



A G E N D A

Extraordinary Council Meeting

**Council Chambers
36 Weld Street
Hokitika**

**Monday
11 May 2015
commencing at 9.00 am**

His Worship the Mayor, M.T. Havill (**Chairperson**)
Cr. J.H. Butzbach, Cr. P.M. Cox, Cr. M.S. Dawson,
Cr. D.G. Hope, Cr. L.J. Martin, Cr. M.D. Montagu,
Cr A. P. Thompson, Cr. C.A. van Beek



EXTRAORDINARY COUNCIL **MEETING**

NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL WILL BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON MONDAY 11 MAY 2015 COMMENCING AT 9.00 AM

Tanya Winter
Chief Executive

6 May 2015

COUNCIL VISION

Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation.

This will be achieved by:

- Involving the community and stakeholders.
- Delivering core services that meet community expectations and demonstrate value and quality.
- Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.

Purpose:

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
- (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses

1. MEMBERS PRESENT AND APOLOGIES:

1.1 Apologies

Cr J.H. Butzbach

1.2 Interest Register

2. PUBLIC FORUM

3. BUSINESS

3.1 Rates Remissions and Postponement Policies. (Pages 5-21)

3.2. Supporting policies and documents to the Revenue and Financing Policy. (Pages 22-81)

3.3. Revenue and Financing Policy. (Pages 82-97)

3.4. Adoption of the draft Council Plan 2015-25 and Consultation Document, and approval to publicly notify the Consultation Document. (Pages 98-109)

4. MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

4.1 Tender Recommendation: Dog Control Contract

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
4.1	Tender Recommendation: Dog Control Contract	Confidential Report	Good reasons to withhold exists under Section 7	Section 48(1(a))

Report



DATE: 11 May 2015

TO: Mayor and Councillors

FROM: Group Manager: Corporate Services

RATES REMISSIONS AND POSTPONEMENT POLICIES

- Rates Remission Policy [s102 (3)(a)]
- Policy on Remission and Postponement of Rates on Maori Freehold Land [s102 (2)(e)]
- Rates Postponement Policy [s102 (3)(b)]

1.0 SUMMARY

- 1.1 The purpose of this report is to seek Council approval of the Rates Remission Policy, the Policy on Remission and Postponement of Rates on Maori Freehold Land, and the Rates Postponement Policy, attached respectively as **Appendices 1, 2 and 3** for consultation as part of the Long Term Plan.
- 1.2 This issue has arisen from the rating review as remissions are a tool for modifying the allocation of rates.
- 1.3 Section 102 of the Local Government Act 2002 (LGA) requires Council to adopt a Policy on Remission and Postponement of Rates on Maori Freehold Land.
- 1.4 Section 102 LGA permits Council to adopt a Rates Remission Policy and a Rates Postponement Policy in order to support the intended application of its funding and financial policies.
- 1.5 Section 102 (4)(a) requires Council to undertake consultation of these policies prior to adoption.

- 1.6 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.7 This report recommends the Rates Remission Policy, the Policy on Remission and Postponement of Rates on Maori Freehold Land, and the Rates Postponement Policy, attached respectively as **Appendices 1, 2 and 3**, be adopted for consultation concurrently with the LTP consultation.

2.0 BACKGROUND

- 2.1 The policies that are the subject of this report were last adopted in the 2012/22 LTP and are not required to be reviewed for 6 years. The rating review however made significant changes to the rating system, requiring some changes in the remissions and postponement policies.

3.0 CURRENT SITUATION

- 3.1 The attached amended policy makes the following substantive changes to the 2012 policy:
- 3.1.1 Remission on residential land in commercial industrial areas removed.
This is removed as it a policy used in land value based rating systems. The impact of a higher land value is less significant in a capital value based system.
- 3.1.2 Policy on uneconomic balances removed.
This is removed as it is a legislative requirement of the Local Government (Rating) Act 2002 not a remission.
- 3.1.3 Policy on Rates Remission on Properties Adversely affected by revaluations removed.
The land value based rating system was more volatile at rates revaluation times. A capital value based system is less volatile.
- 3.2 Minor improvements have been made to other remission and postponement conditions without changing the intent of the policy. Delegations have been removed from the policy for inclusion in the Delegations Manual.
- 3.3 For guidance a document detailing tracked changes to all three policies is attached as **Appendix 4**.

- 3.4 Council may consider whether a remission policy on new subdivisions is necessary following a change to capital value rating. Under capital value these properties will pay lower rates than a developed property, which wasn't applicable under the land value system. Council may also consider subdivisions to be a business decision where the developer takes a business risk with regard to demand. Council does not provide relief to any other start-up businesses.
- 3.5 A policy on the remission and postponement of rates on Maori freehold land is required to be adopted. The policy is of little consequence for Westland.

4.0 OPTIONS

- 4.1 Council can choose to:
- 4.1.1 1. Adopt the policies for consultation (recommended).
 - 4.1.2 2. Adopt modified policies.
 - 4.1.3 3. Reject the policies.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 Changing the Rates Remission Policy, the Policy on Remission and Postponement of Rates on Maori Freehold Land, and the Rates Postponement Policy is required to be consulted on, using the s.82 consultation principles.
- 5.2 As a s.82 consultation, Council must make the following available:
- 5.2.1 The proposal (being the Rates Remission Policy, the Policy on Remission and Postponement of Rates on Maori Freehold Land, and the Rates Postponement Policy).
 - 5.2.2 The reasons for the proposal; being that the policies are being updated as a consequence of matters identified during the rating review.
 - 5.2.3 Analysis of the practical options; there are no other practical options considered as these could be unlimited. The policies have been amended to reflect the intentions of the changes to the rating system, as a result of the wide range of options for rating considered as part of the Rating Review.

- 5.3 Council is undertaking a Special Consultative Procedure for the LTP. While this is more than is required for the Rates Remissions Policies it is considered more efficient and less confusing to the community if the consultations are conducted concurrently using the same advertising, meetings and hearings.

