benefit	25%	25%	Fees and Charges

a. Distribution of Benefits

District Benefit: 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 is a District-wide benefit from provision of adequate wastewater services in preventing environmental pollution and achieving public health outcomes.

Council notes that the social, economic and environmental benefits of communities in the District having sustainable wastewater services accrue to the entire District and not just to those communities connected to a scheme.

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.

b. Funding

District Allocation: Given the District wide benefit assessed from the service, Council resolved a Targeted Fixed Rate assessed on each rating unit including those connected to an existing wastewater scheme to be the most efficient, effective and transparent method for funding this allocation. This allocation is assessed to be 10% of the total funding requirement.

Community Allocation: Council resolved a uniform (harmonised) Targeted Fixed Rate (TFR) across all scheme areas in the district and assessed 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 TFR will be differentiated by properties that are connected or have the ability to connect (serviceable). Any SUIP will be considered to have the ability to connect (serviceable) if in the opinion of Council it is practicably serviceable and its boundary is situated within 30 metres of Council's sewerage main, to which it is able to be connected but is not so connected.

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

Te Kuiti – Non Residential

For all non-residential properties in Te Kuiti, Council will assess a Targeted Fixed Rate per SUIP set on a differential basis based on the following Categories (differentiated by the use to which land is put):

- **Category 1** - All Businesses
- **Category 2** - Education & Community Childcare, Places of Worship, Marae, Clubs and Societies and Emergency Services. This category consists of organisations that are generally deemed 'not for profit'. For avoidance of doubt, Category 2 only covers properties with uses listed within this category and no others.
- **Category 3** - Government Department use, Rest Homes and Hospitals.
- **Ability to connect** – those non-residential properties which are not connected but have the ability to connect

All non-residential SUIPs will be charged one base charge for up to four pans and per pan (Pan Charge) for every pan over and above this threshold. The base charge and per pan charge is calculated as follows:

Category	Base Charge	Pan Charge (per pan)
Category 1	50% of District residential connected rate (for up to 4 pans)	70% of District residential connected rate (for 5th pan and over)
Category 2	50% of District residential connected rate (for up to 4 pans)	30% of District residential connected rate (for 5 – 10 pans)
		20% of District residential connected rate (for over 10 pans)
Category 3	100% of District residential connected rate (for up to 4 pans)	70% of District residential connected rate (for 5th pan and over)
Ability to connect – base charge	50% of the District residential connected rate	

Trade Waste Charges

The Trade Waste Bylaw regulates the discharge of Trade Waste to a sewage system operated by Council and sets out the mechanism for implementing trade waste charges.

Larger industrial meat processing industries (namely Te Kuiti Meats and Universal Beef Packers), who discharge trade waste into Council's sewerage system, play a major role in the local community. The very nature of their presence means that they contribute to economic and social well-being. They do that by virtue of the fact that they employ a large number of local people. There are a range of positive downstream impacts for the community as a result. There is an economic benefit in that the related employment results in economic activity with people living locally and investing in the local property market, sending their children to local schools and spending their earnings within the local economy. Social benefits also accrue with families becoming integrated within the local community, joining clubs and societies and reduced crime.

Council will continue with the 'exacerbator pays' principle for the large industrial meat processing companies as users of the Sewerage Network in Te Kuiti through the continued implementation of the Trade Waste Bylaw as it relates to Trade Waste Charges. However, Council will recognise the public good attached to the contribution these industries make to the social and economic well-being of the District Wide Community. This public good component is considered to be enjoyed by all in the community. By having such a large combined demand for a labour force means that these industries attract people to our community for work and lifestyle reasons. Having these people living and working in the community provides economies of scale for infrastructure and services that are then enjoyed by all in the District. Further, these industries not only provide employment opportunities but also largely exist to add value to products produced by primary industry within the Waitomo District.

Council has decided that the cost of receiving and treating Trade Waste via the Te Kuiti Sewerage Network will be funded 80% by way of Trade Waste Charges (Exacerbator Pays) and 20% by way of Targeted Fixed Rate (Public Good) on a per rating unit basis across every rateable property in the District.

The continuation of the cap on Trade Waste Charges at 80% of full cost recovery is dependent on Te Kuiti Meats Limited and Universal Beef Packers providing a demonstrable commitment to an agreed level of on-site treatment of their Trade Waste prior to releasing it to the Te Kuiti Sewerage Reticulation Network.

13.6.2 District

Attributable Benefit – Piopio, Te Waitere, Benneydale		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	10%	TFR – District Benefit
Community Benefit	65%	65%	TFR – residential

User/Applicant Benefit	25%	25%	Fees and Charges
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a. Distribution of Benefits

District Benefit: 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 is a District-wide benefit from provision of adequate wastewater services in preventing environmental pollution and achieving public health outcomes.

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.

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.

b. Funding

District Allocation: Given the District wide benefit assessed from the service, Council resolved a Targeted Fixed Rate assessed on each rating unit including those connected to an existing wastewater scheme to be the most efficient, effective and transparent method for funding this allocation. This allocation is assessed to be 10% of the total funding requirement.

Community Allocation: Council resolved a uniform (harmonised) Targeted Fixed Rate (TFR) across all scheme areas in the district and assessed 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 TFR will be differentiated by properties that are connected or have the ability to connect (serviceable). Any SUIP will be considered to have the ability to connect (serviceable) if in the opinion of Council it is practicably serviceable and its boundary is situated within 30 metres of Council's sewerage main, to which it is able to be connected but is not so connected.

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

14.0 Water Supply

14.1 Description

The water supply activity provides for the environmentally safe collection, treatment and reticulation of Council's public water supplies. 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.

14.2 Supply Areas

Council provides water supply in the following communities:

1. Te Kuiti
2. Benneydale
3. Mokau
4. Piopio

14.3 Community Outcomes

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

Vibrant Communities
CO5 A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.
Effective Leadership
CO8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.
Sustainable Infrastructure
CO10 A place that provides safe, reliable and well managed infrastructure which meets the District community needs and supports maintenance of public health, provision of good connectivity and development of the District.

14.4 Period of Benefit (Intergenerational Equity)

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

14.5 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.

14-714.6 Activity Analysis and Funding Mechanisms

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method

District Benefit	10%	10%	TFR
Community Benefit	60%	60%	TFR
User/Applicant Benefit	30%	30%	Targeted Metered Water Rate

a. Distribution of Benefits

District Benefit: Council has assessed that there is a District-wide benefit from provision of adequate water supply services in its communities. Council notes that the social, economic and environmental benefits of communities in the District having sustainable Water Supply services accrue to the entire District and not just to those communities connected to services and assesses this district wide benefit to be 10%.

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 specifically to the community as a whole.

Provision of water supply ensures the maintenance of fire-fighting capability, the benefits of which accrue to the entire community. Factors such as the sensitivity of the surrounding environment on the availability of water at source are outside of a community's control.

All residents and properties in the area serviced by a particular water supply scheme can be identified as direct beneficiaries of the service.

b. Funding

District Allocation: Council resolved that a Targeted Fixed Rate assessed on all rating units in the District including those connected to an existing Water supply scheme is the most transparent, equitable and appropriate method of funding this benefit allocation, as well as reflect the that the provision of adequate water supply services benefits the whole District as it is essential for maintaining public health and safety and protection of property from fire.

Community Allocation: Council resolved that a uniform (harmonised) Targeted Fixed Rate across all supply areas in the district and assessed 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,

This approach is a change from Council's previous community allocation approach, and moves to a district-wide uniform rate for water supply. For implementation, Council intends to transition this change to uniform TFR across the District over a period of 4 years (starting from 2018/19).

Within a water supply area, the TFR will be differentiated for properties that are connected or have the ability to connect (serviceable).

Any SUIP will be considered to have the ability to connect (serviceable) if, in the opinion of Council, it is practicably serviceable and 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 SUIP situated in Te Kuiti, Piopio, Benneydale or Mokau that has been fitted with a water meter and/or is defined as having an extraordinary supply (in accordance with Council's Water Services Bylaw) will be charged a targeted fixed rate per cubic metre of water consumed over and above an annual consumption of 292m³ per SUIP.

15.0 Provision of Roads and Footpaths

15.1 Description

The Provision of Roads and Footpaths 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 New Zealand Transport Agency (NZTA).

Council maintains its roads under contract to a standard that provides safe and comfortable driving within the limitations of available funding.

15.2 Functions

The functions comprising this activity are:

1. Subsidised Roding
2. Unsubsidised Roding

15.3 Community Outcomes

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

Thriving Business
CO7 A place where wealth and employment are created through local businesses and tourism opportunities and facilities are developed, facilitated and encouraged.
Effective Leadership
CO8 A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.
Sustainable Infrastructure
CO10 A place that provides safe, reliable and well managed infrastructure which meets the District community needs and supports maintenance of public health, provision of good connectivity and development of the District.

15.4 Period of Benefit (Intergenerational Equity)

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

15.5 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 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.

15.6 Activity Analysis and Funding Mechanisms

15.6.1 Subsidised Roding

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

1. Sealed Pavement Maintenance
2. Unsealed Pavement Maintenance
3. Footpath Maintenance
- 2-4. Footpath Renewals
- 3-5. Routine Drainage Maintenance
- 4-6. Structures Maintenance
- 5-7. Environmental Maintenance
- 6-8. Traffic Services Maintenance
- 7-9. Level Crossing Warning Devices
- 8-10. Emergency Reinstatement
- 9-11. Network and Asset Management
- 10-12. Professional Services.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	58%	40%	Subsidy
District Benefit	42%	57%	Targeted Rate (rate per \$100 of capital value)
		1%	UAGC
		2%	Petroleum Tax Rebates and Contributions

a. 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.

b. Funding

National Allocation: The National benefit portion is funded through NZTA subsidy.

The amount of subsidy is decided by NZTA and is based on assessing costs and benefits therefore, Council resolved that the remainder of this allocation be transferred to District Allocation.

District Allocation: Council resolved that a combination of a Targeted Rate (rate per \$100 of capital value) assessed on all rating units, a UAGC, Petroleum Tax Rebates and contributions to works 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 recognising the fact that the entire community has equal access to the roading network.

15.6.2 Unsubsidised Roading

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 NZTA and for which Council has sole financial responsibility.

These include:

1. Footpath Maintenance

2. Footpath Renewals

3.1. Amenity Lights

4.2. Unsubsidised Miscellaneous work

5.3. Street Cleaning

6.4. Carpark maintenance (other than kerbside parking).

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	67%	TFR (Te Kuiti Urban and Periphery Rating Area)
		8%	Targeted Fixed Rate (Rating Units in the District not in the Te Kuiti Urban and Periphery Rating Area)
		25%	Fees and Charges

a. 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.