6.0 ASSESSMENT OF OPTIONS

1. Adopt the Policies (recommended)

- 6.1 The changes are consistent with the Rating Review or constitute a minor rewording.
- 6.2 The proposal is being consulted on.
- 6.3 The impact of the proposal is not significant.

2. Adopt Modified Policies

- 6.4 Minor modifications or the deletion of a component can be accommodated without delaying the LTP consultation.
- 6.5 The creation of new policies will require complete and careful wording and consideration of the financial implications. This would preclude the ability for the consultation to run concurrently with the Long Term Plan (LTP) consultation.

3. Reject the Policies

- 6.6 Council's current policies are not legally compliant nor are they suitable for the modified rating system.
- 6.7 If Council reject the policies it must revisit and develop a modified proposal for consultation on a different timetable to the LTP. Although these policies are not statutory components for the LTP, they are essential to give full effect to the Council Plan and the outcomes of the Rating Review.
- 6.8 It is therefore appropriate that consultation for these policies should be concurrent with that for the LTP.

7.0 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is 1. Adopt the Proposal because it reflects the current policies modified to give effect to the new rating system.

8.0 RECOMMENDATIONS

- A) **THAT** Council adopt the Rates Remission Policy as amended and attached as **Appendix 1** for consultation concurrently with the LTP consultation.
- B) **THAT** Council adopt the Policy on Remission and Postponement of Rates on Maori Freehold Land as amended and attached as **Appendix 2** for consultation concurrently with the LTP consultation.
- C) **THAT** Council adopt the Rates Postponement Policy as amended and attached as **Appendix 3** for consultation concurrently with the LTP consultation.

Gary Borg

Group Manager: Corporate Services

Appendix 1: Amended Rates Remission Policy

Appendix 2: Amended Policy on Remission and Postponement of Rates on Maori Freehold Land

Appendix 3: Amended Rates Postponement Policy

Appendix 4: Current Rates Remission Policy, Policy on Remission and Postponement of Rates on Maori Freehold Land and Rates Postponement Policy with tracked changes

Appendix 1:



RATES REMISSION POLICY

This policy is prepared pursuant to Sections 109 and 110 of the LGA 2002. Council reviews this policy at least every six years. A summary of this policy is included with every Rates Assessment.

Decisions on remission of penalties will be delegated to committees, sub-committees or officers as set out in the Council's Delegations Manual.

Disputes over the application of the policy shall be in writing addressed to the Chief Executive.

Remissions for Community, Sporting and other Organisations

Objectives

To facilitate the on-going provision of non-commercial community services and recreational opportunities for the residents of the District. The purpose of granting rates remission to an organisation is to:

- Assist the continued existence of non-profit organisations
- Make membership of the organisation more accessible to the general public, particularly groups including children, youth, young families, and the elderly and economically disadvantaged people
- Ensure sports clubs are not penalised for having a liquor licence.

Conditions and Criteria

1. This policy does not apply to organisations meeting the criteria of Schedule 1 of the Local Government (Rating) Act 2002.
2. The policy will apply to land owned by Council and/or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.
3. The policy does not apply to any body (including a society, associated organisation, whether incorporated or not) that is carried on for the purpose of profit or gain.
4. The policy does not apply to groups or organisations who engage in recreational, sporting or community services as a secondary purpose only.
5. No remission will be granted on targeted rates for water supply, sewage disposal or refuse collection.
6. Organisations making first applications should include the following documents in support of their application:
 - 1) Evidence of constitution
 - 2) Statement of the organisation's objectives
 - 3) Full financial statements
 - 4) Information on planned activities and programmes
 - 5) Details of membership
7. All remissions made under this policy will be confirmed by Council or a delegated Committee in open meeting.
8. The list of entities receiving this remission will be reviewed annually
9. Annual remissions of 50% of all rates, other than those detailed in (5) above, will be applied to those societies and associations who meet the criteria.

Remission of Penalties

Objective

To enable Council to act reasonably in its consideration of overdue rates which have not been received by the penalty date due to circumstances outside the ratepayer's control.

Conditions and Criteria

1. Automatic remission of penalty will be granted where payment is received within seven days of the penalty date provided the ratepayer has made no late payments for rates within the preceding three years.
2. Remission of penalty may be granted at the Council's discretion where regular payments are being made in accordance with an agreement to clear all outstanding rates within an agreed timeframe.
3. Remission of penalty will be considered in any one rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, serious illness or accident of a family member as at due date.
4. A penalty will be remitted where there is an administrative error on the part of Council or an agent acting for Council.
5. Each application will be in writing (including email) and will be considered on its merits.

Remission of Wastewater Charges to Schools

Objective

To provide relief and assistance to educational establishments in paying wastewater charges.

Conditions and Criteria

1. The policy will apply to educational establishments as defined in Schedule 1 Part 1 clause 6 (a-b) of the Local Government (Rating) Act 2002.
2. The policy does not apply to school houses or any part of a school used for residential purposes.
3. Wastewater charges for schools will be calculated as follows:
Staff plus pupil numbers ÷ 20 = number of pans. The wastewater charge for the educational establishment will be charged at:
100% for the first four pans charges then the fifth to tenth pan charges will be discounted by 25% and all pan charges exceeding ten will be discounted by 50%.
4. The student numbers is the number of students on the roll on March 1 in the year immediately before the year in which the charge relates.
5. The number of staff is the number of full time equivalent and administration staff employed on 1 March immediately before the year in which the charge relates.

Remission on New Subdivisions

Objectives

- To provide temporary rates relief to new subdivisions to limit the immediate rates impact of multiple Uniform Annual General Charges (UAGC) and service charges in the first year.
- To provide a rating policy that is consistent with accommodating growth expectations for the District.
- To encourage or at least not discourage continued subdivision activity in the District as allowed by the District Plan.

Conditions and Criteria

1. The policy will apply to land that is:
 - a. newly subdivided into 3 lots or more where the titles have been issued; and
 - b. owned by the original developer who is holding the individual titles pending their sale.
2. Remission of the UAGC, Community Rate, Tourism Rate and unconnected service charges will be actioned quarterly for each unsold lot except one.
3. Remission will apply for a maximum of two rating years.
4. Council or delegated committee may consider, in open meeting, an extension beyond this upon written application from the developer.