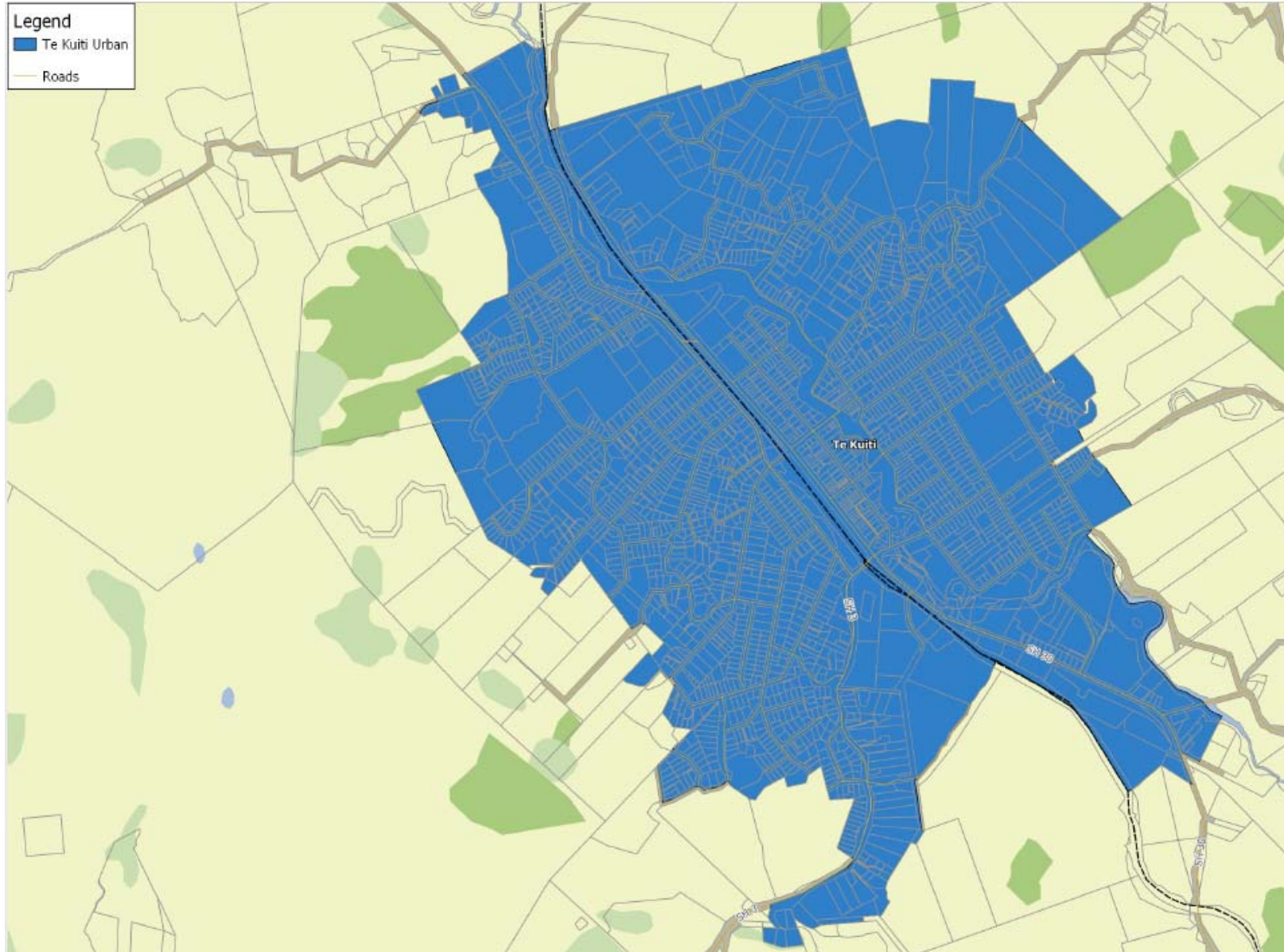
b. Funding

District Allocation: Council resolved that it would be most equitable to ring fence the costs of the activity as they fall in terms of the Te Kuiti Urban and Periphery rating area (TKUPRA) and Rural area (consisting of all properties not in the TKUPRA) Wards, and therefore a Targeted Fixed Rate differentiated by rating area set per SUIP would be the most efficient method of funding this allocation.

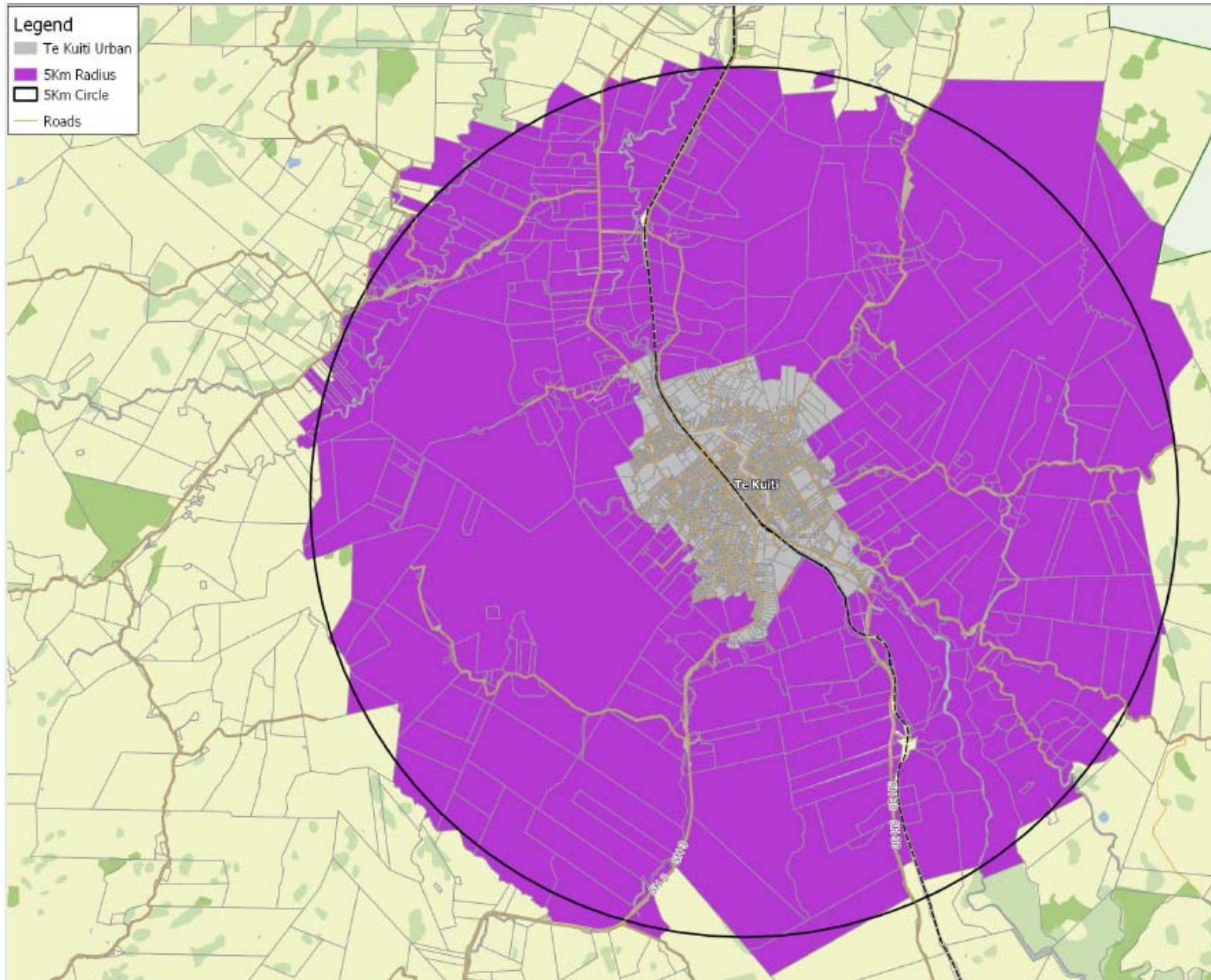
Fees and charges include receipts from road closures, overweight permits, etc. together with a long-standing contribution from McDonald's Lime towards maintenance of the District's roads based on annual production.

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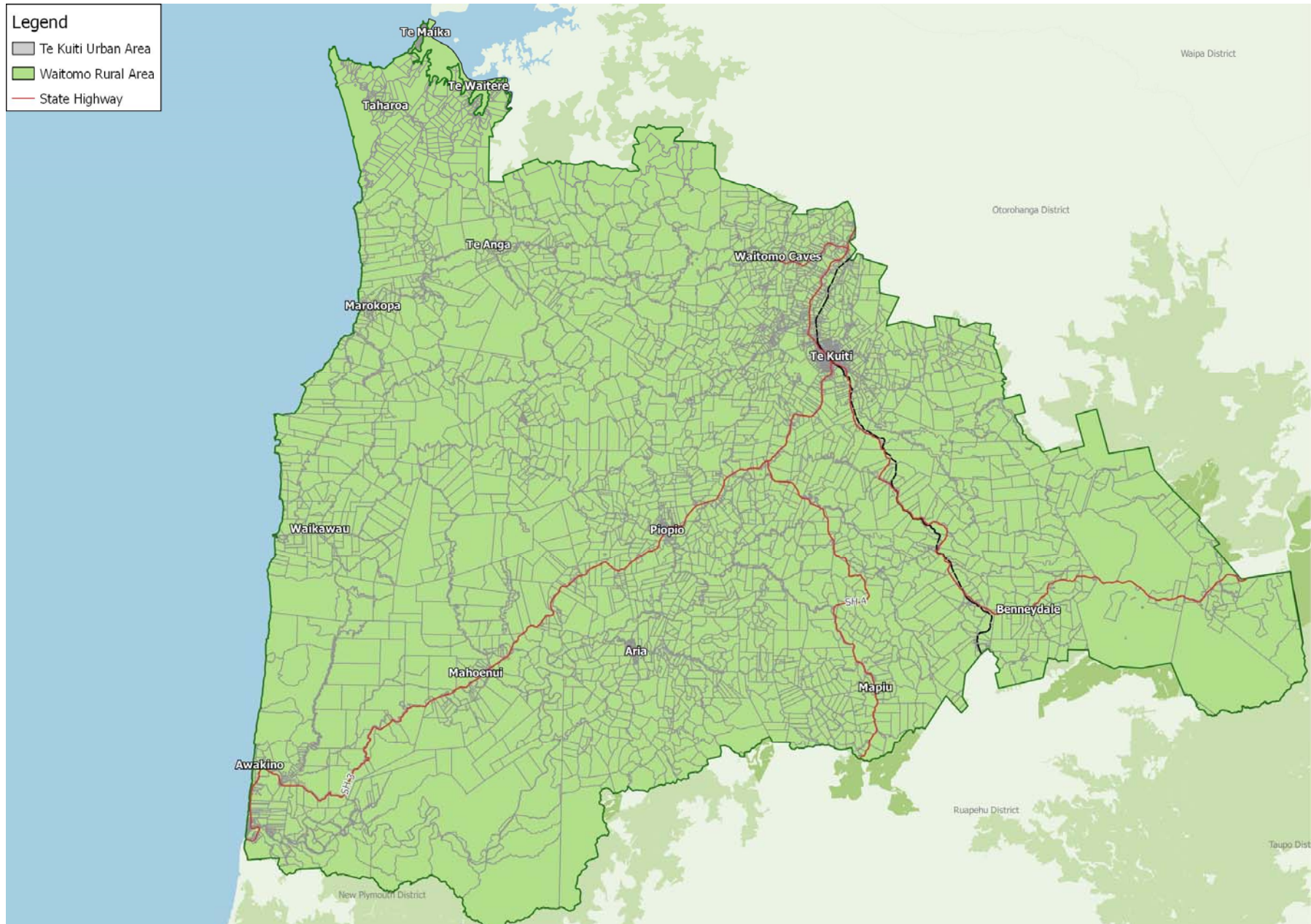
APPENDIX ONE: TE KUITI URBAN



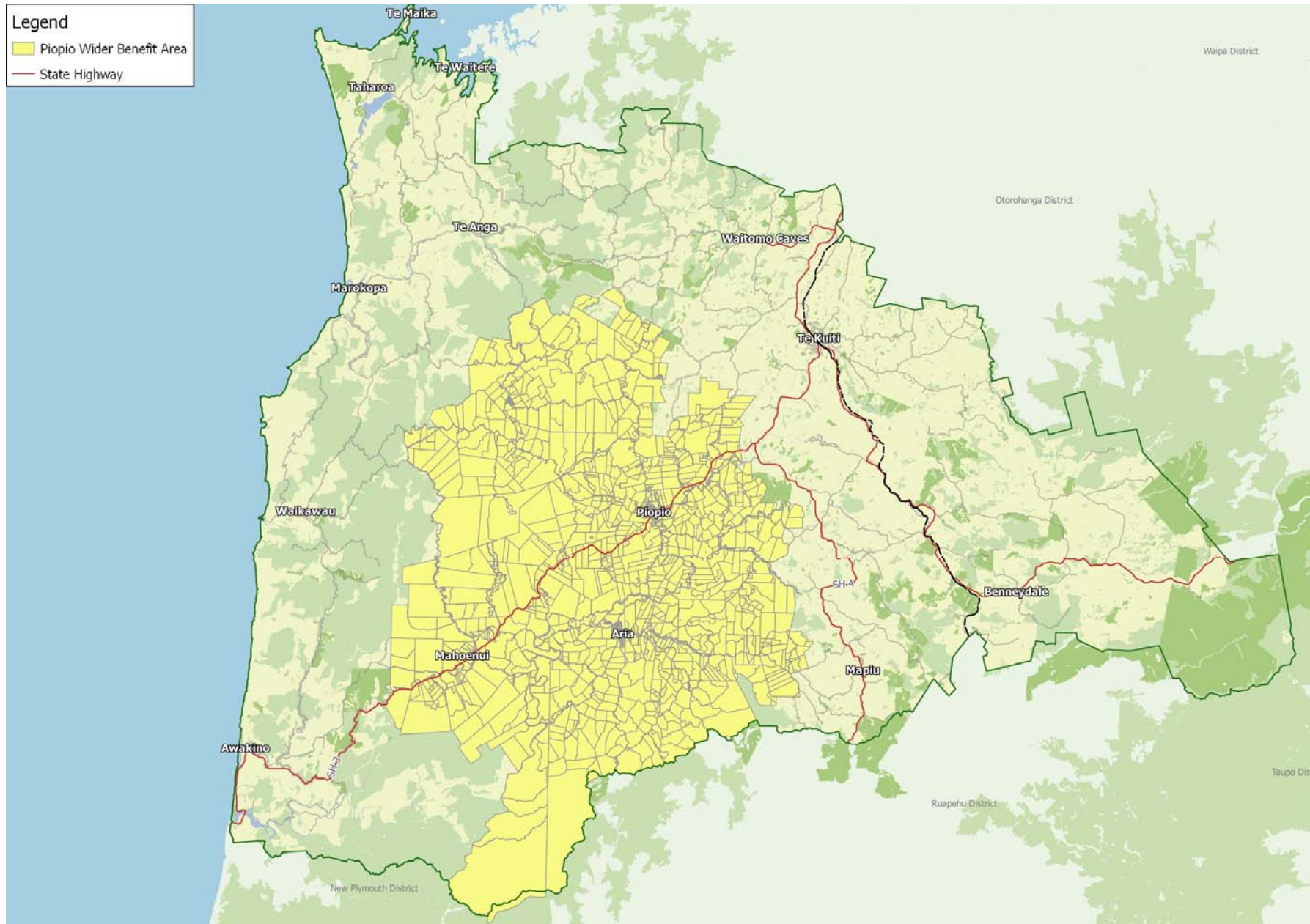
APPENDIX TWO: TE KUITI URBAN AND PERIPHERY RATING AREA



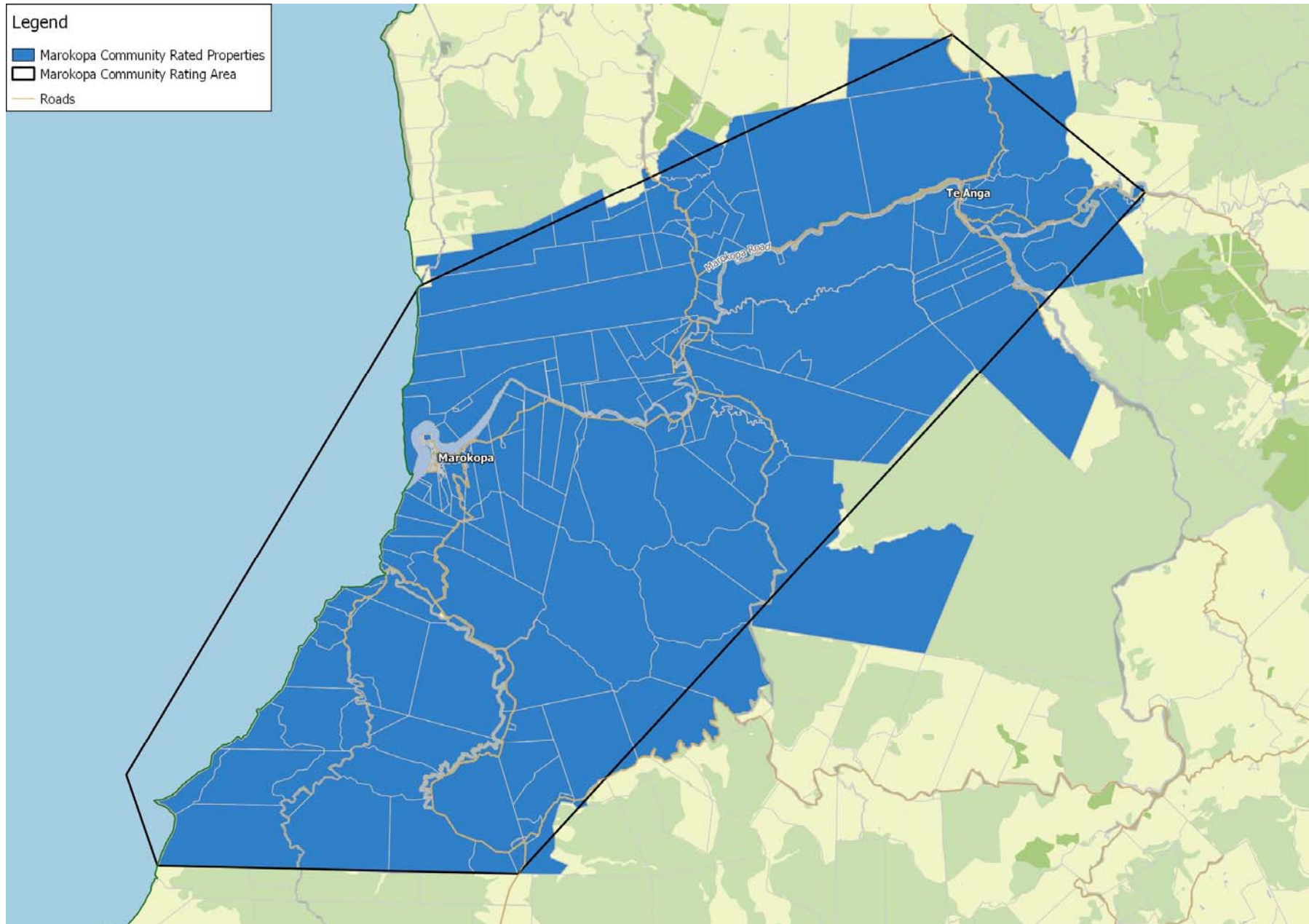
APPENDIX THREE: RURAL RATING UNIT



APPENDIX FOUR: PIOPIO WIDER BENEFIT AREA



APPENDIX FIVE: MAROKOPA COMMUNITY CENTRE RATING AREA





Final Draft

**Policy on Appointment of
Directors to Council Controlled
Organisations**

2018

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Next review date	2020
Adoption date	June 2018
Responsibility	Corporate Services Group

Purpose and Scope

1. This purpose of this policy is to set out, in accordance with Section 57 of the Local Government Act 2002 (the "Act") an objective and transparent process for:
 - (a) Identifying and considering the skills, knowledge and experience required of directors of a Council organisation.
 - (b) Appointing directors to a Council organisation.
 - (c) Determining the remuneration of directors of a Council organisation.
2. This policy will:
 - (a) Comply with section 57 of the Local Government Act 2002.
 - (b) Disclose the process and criteria Council will apply to the appointment, removal and setting of remuneration for directors of Council organisations.
3. When Council is involved with CCOs and CCTOs under the definitions of Section 6(1) of the LGA, Council will disclose its interests in these organisations in the Long Term Plan.

Definitions

1. The term "Council organisation" ("CO") is used as defined in Section 6 of the Act.
2. The Act also creates two sub-categories of COs – "Council-controlled organisations" ("CCOs") and "Council-controlled trading organisations" ("CCTOs").
3. The Council currently has interests that fall into the latter category only - (i.e. CCTO).
4. **Meaning of "Council organisation"**
 In broad terms, a CO is an organisation in which the Council has a voting interest or the right to appoint a director, trustee or manager (however described). This is a wide-ranging definition, covering a large number of bodies.
5. **Meaning of "Council-controlled organisation"**
 A CCO is a CO in which one or more local authorities control, directly or indirectly, 50% or more of the votes or have the right, directly or indirectly, to appoint 50% or more of the directors, trustees or managers (however described).
6. **Meaning of "Council-controlled trading organisation"**
 A CCTO is a CCO that operates a trading undertaking for the purpose of making a profit.
7. **Meaning of "Investment Representative Committee"**
 Investment Representative Committee means a committee appointed by Council consisting of Council staff and elected members.

Policy

1. Criteria for Selecting Directors (General)

1.1 General Criteria

Council will appoint persons as directors of CCO's and CCTO's under the criteria outlined in Section 57(2) of the LGA, specifically, persons 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.

1.2 Skill Criteria

Council considers that any person that it appoints to be a director of a CCO or CCTO 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
- Sound judgement
- High standard of personal integrity
- Ability to work as a team member
- Understanding of governance issues

1.3 Specific Exclusions from Directorship of a Council Controlled Organisation

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

- Has served a jail 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.

2. Procedures for Appointment of Directors (General)

2.1 Appointment Process

When vacancies arise in the directorship of any CCO or CCTO, 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.
- 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.

2.2 Length of Tenure

Council will decide length of tenure prior to appointment.

2.3 Remuneration

Remuneration will be determined on a case by case basis taking in to account the size, form and purpose of the organisation, any previous level of fees paid by the shareholder and any other relevant requirements contained in the organisation's constitution.

2.4 Removal of Directors

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

2.5 General

Council expects that directors appointed to CCO's and CCTO'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 provisions of the Institute of Directors in New Zealand Code of Practice for Directors 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.

3. 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.

3.1 Appointment Process

Directors on the board of Inframax Construction Limited (ICL) will be appointed by way of Council resolution on receipt of advice/recommendation by the Investment Representative Committee. The Investment Representative 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 Investment Representative 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 Investment Representative 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 and may not continue to be an elected member if appointed as a director of ICL.

3.2 Appointment of Temporary Directors

Temporary directors for ICL will be appointed by the Investment Representative Committee.

3.3 Remuneration

The Council will set ICL 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.

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.

3.4 Removal of Directors

The Investment Representative Committee may terminate the appointment of an ICL director at any time by way of written notice.

4. Waitomo District Council Controlled Organisations

4.1 Companies in which Waitomo District Council directly owns the shares

- Inframax Construction Limited

4.2 Council Controlled Trading Organisations in which Waitomo District Council holds shares

- Waikato Local Authority Shared Services Ltd (WLASS)

4.3 Other Entities

- NZ Local Government Insurance Corporation.

5. CCOs and CCTOs in which Council has a minority interest

- 5.1** Where Council has a minority interest in a CCO or CCTO (i.e. where a CCO or CTO is controlled by a number of councils and this Council does not have a majority stake) then the process for the appointment and remuneration of directions will be agreed with other stakeholders (by whatever name) in the CCO or CCTO. As far as practicable, Council's involvement in the process will be consistent with this policy.