Remission of Uniform Charges of Non-Contiguous Rating Units Owned by the Same Ratepayer

Objective

To provide relief from uniform charges for rural land which is non-contiguous, farmed as a single entity and owned by the same person.

Conditions and Criteria

1. Rating units that meet the criteria under this policy may qualify for a remission of the UAGC and specified targeted rates set on a fixed dollar charge per rating unit
2. The ratepayer will remain liable for at least one of each type of charge.
3. Applications will not be backdated
4. Rates types affected by this policy are:
 - Uniform Annual General Charge
 - Community rate
 - Tourism Rate
4. Rating units that receive a remission must be held in common ownership with each other and operated as a single farming or horticultural unit.
5. Applications for remissions must be in writing.
6. Remissions will continue (requiring no further application) until Council becomes aware of a change in circumstances or Council changes this policy.

Appendix 2:



Policy on Remission and Postponement of Rates on Maori Freehold Land

This policy is prepared under Section 108 of the LGA 2002.

Background

“Maori Freehold Land” is defined in section 5 of the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by the Maori Land Court by freehold order. Only land that is subject to such an order may qualify for remission under this policy. Schedule 11 of the LGA 2002 identifies the matters which must be taken into account by Council when considering rates relief on Maori Freehold Land. The matters that must be considered are specified in Sch. 11 as:

- a. the desirability and importance within the district of each of the objectives listed below: and
- b. whether, and to what extent, the attainment of any of those objectives could be prejudicially affected if there is no remission of rates or postponement of the requirement to pay rates on Maori freehold land; and
- c. whether, and to what extent, the attainment of those objectives is likely to be facilitated by the remission of rates or postponement of the requirement to pay rates on Maori freehold land; and
- d. the extent to which different criteria and conditions for rates relief may contribute to different objectives.

The objectives referred to above are specified in Sch. 11 as:

- a. supporting the use of the land by the owners for traditional purposes:
- b. recognising and supporting the relationship of Maori and their culture and traditions with their ancestral land:
- c. avoiding further alienation of Maori freehold land:
- d. facilitating any wish of the owners to develop the land for economic use:
- e. recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes:
- f. recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere):
- g. recognising and taking account of the importance of the land for community goals relating to:
 - a. The preservation of the natural character of the coastal environment:
 - b. the preservation of outstanding natural features:
 - c. the protection of significant indigenous vegetation and significant habitats of indigenous fauna:
- h. recognising the level of community services provided to the land and its occupiers
- i. recognising matters related to the physical accessibility of the land

Policy

Having considered the above matters Council’s Policy on Remission and Postponement of Rates on Maori Freehold Land is:

1. The Council may remit all or part of rates on Maori freehold land if Council is satisfied that the objectives sought to be achieved by the remission of rates are met.
2. The Council will not postpone the requirement to pay all or part of the rates on Maori freehold land, thereby treating Maori freehold land the same as other rating units in Westland District

Appendix 3:



RATES POSTPONEMENT POLICY

Policy on Postponement for Extreme Financial Hardship

The policy offers rates postponement to ratepayers that may be suffering or have suffered extreme financial hardship.

Objectives of the Policy

To assist ratepayers experiencing extreme financial circumstances which affect their ability to pay their rates

Conditions and Criteria

1. When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.
2. The ratepayer must be the current owner of, and have owned for not less than 5 years, the rating unit which is the subject of the application
3. The rating unit must be used solely as the primary residence for the applicant.
4. Ratepayers making application under this policy must provide Council with all information requested.
5. Any postponement of rates shall be for the period specified by Council.
6. The payment of postponed rates shall be as specified by Council.
7. All postponements shall be reviewed by Council every three years.
8. All postponements shall be by written contract signed by all parties.
9. All postponements shall be registered on the title.

Should Council determine that any information was provided with dishonest intent the postponement will be cancelled and all postponed rates will become immediately payable and subject to Council's penalty policies.

Appendix 4:

Current Policies with Tracked Changes

RATES REMISSION POLICY

This policy is prepared pursuant to Sections 109 and 110 of the LGA 2002. Council reviews this policy at least every six years. A summary of this policy is included with every Rates Assessment.

Decisions on remission of penalties will be delegated to committees, sub-committees or officers as set out in the Council's Delegations Manual.

Disputes over the application of the policy shall be in writing addressed to the Chief Executive.

Remissions for Community, Sporting and other Organisations

Objective

To facilitate the on-going provision of non-commercial community services and recreational opportunities for the residents of the District. The purpose of granting rates remission to an organisation is to:

- Assist the continued existence of non-profit organisations
- Make membership of the organisation more accessible to the general public, particularly disadvantaged groups including children, youth, young families, and the elderly and economically disadvantaged people
- Ensure sports clubs are not penalised for having a liquor licence.

Conditions and Criteria

1. This policy does not apply to organisations meeting the criteria of Schedule 1 of the Local Government (Rating) Act 2002.
2. The policy will apply to land owned by Council and/or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.
3. The policy does not apply to any body (including a society, associated organisation, whether incorporated or not) that is carried on for the purpose of profit or gain.
4. The policy does not apply to groups or organisations who engage in recreational, sporting or community services as a secondary purpose only.
5. No remission will be granted on targeted rates for water supply, sewage disposal or refuse collection.
6. Organisations making first applications should include the following documents in support of their application:
7. Statement of the organisation's objectives
8. Full financial statements
9. Information on planned activities and programmes
10. Details of membership
11. All remissions made under this policy will be confirmed by Council or a delegated Committee in open meeting.
12. Remissions will continue (requiring no further application) until Council becomes aware of a change in circumstances or Council changes this policy.
13. Annual remissions of 50% will be applied to those societies and associations who meet the criteria.

Remission of Penalties

Objective

To enable Council to act fairly and reasonably in its consideration of overdue rates which have not been received by the penalty date due to circumstances outside the ratepayer's control.