Final Draft

Treasury Policy

2018

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Last Review	August 2014
Review Date	August 2017
Next Review	August 2020
Adoption Date	26 June 2018
Responsibility	Corporate Services

Introduction

1. Waitomo District Council undertakes borrowing and investment activities. Together these make up the Treasury Management activity. Council's borrowing and investment activities are carried out within the requirements of the Local Government Act 2002 (LGA) and its various amendments, which define the operating environment for local authorities in relation to borrowing, investment and treasury risk management.
2. The Treasury Policy includes the Investment Policy and the Liability Management Policy as required by Part 6, sections 104 and 105 of the LGA. The policy provides the framework for all of Council's treasury activities and the operating parameters within which the treasury activity is to be carried out.

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INVESTMENT POLICY

Purpose and scope

1. The purpose and scope of this policy is:

- ~~To comply with~~
- a) To prudently manage the Council's financial investments by seeking to maximise investment income within acceptable investment risk parameters.
 - b) To promote long term prudent financial management.
 - c) To manage the operational cash position and ensure that any surplus cash is invested in approved liquid instruments, or used to minimise debt.
 - d) To safeguard Council's investments by establishing and regularly reviewing investment parameters and ensuring that all investment activities are carried out within these parameters
 - e) Ensure the integrity of Council's investments by only investing in appropriately rated organisations and in appropriate financial instruments, as detailed in this policy
 - f) Produce accurate and timely reporting on investment performance

Relationship to other Council Policies

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.
2. Policies that have a clear relationship with this Investment Policy are:
 - a) The **Liability Management Policy** (for borrowing by the Council and guarantees by the Council which are ultimately a liability);
 - b) The **Revenue and Financing Policy** (for sources and level of funding);
 - c) Council's **Significance and Engagement 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).

Policy statement

1. Mix of Investments

- 1.1. Council's investments are maintained to meet specific strategic and economic objectives outlined in the Long Term Plan (LTP). Council generally has the following types of investments:

- 1.1.1. **Strategic Investments** - investments made or held in alignment to Council's strategic direction and typically retained on a long term basis. These include property investments - i.e. land and buildings, and quarries.
- 1.1.2. **Equity Investments** - equity (ownership) participation in a private (unlisted) company (including Council Controlled Organisations). Such investments may not necessarily provide a financial return to Council, and may be held for wider social, tactical and/or economic reasons. Notwithstanding, Council will continue to actively seek opportunities for a financial return from all such investments.
- 1.2. Council currently maintains equity investments in Inframax Construction Ltd (ICL), Waikato Local Authority Shared Services Ltd (WLASS), and Civic Financial Services Ltd.
- 1.3. **Treasury Investments** – short to medium term financial investments that maximise financial return but ensure an appropriate level of liquidity for forecast expenditure.
- 1.4. **Loan Advances** – Council has an existing outstanding community loan advance that it will manage until repayment is complete.
- 1.5. **Local Government Funding Agency (LGFA) Borrower Notes** – Must be subscribed for when borrowing from the LGFA at 1.6% of the amount borrowed. The notes are repaid when the related debt is repaid, they are subordinated and may convert to LGFA shares in some circumstances rather than being repaid.

2. New Investments

Strategic Considerations

- 2.1. Prior to making new investments Council will consider
- a) The expected financial return.
 - b) Initial risk assessment of the proposed investment
 - c) How the investment will be funded
 - d) How the investment will contribute in furthering the Waitomo District's Community Outcomes as documented in the Long Term Plan.
 - e) The existing investment portfolio and how the proposed investment 'fits' in terms of Council's preference to spread and minimise risk.
 - f) Any other consideration Council deems appropriate.
- 2.2. Generally it is not Council's intention to undertake new equity investments other than to achieve strategic objectives.
- 2.3. Despite anything earlier in this Policy on Investment, the Council may invest in shares and other financial instruments of the Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment, after taking into account the strategic considerations set out in 2.1 above.
- 2.4. The purchase or disposal of investment property will be subject to an LTP or EAP adoption process and will be given effect to by the Chief Executive.

- 2.5. Council will consider any requests for loan advances on a case by case basis and will take into account the needs of the community and Council's stated outcomes for the District in its considerations.

3. Management and Reporting

- 3.1. Investments will generally be monitored and reported through Council's established reporting procedures (Quarterly and Annual Report).
- 3.2. 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.
- 3.3. Reporting will comply with generally accepted accounting practice and applicable accounting standards for financial reporting purposes.
- 3.4. Performance of investments will be reported in accordance with any governance arrangements, but no less than on a six monthly and annual basis.

4. Risk Management

- 4.1. 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.
- 4.2. 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.
- 4.3. To ensure the protection of Treasury investments (short term money market or medium term fixed interest investments), Council will only invest with credit worthy counter parties and in accordance with Appendix 1.
- 4.4. Council may periodically review investments with a view to exiting at a time when market conditions are favourable and if the overall strategic objectives are not compromised.

Investment Policy - APPENDIX 1

Authorised Investment Criteria for Treasury Investments

Authorised Asset Classes	Overall Portfolio Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – Standard and Poor’s (or Moody’s or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government	100%	<ul style="list-style-type: none"> Government Stock Treasury Bills 	Not Applicable	Unlimited
Local Authorities where rates are used as security	70%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTN's/FRN's 	Not Applicable	\$2.0 million \$2.0 million
New Zealand Registered Banks	100%	<ul style="list-style-type: none"> Call/Deposits/Bank Bills/Commercial Paper Bonds/MTN's/FRN's 	Short term S&P rating of A-1 or better Long term S&P rating of Aor better	\$7.5 million \$2.5 million
Local Government Funding Agency (LGFA)	100%	<ul style="list-style-type: none"> Borrower Notes Commercial Paper Bonds/MTN's/FRN's 	Not Applicable	Unlimited
		<ul style="list-style-type: none"> 		

Investments that no longer comply with minimum rating criteria due to a rating downgrade must be sold within one month of the downgrade being notified unless Council formally approves the continued holding of the investment.

LIABILITY MANAGEMENT POLICY

Purpose and scope

1. The scope and purpose of this policy is:
 - a) To comply with Sections 102 (1) and 104 of the LGA 2002.
 - b) To promote long term prudent financial management.
 - c) To outline how liability risk associated with borrowing activities is assessed and managed.
 - d) To outline how liabilities are managed and reported on.
 - e) Ensure that WDC has an ongoing ability to meet its debt obligations in an orderly manner as and when they fall due in both the short and long-term, through appropriate liquidity and funding risk management.
 - f) Arrange appropriate funding facilities for WDC at competitive pricing.
 - g) Maintain relationships with banks, investors, the Local Government Funding Agency and other creditors.
 - h) To provide appropriate levels of funding for investments and as may be authorised from time to time by way of Council resolution.
 - i) Control WDC's cost of borrowing through the effective management of its interest rate risk, within the rate risk management limits established by the liability management policy.
 - j) Ensure compliance with all financial covenants and ratios within this policy and any others agreed to with other significant creditors.
 - k) Maintain adequate internal controls to mitigate operational risks.
 - l) Produce accurate and timely information and reports for control and monitoring purposes in relation to both the debt raising and financial market investment activities of WDC.

Relationship to other Council Policies

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.
2. Policies that have a clear relationship with this Liability Management Policy are:
 - a) The Investment Policy (outlines principles of prudent financial management and risk mitigation strategies as they relate to investments).
 - b) Council's Significance and Engagement Policy (which if triggered by a proposal will mean that the proposal will be subject to further decision-making and consultation requirements).

- c) The Revenue and Financing Policy (which outlines that proceeds from assets sales will be applied to debt repayment).
- d) Council's accounting policies for financial reporting.

Policy Statement

1. Liability Management Policy for the Waitomo District Council

- 1.1. The following policy is developed pursuant to Section 102(1). 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.

2. Organisational Structure

- 2.1. Council has established a Treasury Management Committee (TMC) whose duties are listed below. The TMC shall comprise –

- 2.1.1. Group Manager – Corporate Services
- 2.1.2. Finance Manager
- 2.1.3. Senior Accountant
- 2.1.4. WDC's Independent Treasury Advisor

2.2. Full Council duties

- 2.2.1. Approve Treasury Policy (TP), including any amendments proposed by the TMC
- 2.2.2. Approve any hedging outside the parameters of the TP
- 2.2.3. Approve the use of any risk management products not authorised by the TP
- 2.2.4. Monitor treasury performance through receipt of appropriate reporting
- 2.2.5. Approve overall borrowing levels on an annual basis through the Annual Plan and first year of the Long Term Plan process.
- 2.2.6. Determination of any Local Government Funding Agency transactions as per Section 11 of this Policy.

2.3. Treasury Management Committee duties

- 2.3.1. Plan and discuss all funding and interest rate risk management activities of WDC and make recommendations prior to implementation/execution.
- 2.3.2. Monitor and review the ongoing treasury performance of WDC and compliance with TP parameters through the receipt of regular reporting.

- 2.3.3. Conduct a review of the TP every three years or on an 'as required' basis and submit any recommended changes to Council for approval once the necessary statutory processes have been followed.

2.4. Chief Executive Officer duties

- 2.4.1. To approve recommendations made by the Treasury Management Committee in respect to treasury management within the parameters of the TP.
- 2.4.2. Execute and sign various legal documents with respect to extending security under the Debenture Trust Deed.
- 2.4.3. To approve the opening or closing of bank accounts.

2.5. Group Manager – Corporate Services duties

- 2.5.1. To approve recommendations made by the Treasury Management Committee in respect to treasury management within the parameters of the TP.
- 2.5.2. Report to Council on overall treasury activity on a quarterly basis as part of the Quarterly Financial and Non-financial Reporting process.
- 2.5.3. Manage the bank lender and capital markets relationships, providing financial information to lenders and negotiate new/amended borrowing facilities or methods for approval by the full Council.
- 2.5.4. Sign documents relating to the financial market activities of WDC.
- 2.5.5. Check external confirmations against internal records.

2.6. Finance Manager duties

- 2.6.1. Check external confirmations against internal records.
- 2.6.2. Check cash payments of treasury transactions.

2.7. Senior Accountant duties

- 2.7.1. Execute treasury transactions.
- 2.7.2. Assist the Group Manager – Corporate Services in the preparation of reports to Council.
- 2.7.3. Review the Treasury Management Report that forms part of the Financial and Non-financial Quarterly Report.

3. Interest Rate Exposure

- 3.1. Interest rate risk is the risk of significant unplanned changes to interest costs as a result of financial market movements.

- 3.2. 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.
- 3.3. Borrowings can only be made in New Zealand dollars (Section 113 of the LGA 2002).
- 3.4. The interest rate exposures of WDC shall be managed according to the parameters detailed in the following table and shall apply to the projected core debt of WDC. Core debt is defined as that contained in the Annual Plan or as otherwise determined by the Group Manager – Corporate Services.

Fixed Rate Hedging Percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0 – 2 years	40%	100%
2 – 5 years	30%	80%
5 – 15 years	0%	50%

- 3.5. To manage the interest rate risk associated with its debt WDC may use the following interest rate risk management instruments.
- 3.5.1. Interest rate swaps.
- 3.5.2. Forward start interest rate swaps.
- 3.5.3. Swaptions.
- 3.5.4. Interest rate options.
- 3.5.5. Interest rate collars (only in a ratio of 1 to 1).
- 3.5.6. Fixed rate bonds.
- 3.5.7. Fixed Rate Term Loans.

(Refer to Appendix 1 for definitions and objectives of each of the interest rate risk management instruments)

- 3.6. Council may retain the services of an Independent Treasury Advisor to assist in managing the funding and interest rate risks of WDC.

4. Liquidity

- 4.1. The objective of managing liquidity is to ensure that Council has adequate financial resources available to meet all its obligations as they fall due.
- 4.2. To avoid a concentration of debt maturity dates Council will, where practicable, aim to have no more than **33%** of debt subject to refinancing in any 12 month period.
- 4.3. 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.
- 4.4. Subject to clause 8.5 committed funding lines shall be maintained of not less than **110%** of projected core debt. (Core debt is defined as that contained in the Annual Plan or as otherwise determined by the Group Manager-Corporate Services).