Conditions and Criteria

1. Automatic remission of penalty will be granted where payment is received within seven days of the penalty date provided the ratepayer has made no late payments for rates within the preceding three years.
2. Remission of penalty may be granted at the Council's discretion where regular payments are being made in accordance with an agreement to clear all outstanding rates by the end of the rating year.
3. Remission of penalty will be considered in any one rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness or accident of a family member as at due date.
4. A penalty will be remitted where there is an administrative error on the part of Council or an agent acting for Council.
5. Each application will be in writing (including email) and will be considered on its merits.

Remission of Wastewater Charges to Schools

Objective

To provide relief and assistance to educational establishments in paying wastewater charges.

Conditions and Criteria

1. The policy will apply to educational establishments as defined in Schedule 1 Part 1 clause 6 (a-b) of the Local Government (Rating) Act 2002.
2. The policy does not apply to school houses or any part of a school used for residential purposes.
3. Wastewater charges for schools will be calculated as follows:
Staff plus pupil numbers ÷ 20 = number of pans. The wastewater charge for the educational establishment will be charged at:
100% for the first four pans charges then the fifth to tenth pan charges will be discounted by 25% and all pan charges exceeding ten will be discounted by 50%.
4. The student numbers is the number of students on the roll on March 1 in the year immediately before the year in which the charge relates.
5. The number of staff is the number of full time equivalent and administration staff employed on 1 March immediately before the year in which the charge relates.

Remission on New Subdivisions

Objectives of the Policy

- To provide temporary rates relief to new subdivisions to limit the immediate rates impact of multiple Uniform Annual General Charges (UAGC) and service charges in the first year.
- To provide a rating policy that is consistent with accommodating growth expectations for the District.

- To encourage or at least not discourage continued subdivision activity in the District as allowed by the District Plan.

Conditions and Criteria

1. The policy will apply to land that is:
 - a. newly subdivided into 3 lots or more where the titles have been issued; and
 - b. owned by the original developer who is holding the individual titles pending their sale.
2. Remission of the Uniform Annual General Charge and unconnected service charges will be actioned quarterly for each unsold lot except one.
3. Remission will apply for a period of 2 years, from the first year the properties are entered on the Rating Information Database.
4. Council or delegated committee may consider, in open meeting, an extension beyond this upon written application from the developer.

Policy on Remission of Excess Metered Water Rates

Objective of the Policy

To provide for relief in the event of excess metered water consumption due to no fault of the ratepayer.

Conditions and Criteria

1. The policy will apply to applications from ratepayers who incur excess metered water rates due to a fault in the internal reticulation as a result of reticulation failure. It does not apply to events occurring because of reckless disregard to the water reticulation systems on the property.
2. All applicants must submit in writing within 30 days of the first invoice showing extraordinary consumption.
3. Proof of repairs must be provided with the application.
4. Where a remission is granted the ratepayer will be charged an amount equal to the maximum consumption at any one time charged for that rating unit in the past three years, provided it has been in the same ownership.
5. Where ownership has been less than six months, staff will monitor consumption for a period of three months to establish a reasonable consumption figure to charge.
6. The balance of the account will be remitted based on the above criteria.
7. Where there is a second application within five years of the first the applicant will pay an additional 50 per cent of the difference calculated and the actual metered consumption during the leak period.
8. Where there is an application for remission following a third or subsequent leak within five years of the first application the application will be reviewed and a remission granted only in exceptional circumstances.

Policy on Remission of Uniform Charges of Non-Contiguous Rating Units Owned by the Same Ratepayer

Objective of the Policy

To provide relief from uniform charges for rural land which is non-contiguous, farmed as a single entity and owned by the same person.

Conditions and Criteria

1. Rating units that meet the criteria under this policy may qualify for a remission of the uniform annual general charge and specified targeted rates set on a fixed dollar charge per rating unit
2. The ratepayer will remain liable for at least one of each type of charge.
3. Applications will not be backdated
4. Rates types affected by this policy are:
 - Uniform Annual General Charge
 - Any Community rate
 - Kokatahi Community Rate
5. Rating units that receive a remission must be held in identical ownership with each other and operated as a single farming or horticultural unit.
6. Applications for remissions must be in writing.
7. Remissions will continue (requiring no further application) until Council becomes aware of a change in circumstances or Council changes this policy.

Policy on Remission for Uniform Charges on Residential Properties where a Division is undertaken.

Objective of the Policy

To provide relief from multiple uniform charges for any assessment identified as one record in the District Valuation Role (DVR) and multiple records (through division) on the Rating Information Database (RID) where at least one of which is a residential assessment.

The uniform charges to be considered for remission are the following rates:

- Uniform Annual General Charge
- Community Rate
- Water Rate
- Sewerage Rate

Conditions and Criteria

1. Remissions will generally be applied to the residential assessment of a divided DVR record. This may be amended with the owner's written consent.
2. 50% of the Uniform Annual General Charge will be remitted on residential assessments.
3. 50% of the appropriate Community Rate will be remitted on residential assessments.
4. 75% of the connected water rate will be remitted on the residential assessment, so long as there is only one physical connection to the water network for the DVR record and the commercial or rural assessment water use is not excessive.
5. 75% of the connected sewerage rate will be remitted on the residential assessment, so long as there is only one physical connection to the sewerage network for the DVR record. Commercial and rural assessments will be charged, as any other property in that category for each water closet or urinal.
6. The authority to consider and approve remissions under this policy will be delegated to the Group Manager: Corporate Services

Policy on Remission for Natural Calamities

Objective of the Policy

To provide relief in the event of a natural calamity occurring.

Conditions and Criteria

Where an individual property has been unduly affected by a natural calamity which affects the rateable value of that property or limits its ability to utilise the services normally provided by Council, then upon application by the ratepayer, Council may, where it considers it to be reasonable to do so, remit wholly, or in part, any rate or uniform annual charge relating to that property. The Chief Executive shall have authority to remit rates under this section.

RATES POSTPONEMENT POLICY

Policy on Postponement for Extreme Financial Hardship

The policy offers rates postponement to ratepayers that may be suffering or have suffered extreme financial hardship.