- 4.5. At balance date in accordance with the Local Government Funding Authority Multi-Issuer Deed the Available Financial Accommodation will be more than **110%** of External Indebtedness.

5. Credit Exposure

- 5.1. 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.
- 5.2. 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 A or better.

6. Funding Methods

- 6.1. WDC may obtain funding utilising the following methods:
- 6.1.1. Bank debt; Money market loans (Term and Call Advances), Term Loans and Overdrafts.
 - 6.1.2. Issuances of Fixed Rate Bonds, Medium Term Notes and Floating Rate Notes to the LGFA on either a bespoke basis or participation in the LGFA tender process.
 - 6.1.3. Capital markets issuances through either Fixed Rate Bonds, Medium Term Notes and Floating Rate Notes

7. Local Government Funding Agency

- 7.1. Despite anything earlier in this Liability Management Policy, the Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:
- 7.1.1. Contribute a portion of its borrowing back to the LGFA in the form of Borrower Notes;
 - 7.1.2. Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
 - 7.1.3. Commit to contributing additional equity or approve the conversion of Borrower Notes to equity of the LGFA if required;
 - 7.1.4. Subscribe for shares and uncalled capital in the LGFA; and
 - 7.1.5. Secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

8. Debt Repayment

- 8.1. The objective of managing debt repayment is to ensure that Council is able to repay debt on maturity with minimum impact on Council operations.

- 8.2. Borrowings will be repaid as they fall 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.
- 8.3. All borrowings are deemed to be corporate borrowings except for borrowings that fund Council's shareholding investment in its subsidiary company; Inframax Construction Limited.
- 8.4. Debt repayments will be made from general funds, by any funds raised specifically to repay debt and by proceeds from asset sales, except for any sale of Council's investment in Inframax Construction Limited, where these proceeds will be applied to borrowings relating to that shareholding, in the first instance.
- 8.5. 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.

9. Specific Borrowing Limits

- 9.1. Council will borrow to fund its total funding needs in accordance with the Exceptions Annual Plan or first year of the Long Term Plan. Borrowing includes the funding of short term working capital requirements and long term capital investments. In general terms, Council approves borrowing through the annual planning process with public disclosure by way of resolution.
- 9.2. Council will adhere the following financial covenants in the management of its liabilities:
 - Total borrowing costs will not exceed 10% of total revenue
 - The ratio of net interest to total revenue will not exceed 20%
 - Total borrowings must not exceed 20% of total assets.
 - The ratio of net debt to total revenue will not exceed 170%
 - Net interest will not exceed 20% of annual rates

10. Accounting treatment of financial instruments

- 10.1. Derivative financial instruments are used primarily for the management of interest rate risk.
- 10.2. Public benefit accounting standards require that any changes in fair value of derivative financial instruments go through the Income Statement unless a hedge relationship has been designated and is effective.
- 10.3. Where an effective hedge is determined any change in value will show as "Other Comprehensive Revenue and Expense" and rather than being included in the Net Operating Cost/(Surplus) result and is transferred directly to a reserve within equity.
- 10.4. Valuations of derivative financial instruments are to be carried annually for balance date by an independent third party for financial reporting purposes. Indicative valuations are to be provided by the counter party to the financial instrument and reported to Council as part of the Quarterly Financial and Non-financial Reporting process.

- 10.5. Management of derivatives will continue with the dual purpose of managing interest rate risk and remain within the hedge accounting framework. Where at all possible hedge accounting be carried out.
- 10.6. The purpose of this policy to is remove market related volatility due to valuation changes in derivative financial instruments from the Statement of Comprehensive Revenue and Expenditure statement.

DRAFT

Liability Management Policy - APPENDIX 1

Interest Rate Swap

An interest rate swap is an agreement between WDC and a counterparty (usually a bank) protecting WDC against a future adverse interest rate movement. WDC pays a fixed interest rate and receives a floating interest rate. The parties agree to a notional principal amount, the future interest rate, the settlement dates and the benchmark floating rate (BKBM).

Objective

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period. Floating rate sets are typically every 1 or 3 months over the life of the swap.

Forward Start Interest Rate Swap

A Forward Start Interest Rate Swap is a financial instrument that fixes the interest rate for a set amount of debt at some date in the future (generally up to 2 years). These transactions are negotiated with Banks.

Objective

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period, commencing at a future point in time. All other conditions are as with an interest rate swap.

Swaption

A 'Swaption' is an option to enter into an interest rate swap. In exchange for an option premium, the buyer gains the right but not the obligation to enter into a specified swap agreement with the issuer on a specified future date.

Objective

To provide WDC with the right but not the obligation to enter into a fixed rate swap at a future point in time on an agreed principal amount for an agreed period. A *swaption* is an option on a swap and typically requires a premium to be paid.

Interest Rate Options

The purchase of an interest rate option gives the holder (in return for the payment of a premium) the right but not the obligation to borrow (described as a cap) or invest (described as a floor) at a future date. WDC and the counterparty agree to a notional future principal amount, the future interest rate, the benchmark dates and the benchmark floating rate (BKBM).

Objective

To provide WDC with worst case cover on its interest rate cost on an agreed principal amount for an agreed period. As for an interest rate swap, rate sets are typically at each 1 or 3 month date for the life of the option. A premium is payable for entering into an interest rate option.

Interest Rate Collar

The combined purchase (or sale) of a cap or a floor with the sale (or purchase) of another floor or cap.

Objective

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period, but at the same time avoid the need to pay an up front premium.

Fixed Rate Term Loans

A Fixed Rate Term Loan is an agreement between WDC and a counterparty (usually a bank) protecting WDC against a future adverse interest rate movement. WDC pays a fixed interest rate as set by the counterparty on an agreed principal amount for the term of the loan.

Objective

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period.

Fixed Rate Bond

A Fixed Rate Bond is a debt instrument where the amount of interest is constant throughout the term of the bond.

Objective

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period.



Final Draft
SIGNIFICANCE AND
ENGAGEMENT POLICY
2018

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Next review Date	2020
Adoption Date	June 2018
Responsibility	Corporate Services Group

1.0 Purpose and Scope

- 1.1 To enable Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities.
- 1.2 To provide clarity about how and when communities can expect to be engaged in decisions made by Council.
- 1.3 To inform Council from the beginning of a decision-making process about the extent, form and type of engagement required.

2.0 Definitions

Community	A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders.
Core Service	As stated in Section 11A of the LGA 2002: <i>In performing its role, a local authority must have particular regard to the contribution that the following core services make to its communities:</i> (a) network infrastructure (b) public transport services (c) solid waste collection and disposal (d) the avoidance or mitigation of natural hazards (e) libraries, museums, reserves, and other recreational facilities and community amenities.
Decisions	Refers to all the decisions made by or on behalf of Council including those made by officers under delegation. (<i>Management decisions made by officers under delegation during the implementation of council decisions will not be deemed to be significant</i>)
Engagement	Term used to describe the process of seeking information from the community to inform and assist decision making. There is a continuum of community involvement.
Group of Activities	The term is used to describe a whole-of-activity approach. Without limiting the application of this provision to other assets, it means all activities and assets comprised within a group as a whole and not each individual component of the group.
LGA 2002	Local Government Act 2002
Significance	As defined in Section 5 of the LGA2002 <i>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,—</i> (a) the district or region: (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter: (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
Significant	As defined in Section 5 of the LGA 2002 <i>Means that the issue or proposal, decision, or other matter has a high degree of significance.</i>

Significant Activity	Describe those Groups of Activities which are both a Core Service of Council AND in which Council has historically invested substantial funding. These include: <ul style="list-style-type: none"> • Rooding • Water • Wastewater • Solid Waste • Recreation and Culture • Public Amenities • Parks and Reserves
Strategic asset	As defined in Section 5 of the LGA 2002 and Schedule 1 of this policy.

3.0 Policy

Assessment of Significance

- 3.1 An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops.
- 3.2 The Council will take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:
- The level of financial consequences of the proposal or decision
 - Whether the proposal or decision will affect a large portion of the community
 - Whether the impact or consequences of the decision or proposal on the affected persons (being a number of persons) will, in Council's view, be substantial
 - The likely impact on present and future interests of the community
 - The likely impact on Māori cultural values and their relationship to land and water
 - Whether the proposal affects the level of service of a significant activity
 - Whether community interest is high
 - Whether the likely consequences are controversial
 - Whether community views are already known, including the community's preferences about the form of engagement
 - The form of engagement used in the past for similar proposals and decisions
 - There is a legal requirement to engage with the community
- 3.3 If the financial consequences of the proposal or decision exceed the following thresholds the proposal or decision will be considered significant:
- A possible increase in funding requirement in excess of:
- (a) 20% of total Council operating budget costs, or
 - (b) Capital expenditure in excess of 2.5% of the total value of Council's assets

Note 1: Emergencies and emergency works of Council are excluded from these thresholds, 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 and integral aspect of owning and managing assets.

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.

- 3.4 If a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance.
- 3.5 Engagement with the community is needed to understand the views and preferences of people likely to be affected by or interested in, a proposal or decision that is being considered by Council.
- 3.6 In general, the more significant an issue, the greater the need for community engagement.

Engagement and Consultation

- 3.7 The Council will apply a consistent and transparent approach to engagement.
- 3.8 Council is required to undertake a special consultative procedure as set out in Section 83 of the Local Government Act 2002, or to carry out consultation in accordance with or giving effect to Section 82 of the Local Government Act 2002 on certain matters (regardless of whether they are considered significant as part of this policy). There are also other pieces of legislation like the Resource Management Act 1991 and Reserves Act 1977, which have their own requirements with regard to engagement which will be taken into account when determining the extent of community engagement.
- 3.9 For all other issues requiring a decision, Council will determine the appropriate level of engagement on a case by case basis.
- 3.10 The Community Engagement Guide (attached as Schedule 2) identifies the form of engagement Council may use to seek feedback on some specific issues. It also provides examples of types of issues and how and when communities could expect to be engaged in the decision making process.
- 3.11 Where Joint Management Agreements (JMAs), Memorandum of Understanding (MOU) or any other similar high level agreements exist, these be considered as a starting point when engaging with Māori who are a party to the particular JMAs or MOU on matters relevant to that agreement.
- 3.12 When Council makes a decision that is significantly inconsistent with this policy, the steps identified in Section 80 of the Local Government Act 2002 will be undertaken.

4.0 Schedule 1– Strategic Assets

4.1 Section 5 of the Local Government Act defines a strategic asset as:

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 current or future well-being of the community; and includes:

- a. any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
- b. any land or building owned by the local authority and required to maintain the local authority's 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

4.2 The following is a list of assets or group of assets that the council needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community.

- Roothing network as a whole
- Water network as a whole
- Wastewater network as a whole
- Reserves listed and managed under Reserves Act 1977
- Housing for Elderly persons as a whole
- Stormwater network as a whole
- Refuse Transfer Stations
- Public Cemeteries
- Les Munro Centre

4.3 The strategic assets (as defined above) are the assets in total and not every single element of the assets. For example:

- It is the water supply network as a whole that is the strategic asset and not each individual pipeline, filter and pump station.
- The rooding network is strategic, but small parcels of land that make it up may not be, and the purchase (or sale) of such parcels of land is unlikely to amount to a significant decisions.

4.4 The requirements of section 97 of the Act are therefore only triggered if the proposal relates to the asset as a whole, or a major sub-part of the asset.