Objectives of the Policy

To assist ratepayers experiencing extreme financial circumstances which affect their ability to pay their rates

Conditions and Criteria

1. When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.
2. The ratepayer must be the current owner of, and have owned for not less than 5 years, the rating unit which is the subject of the application
3. The rating unit must be used solely as the primary residence for the applicant.
4. Ratepayers making application under this policy must provide Council with all information requested.
5. Any postponement of rates shall be for the period specified by Council.
6. The payment of postponed rates shall be as specified by Council.
7. All postponements shall be reviewed by Council every three years.
8. All postponements shall be by written contract signed by all parties.
9. All postponements shall be registered on the title.
10. Should Council determine that any information was provided with dishonest intent the postponement will be cancelled and all postponed rates will become immediately payable and subject to Council's penalty policies.
11. All remissions made under this policy will be confirmed by Council or a delegated Committee in open meeting.

Policy on remission and postponement of rates on Maori freehold land

This policy is prepared under Section 108 of the LGA 2002.

Background

“Maori Freehold Land” is defined in section 5 of the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by the Maori Land Court by freehold order. Only land that is subject to such an order may qualify for remission under this policy. Schedule 11 of the LGA 2002 identifies the matters which must be taken into account by Council when considering rates relief on Maori Freehold Land. The matters that must be considered are specified in Sch. 11 as:

- a. the desirability and importance within the district of each of the objectives listed below: and
- b. whether, and to what extent, the attainment of any of those objectives could be prejudicially affected if there is no remission of rates or postponement of the requirement to pay rates on Maori freehold land; and
- c. whether, and to what extent, the attainment of those objectives is likely to be facilitated by the remission of rates or postponement of the requirement to pay rates on Maori freehold land; and
- d. the extent to which different criteria and conditions for rates relief may contribute to different objectives.

The objectives referred to above are specified in Sch. 11 as:

- a. supporting the use of the land by the owners for traditional purposes:
- b. recognising and supporting the relationship of Maori and their culture and traditions with their ancestral land:
- c. avoiding further alienation of Maori freehold land:
- d. facilitating any wish of the owners to develop the land for economic use:
- e. recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes:
- f. recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere):
- g. recognising and taking account of the importance of the land for community goals relating to:
 - a. The preservation of the natural character of the coastal environment:
 - b. the preservation of outstanding natural features:
 - c. the protection of significant indigenous vegetation and significant habitats of indigenous fauna:
- h. recognising the level of community services provided to the land and its occupiers
- i. recognising matters related to the physical accessibility of the land

There is currently no land in Westland District that meets the description of Maori Freehold Land as described above.

Policy

Having considered the above matters Council’s Policy on Remission and Postponement of Rates on Maori Freehold Land is:

1. The Council may remit all or part of rates on Maori freehold land if Council is satisfied that the objectives sought to be achieved by the remission of rates are met.
2. The Council will not postpone the requirement to pay all or part of the rates on Maori freehold land, thereby treating Maori freehold land the same as other rating units in Westland District
3. All remissions made under this policy will be confirmed by Council or a delegated Committee in open meeting.

Report



DATE: 11 May 2015

TO: Mayor and Councillors

FROM: Group Manager: Corporate Services

SUPPORTING POLICIES AND DOCUMENTS TO THE REVENUE AND FINANCING POLICY

1.0 SUMMARY

- 1.1 The purpose of this report is to seek Council approval of the documents listed below, attached as appendices, as supporting policies and principles to the Revenue and Financing Policy, and for consultation as components of the Long Term Plan 2015/25 (LTP):
 - 1.1.1 **Appendix 1:** draft Funding Needs Analysis
 - 1.1.2 **Appendix 2:** draft Rating Policy
 - 1.1.3 **Appendix 3:** draft Funding Impact Statement
- 1.2 This issue has arisen for two reasons:
 - 1.2.1 the Rating Review, the decisions from which must be implemented through an amendment to the Revenue and Financing Policy and,
 - 1.2.2 the requirements of the Local Government Act 2002 (LGA) with regards to the specific content and processes to be included in the development of a Long Term Plan
- 1.3 The policies and documents contained in this report inform and are supplementary to the Revenue and Financing Policy. They are also components of the LTP.
- 1.4 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in

September 2014, which will be set out in the next LTP. These are stated on Page 2 of this agenda.

- 1.5 This report recommends that the documents attached as appendices be adopted as supporting policies and principles to the Revenue and Financing Policy, and for consultation as components of the LTP.

2.0 BACKGROUND

- 2.1 The Funding Needs Analysis is required by Section 101(3) LGA to be conducted by Council as part of every Long Term Plan process and corresponding review of its Revenue and Financing Policy.
- 2.2 Council completed this analysis during the Rating Review in 2014.
- 2.3 There is no statutory requirement to adopt a Rating Policy and it is not a prescribed LTP component. However the principles ratified and adopted as part of the Rating Review were underpinned by precise definitions and a range of factors including sectors, zones and differentials.
- 2.4 The development of a separate Rating Policy facilitates the continued application of these principles by adjusting factors and definitions as required whilst remaining within the framework of the Revenue and Financing Policy. It enables Council to respond efficiently to changes in its rating base and community needs. This policy informs the Funding Impact Statement.
- 2.5 The Funding Impact Statement is a compulsory component of a Long Term Plan and defined under Schedule 10 LGA. It is necessary for the calculation of the rates samples that support the LTP Consultation Document.

3.0 CURRENT SITUATION

- 3.1 In December 2014 Council adopted a new rating system following the Rating Review and the special consultation undertaken during 2014. It is intended the changes be implemented from 1 July 2015.
- 3.2 In order to implement the decisions from the Rating Review Council must amend its Revenue and Financing Policy and consult on that change. Council is simultaneously producing its LTP which will also require public consultation via the Consultation Document. It is proposed that these consultations should proceed concurrently.