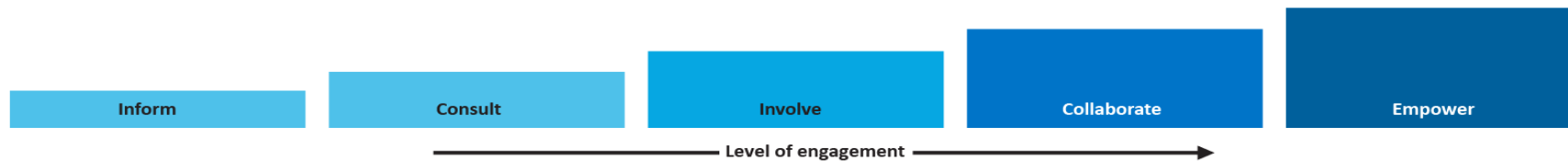
5.0 Schedule 2 – Community Engagement Guide

Community engagement is a process, involves all or some of the public and is focussed on decision-making or problem-solving.

The International Association for Public Participation (IAP2) has developed a Public Participation Spectrum to demonstrate the possible types of engagement with the community. This model also shows the increasing level of public impact as you progress through the spectrum from left to right - 'inform' through to 'empower'. In simply 'informing' stakeholders there is no expectation of receiving feedback, and consequently there is a low level of public impact. At the other end of the spectrum, 'empowering' stakeholders to make decisions implies an increase in expectations and therefore an increased level of public impact. Differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders.

It will not always be appropriate or practicable to conduct processes at the 'collaborate' or 'empower' end of the spectrum. Many minor issues will not warrant such an involved approach. Time and money may also limit what is possible on some occasions.

In general, the more significant an issue, the greater the need for community engagement.



Forms of engagement

The Council will use the Special Consultative Procedure (as set out in section 83 of the LGA 2002) where required to do so by law, including for the following issues requiring decisions:

- The adoption or amendment of a Long Term Plan (in accordance with section 93 A of the LGA 2002)
- The adoption, amendment, or revocation of bylaws if required under section 156(1)(a) of the LGA 2002
- The adoption, amendment or revocation of a Local Alcohol Policy
- The adoption or review of a Local Approved Products (Psychoactive Substances) Policy
- The adoption or review of a class 4 venue policy under the Gambling Act 2003
- The preparation, amendment or revocation of a waste management and minimisation plan

Unless already explicitly provided for in the Long Term Plan, the Council will seek to amend its Long Term Plan, and therefore use the Special Consultative Procedure, when it proposes to:

- alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, including commencing or ceasing such an activity; or
- transfer the ownership or control of strategic assets, as listed in Schedule 1.


The Council will consult in accordance with, or using a process or a manner that gives effect to the requirements of, section 82 of the LGA 2002 where required to do so by law, including for the following specific issues requiring decisions:

- Transferring responsibilities to another local authority under section 17 of the LGA 2002
- Establishing or becoming a shareholder in a council-controlled organisation
- Adopting or amending a revenue and financing policy, development contributions policy, financial contributions policy, rates remission policy, rates postponement policy, or a policy on the remission or postponement of rate on Māori freehold land
- Adoption, amendment or revocation of bylaws in accordance with section 156(1)(b) of the LGA 2002
- Prescribing fees in a bylaw under section 150 of LGA 2002

For such consultation, Council will develop information fulfilling the requirements of Section 82A of the LGA 2002, will make this available to the public, allow written submissions for a period of up to 4 weeks, and will consider all submissions prior to making decisions.

For all other issues, the following table provides an example of the differing levels of engagement that might be considered appropriate, levels of significance, types of tools associated with each level and the timing generally associated with these types of decisions/levels of engagement.

6.0 Significance and Engagement Guide

Significance Rating	Level of Engagement	What does it involve?	Examples	Engagement – Tools & Timing	<i>More Time More Resources</i>
High	Collaborate	Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions.	Railway Building Project	External working groups (involving community experts) Expressions of Interest Document Council would generally involve the community at the start to scope the issue, again after information has been collected and again when options are being considered.	
High	Involve	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making.	LTP Annual Plan District Plan	Waitomo Way and other Council publications Surveys Radio Website Existing community meetings (Elected Member briefings) Specific community meetings where feasible Submissions & hearings Council would generally provide the community with a greater lead in time to allow them time to be involved in the process.	
Medium	Consult	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision making.	Local Alcohol - Policy Bylaw reviews	Waitomo Way and other Council publications Radio Website Existing community meetings Submissions & hearings Council would advise the community once a draft decision is made Council and would generally provide the community with up to 4 weeks to participate and respond.	
Low	Inform	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened.	Water restrictions Annual Report Legislative changes	Waitomo Way and other Council publications Radio Website Council would generally advise the community once a decision is made.	

Engagement tools and techniques

Over the time of decision making, Council may use a variety of engagement tools. The ones shown in table above are a guide. Tools and techniques used will be based on a range of factors including history and public awareness of the issue, stakeholder involvement, and timing related to other events and budgets. Council will also take into consideration that the community can feel 'over consulted'. Each situation will be assessed on a case-by-case basis.



Final Draft

Policy on Remission of Rates

**(Including Remissions and
Postponements of Rates on
Māori Freehold Land)**

2018

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Last Review	2014
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Responsibility	Corporate Services

1.0 Introduction

- 1.1 The Local Government (Rating) Act 2002 (LGRA) authorises Council to set, assess and collect rates to fund its activities.
- 1.2 Section 85 of the LGRA and Section 102(3)(a) 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(2)(a) of the LGA and its Funding Impact Statement (FIS) adopted under Section 20, 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:
- 3.0 Remission of Rates for Properties used jointly as a single unit.
 - 4.0 Remissions for Community Organisations.
 - 5.0 Remission for Organisations providing Care for the Elderly.
 - 6.0 Remissions for land owned by Clubs and Societies.
 - 7.0 Remission of Rates for Council Properties.
 - 8.0 Remission of Rates on Māori Freehold land.
 - 9.0 Remission of Penalties
 - 10.0 Remission of Rates and/or penalties following a rating sale or an abandoned land sale.
 - 11.0 Remission of Rates for New Residential Subdivisions.
 - 12.0 Remission of Rates in Cases of Genuine Financial Hardship.
 - 13.0 Remission of Rates in Cases of Land Affected by Natural Calamity.
 - 14.0 Remission of Rates for New Businesses.
- 1.5 The RRP is authorised by the LGA. In particular Section 109 of the LGA provides that any **Rates Remission Policy** must address the following;
- (1) *A policy adopted under section 102(3) (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(3) (a), the local authority may consider the matters set out in Schedule 11 LGA [Matters relating to rates relief on Māori freehold land].*
 - (3) *For the purposes of this section, the term **rate includes** penalties payable on unpaid rates.*
- 1.6 Section 85 of the LGRA 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 (3) (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 application to the Council by the owner or occupier of the rating unit(s) or by staff who may process applications on behalf of owners of unoccupied and unproductive Māori Freehold Land.

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.
3. The decision of the Council will be final, and the applicant will be notified of the decision within 10 working days of the decision being made.

3.0 Remission of Rates for Properties Used Jointly as a Single Unit

3.1 Introduction

Sections 15(2) and 16 of the LGRA provide that a Uniform Annual General Charge (UAGC) and a Targeted Rate are rates for the purposes of the Act.

The Council's RFP sets out how UAGCs and Targeted Rates are assessed against rateable land.

Section 20 of the LGRA 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.*

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

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

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

3.2 Objectives

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 and other Targeted uniform annual charges – (i.e. all rates other than those charged on the basis of capital value).

To assist ongoing rural economic development by removing a UAGC and Targeted uniform annual charge 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:

- a. good land management,
- b. an improvement to visual amenity values
- c. better environmental outcomes through assisting in weed and pest management
- d. 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 and other Targeted uniform annual charges.

3.3 Conditions and Criteria

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:

- a. The applicant is the owner or holds a written long term interest in two or more separately rateable properties that may or may not be 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.

Application for remission of rates on properties used jointly as a single unit must be made on a 3 yearly basis to ensure continued eligibility for remission. It is the responsibility of the owner or person holding a long term interest in the property to notify Council of any change in circumstance in the interim period.

4.0 Remissions for Community Organisations (Schedule 1, Part 1: Land fully non-rateable)

4.1 Introduction

Schedule 1, Part 1 of the LGRA defines land categorised as non-rateable for the purposes of the LGRA.

Council recognises that Schedule 1, Part 1 of the LGRA 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.

The LGRA 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 Māori Act 1993 and-*
 - (a) *that is used for the purposes of a marae or meeting place and that does not exceed 2 hectares*

Council wishes to limit the liability for Targeted Rates for some properties classified under Schedule 1, Part 1 of the LGRA.

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.

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).

4.2 Objectives

- a. To extend the arrangement provided for in the LGRA (for arts and heritage groups on Council land), to similar arts and heritage groups on private land.
- b. To support the development of arts and culture in the Waitomo District.
- c. To clarify liability for marae, churches and pre-schools' service charges.

4.3 Conditions and Criteria

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.

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 a collection service.

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.

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.

Organisations making application should include the following documents in support of their application:

- a. Statement of objectives
- b. Full financial accounts
- c. Information of activities and programmes
- d. Details of membership

Community Organisations that have not previously received a remission must complete an application form for rates remission. This form must be received by Council by 30 April.

For Community Organisations that have previously received rates remission annually, an application form needs to be completed by the organisation every 3 years to confirm that the land-use remains eligible for remissions for the subsequent 3 years.

A completed application MUST be received before a rates remission can be considered. It is the responsibility of the Community organisation to notify Council of any change in circumstance in the interim period between applications.

A schedule of these Clubs, Societies and Organisations will be maintained and advised annually to Council.

The following Community Organisations are included in this policy on the basis that they are 'not-for-profit' and/or charitable organisations operating within the District for the benefit of the wider community:

- a. Te Kuiti Lyceum Club
- b. Te Kuiti Music Theatre
- c. Piopio Senior Citizens Club
- d. Piopio Scouts
- e. Te Kuiti Historical Society
- f. Te Kuiti Plunket

Council retains discretion as to whether to grant a remission in any particular case.

5.0 Remission for Organisations providing Care for the Elderly

5.1 Introduction

Council wishes to support community-based 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.

5.2 Objectives

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

To support Council's commitment for Waitomo to be a district which:

- a. values its older people;
- b. promotes their meaningful contribution to the community; and
- c. facilitates a positive ageing experience for all.

To recognise the ageing population of New Zealand and this District, Council aims to facilitate and support the provision of a range of accessible, safe and affordable housing for the elderly.

5.3 Conditions and Criteria

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. 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.

This remission arrangement is available on application on a 3 yearly 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 dependent 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.

It is the responsibility of the Organisation to notify Council of any change in circumstance in the interim period between applications.

5.4 Piopio Retirement Trust (Inc)

In recognition of the unique situation that exists with the Piopio Retirement Village and of the invaluable role it plays within the Piopio Community, both now and for in the future, annual rate remissions as detailed below will be approved:

- a. A single pumped tank will be located at the low point near the entrance to the Village, including connection to the main sewer.
- b. The Piopio Retirement Village will receive an annual rates remission of nine service charges for Sewerage and 50% of nine service charges for Solid Waste Collection, Solid Waste Management and Water.
- c. Every three years a declaration is required from the Piopio Retirement Village confirming that the status of the Trust has not changed. It is the responsibility of the Trust to advise Council of any change in circumstance in the interim period between declarations.
- d. Council retains the right to review and/or withdraw its support to the Piopio Retirement Village at any time should circumstances change.
- e. The annual remission for the Piopio Retirement Village will form part of Council's total annual rates remission budget and it will be separately funded by way of a TUAC levied on all rateable units situated within the Piopio Township Sewerage Network and the Piopio Wider Benefit Rating Area.

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

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

Section 8 and Schedule 1, Part 2 of the LGRA 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 Funding Impact Statement (FIS).

This land is known as 50% non-rateable.

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

- a. Land owned or used by Agricultural and Pastoral Societies as a showground or place of meeting,
- b. Land used or owned by sport clubs, and
- c. 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 for water supply, sewage disposal, solid waste collection services and solid waste management services.