- 3.3 As described above in Part 2, the documents presented with this report are integral to the development of the Revenue and Financing Policy and the LTP and will be referenced as supporting information to the consultations.
- 3.4 The Funding Needs Analysis, attached as **Appendix 1**, is the result of the review performed by Council early in the development of the 2015-25 LTP. It prescribes the funding parameters for each activity and the LTP budgets have been developed within these constraints. This analysis is the foundation for the Revenue and Financing Policy.
- 3.5 The Rating Policy, attached as **Appendix 2**, is the operational toolkit that will enable to Council to review and modify rating factors each year within the parameters of the Revenue and Financing Policy as circumstances within the district evolve.
- 3.6 The Funding Impact Statement, attached as **Appendix 3**, will appear in the final LTP. It calculates the rates impact result after the connected policies relating to rates have been applied to the LTP budgets.
- 3.7 These documents have been drafted to facilitate the technical implementation of the decisions previously made by Council. They have been reviewed by Audit New Zealand and Council's legal advisors.

4.0 OPTIONS

- 4.1 Council can choose to:
 - 4.1.1 Adopt the documents as supporting material for the LTP and Revenue and Financing Policy consultations.
 - 4.1.2 Adopt the documents with modifications.
 - 4.1.3 Reject the proposal to adopt the documents.

5.0 SIGNIFICANCE AND ENGAGEMENT

- 5.1 Adoption of these documents in their own right is administrative insofar as they represent the outcomes from a previous consultation and series of workshops undertaken by Council. This decision is therefore of low significance and requires no further consultation.
- 5.2 Notwithstanding, the documents are integral to both the Revenue and Financing Policy and the LTP. Both of these will be of high significance and

require public consultation. These documents will be referenced as part of those consultations.

ASSESSMENT OF OPTIONS

1. Adopt the documents as supporting material for the LTP and Revenue and Financing Policy consultations.

- 5.3 The changes are necessary to implement the Rating Review and meet legal compliance.
- 5.4 The documents inform the Revenue and Financing Policy and LTP which will be subject to public consultation.
- 5.5 The documents reflect community expectations and Council decisions following the Rating Review.

2. Adopt the documents with modifications.

- 5.6 Minor revisions may be possible where they are considered to more accurately represent Council's intentions.
- 5.7 Any changes must preserve the integrity of the interdependencies between policies.
- 5.8 Changes cannot be inconsistent with the decisions made following the Rating Review without further consultation. The documents will be included as supporting information to the planned consultations for the LTP and Revenue and Financing Policy.

3. Reject the proposal to adopt the documents

- 5.9 Council's current policies are not legally compliant nor are they suitable for a changed rating system.
- 5.10 If Council reject the proposal it will automatically revert to the rating system currently utilised until a revised proposal can be developed and consulted upon. If this cannot be completed and resolved before the LTP is adopted in June 2015, it will require a LTP amendment and separate consultation during 2015/16.

6.0 PREFERRED OPTION AND REASONS

- 6.1 The preferred option is; 1) adopt the documents as supporting material for the LTP and Revenue and Financing Policy consultations; because they

reflect the decisions previously made by Council and facilitate the adoption of a compliant Revenue and Financing Policy..

7.0 RECOMMENDATION

- D) **THAT** Council adopts the draft Funding Needs Analysis, Rating Policy and Funding Impact Statement as supporting documentation for the Long Term Plan 2015/25 Consultation Document and Revenue and Financing Policy consultations.

Gary Borg

Group Manager: Corporate Services

Appendix 1: Funding Needs Analysis

Appendix 2: Rating Policy

Appendix 3: Funding Impact Statement



FUNDING NEEDS ANALYSIS

The purpose of this document is to set out, in accordance with section 101 (3) of the Local Government Act 2002 how each activity of Council will be funded.

CONTENTS

1. Introduction
2. Funding Sources for Operating Costs
3. Funding Sources for Capital Costs
4. Overall Impact Funding Considerations
5. Activity Funding Needs Analysis – Operating Costs
6. Appendix One: Activity Funding Needs Analysis – Operating Costs

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INTRODUCTION

The Funding Needs Analysis provides the background and analysis to explain the funding decisions made by Council. It is guided by the funding principles documented in the Revenue and Financing Policy.

Council must comply with section 101(3)¹. For each activity, Council must, in the first instance, determine the appropriate sources of funding² that will meet the funding needs of each activity. In determining this Council will take into consideration:

- The community outcomes to which the activity primarily contributes.
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.
- The period in or over which those benefits are expected to occur.
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

Having completed the above analysis Council must then consider:

- The overall impact of any allocation of liability for revenue needs on the community.

The legislation places no more or less weight or priority on any one of the factors listed in section 101(3)(a)³. It also provides Council with considerable latitude for judgement in the consideration of the section 101(3)(b) requirement.

The following sections document the matters and approaches Council has taken in determining the funding needs of an activity and how that translates into Council's decision on the appropriate funding sources to be used.

Previous reviews

In 2004 Council prepared its first Long Term Council Community Plan (later to be named the Long Term Plan). A requirement of the plan was to review and consult on the Revenue and Financing Policy every three years. The Funding Needs Analysis was incorporated in its entirety in these previous Revenue and Financing Policies.

At each review Council has considered particular activities that may need re-analysis and made incremental changes. In 2013 it became apparent that Council needed to undertake a first principles review of its rating policies. This review was undertaken during 2014 culminating in December 2014 with a decision to change the rating system.

Following the 2014 reviews, this policy along with the Revenue and Financing Policy will be effective from 1 July 2015.

¹ All references to legislation are to the Local Government Act 2002, unless otherwise stated.

² The funding sources are listed in s103 LGA.

³ In his High Court judgement on *Neil Construction Ltd and others v. North Shore City Council* 2007, Potter J made it clear that Council must for each activity consider each element of s101(3).

FUNDING SOURCES FOR OPERATING COSTS

Operating costs are the day to day spending that maintains the services delivered by Council. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and corporate overheads.

Council must consider the funding for each activity in a way that relates exclusively to that activity. Some activities may be best funded using user charges such as swimming pool admission fees, others with targeted rates such as a water rate and others from the general rate such as road maintenance. Distinct funding enables ratepayers or payers of user charges to assess more readily whether or not the cost of the service provided to them either directly or indirectly represents good value. They can also more easily determine how much money is being raised for the service and spent on the service, which promotes transparency and accountability.

The available funding sources for operating costs include:

- User charges
- Grants, sponsorship, subsidies and other income
- Investment income
- Financial contributions
- Reserve funds
- Rates
 - General rate
 - Targeted rates

Each funding source and how Council prefers to use that funding source for operating expenses is described in detail in the Revenue and Financing Policy and is applied in this analysis.

Table 2: Consideration of legal requirements for operating expenses

Headings -s.101(a) reference	Matters Council might consider
Community outcomes - s.101(3)(a)(i)	Council determines how its vision objectives ⁴ are achieved for each activity. Council has not established a link between its vision objectives and funding requirements for an activity.
Distribution benefits - s.101(3)(a)(ii)	<p>The distribution of benefits is given great consideration by Council, reflecting its area of benefit preference to funding sources for an activity.</p> <p>Determining benefit is not scientific⁵, is very subjective and is for Council to determine.</p> <p>Council looks at many options before it determines the appropriate funding sources for each activity.</p> <p>Council may choose to target those people or organisations which Council has concluded derive a greater benefit. This may be done through user charges or targeted rates on parts of the community.</p>

⁴ Council has adopted its vision objectives as its community outcomes.

⁵ As concluded by Richardson P in the Court of Appeal decision on *Wellington City Council v. Woolworths NZ Ltd and others* (1996). *"The very complexity and inherent subjectivity of any benefit allocation for these specified outputs points away from using relative benefit as a definitive criterion."*

Headings -s.101(a) reference	Matters Council might consider
Period of benefit- s.101(3)(a)(iii)	<p>For most operational expenses the benefit is received in the year the expense is incurred.</p> <p>For most activities Council cash funds depreciation (an operating expense) from revenue sources and places those funds into a reserve fund for the future renewal of assets.</p> <p>Some operational expenses may have a benefit over multiple years and so Council may choose to fund the activity over that period. Elections are an example of this where Council has determined that although the elections occur in one financial year the benefit exists for 3 years. Reserve funds are used to achieve this.</p>
Who creates the need- s.101(3)(a)(iv)	<p>Some things Council must do because the actions or inactions of individuals or groups create the need to undertake the activity.</p> <p>Council may choose to target these people or organisations through fines, charges or rates.</p>
Separate funding- s.101(3)(a)(v)	<p>Council must consider the practicalities of separate funding along with transparency and accountability.</p> <p>In some cases while it may be desirable to charge individuals there may be no practical way of doing so.</p> <p>For all activities Council is able to easily identify what proportion of operational expenses is recovered from each funding sources. In the case of rates Council is able to inform individual ratepayers of their rates contribution to each activity.</p>

Analysis for operating costs by activity

Appendix One analyses each activity against the requirements of section 101(3)(a).

FUNDING SOURCES FOR CAPITAL COSTS

Capital costs are those costs associated with the purchase and improvement of assets and for the repayment of debt. The funding sources for capital costs include:

- User charges
- Grants, sponsorship, subsidies and other income
- Investment income
- Financial contributions
- Reserve funds
- Development contributions
- Proceeds from the sale of assets and lump sum contributions
- Borrowing
- Rates
 - General rate
 - Targeted rates

Each funding source and how Council prefers to use that funding source for capital expenditure is described in detail in the Revenue and Financing Policy and is applied in this analysis.

Analysis for capital costs by activity

Council will fund capital costs on the same basis as determined by the operating costs funding policy, unless Council resolves otherwise. Such a resolution will follow the funding guidelines and in doing so will be considered to be consistent with this policy and not require amendment to the policy. Existing projects (projects resolved prior to 30 June 2015) will be funded according to the Annual Plan, Long-term Plan or other resolution at the time of Council approving the project. It is not practicable to determine a funding policy for an unknown future project at this time.

Council uses the following guidelines when considering the funding of capital projects:

- A Funding Needs Analysis will be completed.
- All projects are first funded from grants, subsidy or other income.
- Renewal projects that maintain the same service level are then funded from reserve funds set aside for that purpose.
- Reserve funds for other purposes (e.g. financial contributions) are considered.
- Lump sum rating options are considered.
- Projects that have exhausted previous funding sources or are for new or increased service levels or for growth in non-network infrastructure are then funded from debt.

A single project may have a mix of each of these funding options.

Generally it is not practical to create separate funding policies for each and every capital project. Council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity. Whenever Council resolves to consider funding for a capital project Council will consider the sources of funds above and the guidelines for applying those to a capital project. Generally Council will resolve the funding policy at the time the project is proposed in an Annual Plan or Long-term Plan. In undertaking this assessment it shall have regard to the matters in table three.

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Table 3: Consideration of legal requirements for capital expenses

Headings -s.101 reference	Matters Council might consider
Community outcomes - s.101(3)(a)(i)	A capital project is expected to contribute to the vision objectives ⁶ in the same way as the activity in which it is funded, unless Council resolves otherwise.
Distribution benefits - s.101(3)(a)(ii)	<p>The distribution of benefits is expected to be the same as that for the operating costs of the activity in which it is funded, unless Council resolves otherwise.</p> <p>Council may choose to target those people or organisations who primarily benefit through financial contributions, lump sum options or targeted rates.</p>
Period of benefit- s.101(3)(a)(iii)	For most capital projects the benefit is received over the life of the asset. Council will have regard to the equitable distribution of costs to each generation for the building and renewal of the asset. For example this may result in Council not funding asset renewal while still funding debt.
Who creates the need- s.101(3)(a)(iv)	<p>Some things Council has to do because the actions or inactions of individuals or groups create the need to undertake the activity.</p> <p>Council may choose to target these people or organisations through financial contributions or targeted rates.</p>
Separate funding- s.101(3)(a)(v)	<p>Council must consider the practicalities of separate funding along with transparency and accountability.</p> <p>In some cases while it may be desirable to charge individuals there may be no practical way of doing so.</p> <p>For many smaller capital projects it is not practical to have a separate funding policy. Where Council does not resolve otherwise a capital project will be funded in accordance with the funding mechanism adopted for the operating costs in the activity in which it is funded.</p>

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⁶ Council has adopted its vision objectives as its community outcomes.