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

Council seeks to remit Service Charges set for the purpose of funding water supply, sewage disposal, solid waste collection services and solid waste management services, as defined in the RFP and in the FIS. 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. That land remains liable for the payment of service charges as defined in the RFP and in the FIS.

The LGRA provides:

Schedule 1 Categories of non-rateable land, Part 2 Land 50% non-rateable

(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 license under the Sale of Liquor Act 1989 is for the time being in force.*

Subpart 2 – Key Provisions, 8. Non-rateable land

(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.*

6.2 Objectives

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.

6.3 Conditions and Criteria

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

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.

This remission arrangement is available on application by qualifying societies and organisations who:

- a. Are groups identified by Schedule I Part 1(4b) and Part 2(2) of the LGRA (2002), and
- b. Demonstrate that their primary function is for the purpose of sport or physical recreation, and
- c. Are non-profit organisations, not providing recreation or fitness services for commercial profit, and
- d. Are able to demonstrate that they are currently operative, and
- e. 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
- f. Can demonstrate that their activities benefit or are available to the entire community.

Clubs or Societies that have not previously received a remission must complete the full application form for rate remission for the current rating year. This form must be received by Council by 30 April

For clubs and societies that have previously received rates remission annually, an application form needs to be completed every 3 years to confirm that the land-use remains eligible for remissions for the subsequent 3 years.

A completed application MUST be received before a rates remission can be considered. It is the responsibility of the sports and recreation club to notify Council of any change in circumstance in the interim period between applications.

A schedule of all organisations receiving remissions will be maintained annually by Council.

7.0 Remissions of Rates for Council Properties

7.1 Introduction

This section of the Policy is included for the sake of transparency. The LGRA 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 attributed for the day to day delivery of a service to the communities of Waitomo District.

The LGRA defines non-rateable Council land (Schedule 1, Part 1, Section 4 LGRA) 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*

7.2 Objectives

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.

7.3 Conditions and Criteria

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 Māori Freehold Land

8.1 Introduction

This policy is prepared pursuant to Sections 102 and 108 of the Local Government Act 2002 and Section 114 of the Local Government (Rating) Act 2002. In preparing this policy Council has considered the matters set out in Schedule 11 of the Local Government Act 2002.

Māori freehold land is defined in the Local Government (Rating) Act 2002 (Section 5) as land whose beneficial ownership has been determined by the Māori Land Court by freehold order. Only land that is the subject of such an order may qualify for the remission of rates under this policy.

The Local Government (Rating) Act (LGRA) 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.*

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:*

Core Principals of the Preamble to the Te Ture Whenua Act 1993:

- *To recognise that the land is taonga tuku iho (of special significance) to the Maori people;*
- *to promote the retention of that land in the hands of its owners, their whanau, their hapu;*
- *to protect waahi tapu;*
- *to facilitate the occupation, development and utilization of that land for the benefit of its owners, their whanau and their hapu; and*
- *to maintain a Court and to establish mechanisms to assist the Maori people to achieve the implementation of these principals.*

Te Tiriti o Waitangi (Treaty of Waitangi):

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

8.2 Objectives of the Policy

This policy aims to:

- Ensure the fair and equitable collection of rates from all sectors of the community, recognising that certain Māori owned lands have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide relief from rates; and
- Implement rates remissions on Māori Freehold Land and write off of rates arrears and penalties, subject to the conditions and criteria set out in this policy.

8.3 Other Property

Māori freehold land where no body corporate has been constituted under Part XIII of the Te Ture Whenua Māori Act 1993 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.

Other than Māori freehold land that may from time to time be exempted by an Order in Council (as provided for in Section 116 LGRA 2002), this policy does not provide for permanent remission or postponement of rates on all other Māori freehold land recognising the potential for changes in circumstance and land use.

For the purposes of this policy, rates are deemed to include penalties.

8.4 Remission categories

This policy provides three categories of remission:

1. Category A: Māori Freehold Land – Unoccupied and Unproductive Land Blocks
2. Category B: Māori Freehold Land – Occupied and productive land
3. Category C: Māori Freehold Land – Economic Use and Development

8.5 Interpretation of Terms

Term	Interpretation
Hapu:	Whanau groups descended from their own hereditary ancestor.
Indigenous flora and fauna	Plants and animals originating from New Zealand.
Māori customary land:	Land held under the customs and usages of the Māori people, the title to which has not been investigated by the Māori Land Court
Māori freehold land:	Land whose beneficial ownership has been determined by the Māori Land Court by freehold order.
Tangata Whenua:	Māori people of a particular area or as a whole as the original inhabitants of New Zealand. Māori people of the land in their tribal area.
Taonga tuku iho:	Legacy, treasure.
Unoccupied or unproductive Land:	Land will be defined as unoccupied or unproductive unless there is a person, whether with a beneficial interest in the land or not, who, alone or with others, carries out any of the following activities on the land: <ol style="list-style-type: none"> (a) leases the land; and/or (b) does any of the following things on the land, with the intention of making a profit or for any other benefit: <ol style="list-style-type: none"> 1. resides on the land; 2. de-pastures or maintains livestock on the land; 3. stores anything on the land; 4. beehives are located on the land; or 5. uses the land in any other way.
Waahi tapu:	Means land set apart under Section 338(1) (b) of the Te Ture Whenua Māori Act 1993 (a place of special significance according to tikanga Māori).
Whanau:	Extended family in which a person is born and socialised.

8.6 Māori Freehold Land Rates Remission Register

Council will maintain a register titled the Māori 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 three category lists, these being:

- a. The 'Māori Freehold Land Unoccupied and Unproductive Remissions List', used to achieve objectives detailed in section 8.11.1: Category A Objectives
- b. The 'Māori Freehold Land Occupied and Productive Remissions List, used to achieve objectives detailed in section 8.12.1: Category B Objectives.
- c. The 'Māori Freehold Land Economic Use and Development Remissions List' used to achieve objectives detailed in section 8.13.1: Category C Objectives.

8.7 Applications

An annual application for rates remission under this policy must be made prior to commencement of the rating year and no later than 30 April. The application must be made on a prescribed form.

The application must be supported by sufficient supporting information to allow an informed decision to be made in respect of the application.

- a. Documentation that the land in question has been determined to be Māori Freehold Land by the Māori Land Court by way of freehold order.
- b. A copy of the Certificate of Title if available.
- c. 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.
- d. That the identified owner, agent of owner or occupier must provide Council with evidence that he or she has full control over the property.
- e. A copy of any agreements or licenses to operate on the land.
- f. Details of the property size and use.
- g. Aerial photographs.
- h. 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.
- i. Other documentation that Council may require to make a decision, such as historical, ancestral, cultural, archaeological, geographical or topographical information.

8.8 Duration

Remission applications approved under Category A (Māori Freehold Land Unoccupied and Unproductive Land Blocks) and Category B (Māori Freehold land occupied and productive land) will receive remission for one year. A reapplication will be required annually. The duration of remission applications approved under Category C are detailed in section 8.13.3: Extent of Remissions.

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.

Council will monitor on an ongoing basis the use of any Maori freehold land enjoying a rate remissions under this policy.

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.

If the status of the land changes, so that it no longer complies with the criteria, rates will commence from the following rating year.

Land shall be inspected (where road access is available) triennially to ensure that there is no occupation in terms of this policy.

8.9 Appeals

Appeals relating to decisions taken on the eligibility of Māori freehold land for rates remissions will follow the process outlined under Section 2.0 of this Policy – Delegation to Operate, Application Process and Review of Decisions.

8.10 Payment Arrangement

Where Māori Freehold land is not otherwise eligible for a remission under any section of this policy, Council may negotiate with the land owner to write off all arrears and penalties if current rates are met over a period of 5 years.

8.11 Category A: Māori Freehold Land – Unoccupied and Unproductive Land Blocks

8.11.1 Objectives

The remission of rates on Māori freehold land pursuant to Section 108 and Schedule 11, LGA 2002, and in recognition of the objectives of the Te Ture Whenua Māori 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 Māori 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 Māori 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 apply to portions of land not occupied, where part of a block of land is occupied.
- f. Assessing rates against certain Māori freehold land might limit or restrict the development of an economic use of the land.

- g. Council should support the use of the land by owners for traditional purposes and the relationship of Māori and their culture and traditions with their ancestral lands.
- h. Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectable.

8.11.2 Conditions and Criteria

In order for a property, or part of a property to qualify for a rates remission under this Policy it must meet all of the required criteria and at least one of the optional criteria:

1. Required Criteria

A property must be both:

- a. Māori Freehold Land as defined in the LGRA 2002; and
- b. Unoccupied and unproductive as defined in section 8.2: Interpretation of Terms.

2. Optional Criteria

A property must be/have at least one of the following:

- a. The presence of waahi tapu that may affect the use of the land or other purposes;
- b. Better set aside and protected from use because of its special cultural significance and unique natural features;
- c. Better set aside and protected from use to protect the indigenous flora and fauna located on the land;
- d. A traditional and important food source for Tangata Whenua;
- e. A traditional and important source for cultural, medicinal, symbolic and spiritual needs of Tangata Whenua;
- f. Important tribal landmarks significant to Tangata Whenua;
- g. Important water catchment system to Tangata Whenua for sustaining physical and spiritual values;
- h. Accessibility issues due to:
 - the property being landlocked and/or;
 - access is legally available by paper road or easement but the road does not exist and/or;
 - a road ends or passes the property but a river, ravine, cliff or other impediment prevents practical access.
- i. In a natural and undeveloped state, and will continue to remain in such state;
- j. Prevented from being productive or used due to the size, location, lack of fencing or some other feature.

8.11.3 Extent of remissions

The remission for land recorded in the 'Māori Freehold Land Unoccupied and Unproductive Remissions List' will be 100% of all rates charged except targeted rates set for water supply, sewage disposal and solid waste collection services.

8.11.4 Applications on behalf of owners

Council staff may process applications on behalf of owners of unoccupied and unproductive Māori Freehold Land that satisfies the criteria set out in section 8.11: Category A where after due enquiry the owners of an unoccupied block cannot be found.

Decisions on these remissions are to be made directly by the Chief Executive on the recommendation of officers and may include rate remissions for 3 years on qualifying Māori freehold land for current year rates and rates arrears, including penalties.

8.12 Category B: Māori Freehold Land – Occupied and productive land

8.12.1 Objectives

The remission of rates on Māori freehold land pursuant to Section 108 and Schedule 11, LGA 2002, and in recognition of the objectives of the Te Ture Whenua Māori Act, recognises that there are situations where it might be uneconomic to recover existing rates arrears or to fully recover rates relating to land which is only partially occupied and or productive.

8.12.2 New Lessee

Where a new lessee/occupier takes over land with existing rates arrears that would not be recoverable based on previous use, the rates arrears may be remitted where the new lessee assumes payment of current and future rates from the commencement of the use or occupation.

8.12.3 Condition and Criteria

- a. A copy of the lease or proposed lease is provided with the application for remission.
- b. There is a commitment to pay the current and future rates for a minimum period of two years detailed in the lease document.

8.12.4 Dwellings on Māori Freehold Land

Where there is one or more dwelling/s on the land, Council may establish and identify separately used or inhabited parts of the rating unit. The separately used or inhabited portion of the rating unit will be defined based on the area occupied, and/or the area unproductive and unoccupied as identified by the owner/s and confirmed by Council.

Rates charged on the separately used or inhabited portion of the property will remain payable.

8.12.5 Beehives on Māori Freehold Land

Where there are beehives located on the land for the purposes of harvesting honey, Council may establish and identify separately used or inhabited parts of the rating unit. The separately used or inhabited portion of the rating unit will be defined based on the area in use for the purposes of harvesting honey, and/or the area unproductive and unoccupied as identified by the owner/s and confirmed by Council.

Rates charged on the separately used or inhabited portion of the property will remain payable.

8.13 Category C: Māori Freehold Land – Economic Use and Development

8.13.1 Objectives

The remission of rates on Māori freehold land pursuant to Section 108 and Schedule 11, LGA 2002, and in recognition of the objectives of the Te Ture Whenua Māori Act 1993, recognises that assessing rates against certain Māori Freehold Land might limit or restrict the development of an economic use of the land.

The objective for remission under this category is to provide an incentive to assist the conversion of otherwise unoccupied or unproductive Māori 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.

8.13.2 Conditions and Criteria

Where 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.

In addition to the information required under section 8.7: Applications, of this policy, applicants must also provide:

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

8.13.3 Extent of remissions

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.

No remission will be granted on Targeted Rates for water supply, sewage disposal, and solid waste collection services.

9.0 Remission of Penalties

9.1 Introduction

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.

9.2 Objective

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

9.3 Conditions and Criteria

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

Circumstance	Policy and Criteria	Delegation										
Extenuating circumstances	Remission of a penalty incurred on an instalment will be considered in the following circumstances: <ul style="list-style-type: none"> The ratepayer has a good payment history. Extenuating personal circumstances such as family illness, death or other tragedy. In circumstances considered just and equitable. Where there is an error made on the part of Council. 	Manager - Customer Services or Group Manager Customer Services										
Approved Payment Arrangement (Includes time to pay arrangements and lump sum arrangements)	Penalties will not be levied where an Approved Payment Arrangement of a minimum amount has been made based on the arrears total as follows: <table border="1"> <thead> <tr> <th>Arrears total</th> <th>Minimum amount</th> </tr> </thead> <tbody> <tr> <td>0 - \$5,000</td> <td>Payment Arrangement of 1.25 times the Annual Rates</td> </tr> <tr> <td>\$5,001 - \$10,000</td> <td>Payment Arrangement of 1.5 times the Annual Rates</td> </tr> <tr> <td>\$10,001 - \$20,000</td> <td>Payment Arrangement of 2 times the Annual Rates</td> </tr> <tr> <td>Over \$20,000</td> <td>A Lump Sum payment is required to bring the balance to less than \$20,000 and then a payment arrangement of 2 times the Annual Rates</td> </tr> </tbody> </table>	Arrears total	Minimum amount	0 - \$5,000	Payment Arrangement of 1.25 times the Annual Rates	\$5,001 - \$10,000	Payment Arrangement of 1.5 times the Annual Rates	\$10,001 - \$20,000	Payment Arrangement of 2 times the Annual Rates	Over \$20,000	A Lump Sum payment is required to bring the balance to less than \$20,000 and then a payment arrangement of 2 times the Annual Rates	Sub-Committee (CEO & Group Manager-Corporate Services)
	Arrears total	Minimum amount										
	0 - \$5,000	Payment Arrangement of 1.25 times the Annual Rates										
\$5,001 - \$10,000	Payment Arrangement of 1.5 times the Annual Rates											
\$10,001 - \$20,000	Payment Arrangement of 2 times the Annual Rates											
Over \$20,000	A Lump Sum payment is required to bring the balance to less than \$20,000 and then a payment arrangement of 2 times the Annual Rates											
Current and historic penalties will be remitted where all rates have been paid in full under an approved payment arrangement.	Sub-Committee (CEO & Group Manager-Corporate Services)											
Council will consider remitting penalties that are already levied or yet to be incurred for remissions on a case by case basis.												

Circumstance	Policy and Criteria	Delegation
Penalties associated with remissions	Penalties will not be levied where all or a portion of the rates assessed have been remitted under another part of the policy.	Sub-Committee (CEO & Group Manager-Corporate Services)

- a. Penalties will only be remitted on written application of the ratepayer and provided that no previous penalties have been remitted within the past two rating years. In the case of penalties remitted due to Council error, applications will be completed by Council Staff.
- b. To be eligible for these remissions, Ratepayers must use direct debit payment, unless there are exceptional circumstances preventing this.
- c. All penalties remitted shall be recorded in the Penalty Remission Register, where the amount remitted is over \$10 for any individual ratepayer.

10.0 Remission of Rates and/or penalties following a rating sale or abandoned land sale

10.1 Introduction

To provide rates remission of rates arrears and penalties where a rating unit comes under new ownership as the consequence of either a rating sale or lease under sections 67 through to section 76 or sale of abandoned land as per sections 77 through to 83 of the Local Government Rating Act (2002).

10.2 Objective

To ensure that any remaining arrears or penalties following sale of abandoned land, or rating sale or lease, will be written off to ensure that the new owner begins with a nil balance.

10.3 Conditions and Criteria

- a. Any debt outstanding on a rating unit after application of proceeds from a rating sale or lease may be remitted following application by Council Staff.
- b. Any debt outstanding on a rating unit after application of proceeds from the sale of abandoned land may be remitted following application by Council Staff.
- c. Where any rating unit meets the definition of abandoned land as prescribed in section 77(1) of the LGRA and that land is unable to be sold using the authority provided to Council in sections 77-83 of the LGRA, then all rates may be remitted on an annual basis by application of Council staff.

11.0 Remission of Rates for New Residential Subdivisions

11.1 Introduction

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.

11.2 Objective

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).

11.3 Conditions and Criteria

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.

A remission will be made for 100% of the UAGC for each unsold vacant residential lot, except one.

The remission will only be made for the first full rating year following the creation of the new residential lots following subdivision.

12.0 Remission of Rates in Cases of Financial Hardship

12.1 Introduction

Where an application for rates relief due to financial hardship is received, Council may remit all or part of rates relating to a rating unit.

Applications on the grounds of financial hardship are considered only when exceptional financial circumstances exist.

Approved remissions are therefore a result of an extraordinary situation and should be recognised as an exception from the ratepayer's legal obligation to pay rates.

12.2 Objective

The objective of this policy is to assist ratepayers experiencing extreme financial hardship which affects their ability to pay rates.

12.3 Residential Rating Units

12.3.1 Conditions and Criteria

- a. Preference will be given to rating units used solely for residential purposes (as defined by Council) when consideration is made for rates remission in cases of financial hardship.
- b. A ratepayer making an application must be the registered owner and occupier and have owned for not less than 5 years the property in respect of which rates relief is sought.
- c. A ratepayer making an application must not own any other rating units or investment properties (whether in the district or in another district).
- d. The ratepayer must supply sufficient evidence, including financial statements, to satisfy the Council that extreme financial hardship exists.
- e. When considering an application, the ratepayer's personal circumstances will be relevant such as age, physical or mental ability, injury, illness and family circumstances.
- f. Before approving an application, Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after making the payment of rates, for normal health care, proper provision for maintenance of his or her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
- g. Council will consider, on a case by case basis, applications received that meet the criteria described in the first six paragraphs under this Policy.
- h. An application for remission on the grounds of financial hardship can be lodged in any year that such hardship exists.
- i. It is expected that the ratepayer will pay a minimum of the value of the Uniform Annual General Charge per annum towards his/her rates account. However, each case will be considered on its merits.
- j. If the applicant is eligible for a Rates Rebate then such application must be made at the time of applying for rates relief due to financial hardship.

The Chief Executive is delegated authority to decline an application or remit rates, including arrears, of up to \$2,000 in any one case.

The Chief Executive will provide Council with a regular monitoring report on all applications received for a hardship rates remission, and the decisions made.

12.4 Not for Profit Community Organisations

12.4.1 Introduction

Where an application for rates relief due to financial hardship is received from a Not for Profit Community Organisation, Council may remit all or part of rates relating to a rating unit.

Applications on the grounds of financial hardship are considered only when exceptional financial circumstances exist.

Approved remissions are therefore a result of an extraordinary situation and should be recognised as an exception from the organisations legal obligation to pay rates.

12.4.2 Objective

The objective of this policy is to assist Not for Profit Community Organisations experiencing extreme financial hardship which affects their ability to pay rates.

12.4.3 Conditions and Criteria

This category provides rates relief for not for profit Community Organisations in cases of Financial Hardship.

- a. The organisation must supply sufficient evidence, including financial statements, to satisfy the Council that extreme financial hardship exists.
- b. The organisation must provide sufficient evidence on how it plans to meet their rating commitment going forward.
- c. An application for remission on the grounds of financial hardship must be lodged annually. The remission is only available for a maximum of two years.
- d. Remission is not available for service charges relating to water, sewerage and solid waste collection. The Chief Executive is delegated authority to decline an application or remit rates, including arrears, of up to \$2,000 in any one case.

The Chief Executive will provide Council with a regular monitoring report on all applications received for a hardship rates remission, and the decisions made.

Council will consider, on a case by case basis, applications received that meet the criteria described in this section of the Policy.

13.0 Remission of Rates in Cases of Land Affected by Natural Calamity

13.1 Introduction

Rates remission is available for properties that have been detrimentally affected by erosion, subsidence, submersion, earthquake or other calamity are considered. Approved remissions are therefore a result of an extraordinary situation and should be recognised as an exception from the ratepayer's legal obligation to pay rates.

Where an application for rates due to land effected by natural calamity is received Council may remit all or part of the rates relating to a rating unit.

13.2 Objective

The objective of this policy is to assist ratepayers affected by events outside of their control which effects their ability to use any rating unit owned by them that is the consequence of a natural calamity.

13.3 Conditions and Criteria

- a. Application is made by the ratepayer within 3 months of the event.
- b. The rating unit is unusable or uninhabitable as a result of the calamity.
- c. Onus is on the ratepayer to advise WDC if the use of the property has not been restored, and to apply for remission by the 30th April prior to the commencement of the rating year for which remission is sought.
- d. All applications must be in writing and supported by documentary evidence as to the extent of the damage.
- e. The amount of the remission is at the discretion of the CEO and will be considered on a case by case basis.
- f. In the event of the rating unit being permanently eroded and where the rating unit now forms part of the coastal marine area, the council may grant permanent remission of all rates and penalties charged in the financial year in which the event occurred and the years following the event.
- g. In the ratepayers absence council staff may apply remissions in their absence on a permanent basis.

14.0 Remission of Rates for New Businesses

14.1 Introduction

Rates remission may be granted to a new business where that business supports community development and productivity and provides goods and services within the community.

14.2 Objective

To promote employment and economic development within the District by assisting new businesses.

14.3 Conditions and Criteria

- a. Remission of rates is available to commercial and/ or industrial development that involves the construction, erection or alteration of any building or buildings, fixed plant and machinery, or other works intended to be used for industrial, commercial or administrative purposes.
- b. Residential developments will not qualify for remission.
- c. Remission of rates is available to new businesses or new development established within the past 12 months.
- d. Applications must be made in writing and supported by:
 - A description of the development
 - A plan of the development (where possible)
 - An estimate of costs
 - An estimate of the likely number of jobs to be created
- e. In considering applications for the remission under this part of the policy the Council will have regard to the following:
 - The development is of importance for the future economic development of the District as demonstrated by the scale, type or nature of the development.
 - The number of new employment opportunities the business/ development will create. Generally, development would be expected to create a minimum of one new full time equivalent jobs.
 - The amount of new capital investment the development/ business will bring into the District.
 - For avoidance of doubt a small new business with at least one employee would also be considered eligible.
 - The business demonstrates a long-term commitment to remain and operate in the District. Property ownership or a long-term lease of the property may be accepted as proof of commitment.
 - The development protects or retains cultural aspects of the district e.g. maintains and protects a heritage building. The development adds improved, new and/ or visibly attractive infrastructure or buildings to the District where it would be commercially otherwise unviable to do so.

All applications will be assessed on a case by case basis under the authority of the CE and are subject to a threshold remission of 50% of rates assessed for a maximum duration of one year. The remission excludes services charges for water, sewerage and solid waste collection services.