OVERALL IMPACT FUNDING CONSIDERATIONS

Council is required by section 101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the community. It allows Council, as a final measure, to modify the overall mix of funding in response to these considerations.

1. Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years for the purpose of smoothing the cost to users and ratepayers.
2. While an unbalanced budget is neither prudent nor sustainable in the long term, Council may choose to not fund some operating costs in the short term:
 - a. In order to phase costs and set rates at affordable levels.
 - b. Where short term expenditure [projects] is expected to deliver long term savings
3. Council may waive or discount fees and charges where it considers it appropriate to do so. Some matters Council may consider in deciding whether it is appropriate to waive fees are for social reasons, for the promotion of events and facilities, for commercial reasons or to compensate for poor service.
4. Council may remit rates where it considers it appropriate to do so and as documented in the Rates Remissions Policy. These policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (e.g. additional or no provision of some services).
5. Council having determined to use a differentiated rate will modify the differentials to adjust the rate for different rating categories. This adjustment takes account of the matters raised in paragraph two of the introduction to this policy.

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ACTIVITY FUNDING NEEDS ANALYSIS – OPERATING COSTS

Appendix One lists each activity⁷ and documents Council's assessment of the components of section 101(3)(a) for that activity. Table two list the matters Council might consider under each part of the section.

Funding Bands

After considering the section 101(3)(a) components, Council considers to what extent each of the funding sources is able to fund each activity. This policy is intended to be in place for the next three years before it is reviewed and because things change over time, it is not possible to precisely determine the percentage allocated. For this reason Council has decided to band the percentages into the categories listed in table four.

The assessment in Appendix One identifies the most likely sources of income an activity is budgeted to earn. In all case rates funds the balance of the activity after all other sources have been maximised. It is likely that from time to time Council will be able to secure additional funding that may be become available.

Council budgets will normally be set within these ranges. As these ranges are expressed as a percentage of the cost of the activity they may change over time because of changes in expenditure rather than changes in revenue. If budgets were marginally outside these ranges, it is unlikely that Council will consider that matter to have a high degree of significance and therefore warrant a consultation to change the Revenue and Financing Policy. It is also likely that actual funding sources will be different from budgeted funding sources.

Table 4: Funding Bands

Name	Percentage Range
Unlikely	0%
Minimal	0% - 20%
Low	20% - 40%
Moderate	40% - 60%
High	60% - 80%
Most	80% -100%
All	100%

Funding Sources and Rationale

This column of Appendix One identifies which of the funding sources Council plans to use in budgeting to fund the operating costs of each activity. It is determined by Council after consideration of each clause of section 101(3)(a).

As the assessment of the funding sources is a complex matter of weighing up the requirements of section 101(3)(a) with the available sources and Council's preferences for using these sources. The final choice of funding sources is subjective. Therefore Council has documented its rationale for choosing the funding source.

The funding source for an activity may be modified by Council when Council considers the requirements of section 101(3)(b). If this has occurred it is considered as part of the overall funding considerations section of this policy.

⁷ For a description of each activity see the Long-term Plan.

APPENDIX ONE: ACTIVITY FUNDING NEEDS ANALYSIS – OPERATING COSTS

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Leadership:							
Democracy	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Involving the community and stakeholders. • Delivering core services that meet community expectations and demonstrate value and quality. • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	The activity supports the decision-making function of the Council and therefore benefits the community as a whole.	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced for election costs, which is largely spent on the triennial elections.</p>	The number of elected representatives is determined by government.	Council considers that there is little benefit of separately funding this activity.	<p>MOST General rates</p> <p>MINIMAL Grants and subsidies User charges</p> <p>UNLIKELY All other funding sources.</p>	<p>The benefits of this activity are available to the whole community; the majority of electors are ratepayers.</p> <p>It is not appropriate to charge electors. Incidental revenue is received in the form of donations and certain election expenses are recovered.</p> <p>Spreading the funding for elections aligns with the benefit of being able to democratically elect representatives.</p>
Corporate Services	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Involving the community and stakeholders. • Delivering core services that meet community expectations and demonstrate value and quality. 	The activity supports the decision-making function of the Council and therefore benefits the community as a whole.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	The actions of most individuals or groups have a minor impact on this activity.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	<p>MOST General rates.</p> <p>MINIMAL User charges</p> <p>UNLIKELY All other funding sources.</p>	<p>The benefits of this activity are available to the whole community.</p> <p>There is some opportunity to raise funding from recovery of costs for services directly provided to customers and clients.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Council Controlled Organisations	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Involving the community and stakeholders. Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The activity supports the investment in the Council owned and/or controlled companies which provide services and financial returns for the benefit of the whole community.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a minor impact on this activity.</p>	<p>Council considers that there is little benefit of separately funding this activity.</p>	<p>ALL Investment Income.</p> <p>UNLIKELY All other funding sources.</p>	<p>The benefits of this activity are available to the whole community.</p> <p>Council Controlled Organisations are expected to be self-funding and to provide a return to Council</p>
Planning and Regulatory Services:							
Inspections & Compliance	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>Individuals that apply for consents, licenses and use other services in this area directly drive the majority of the costs.</p> <p>Services within this activity also provide for the safety of the public.</p> <p>Information is supplied to the public through inquiries.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Primarily to individual users. Partly to the district as a whole. 	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a minor impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>HIGH User charges.</p> <p>LOW General rates</p> <p>UNLIKELY All other funding sources.</p>	<p>User charges are favoured for those that apply for consents, license and other services.</p> <p>It is not practical to set charges at a level to get full cost recovery for the activity. This also recognises that there is some benefit to the wider community from these services.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Resource Management	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Involving the community and stakeholders. • Delivering core services that meet community expectations and demonstrate value and quality. • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>Individuals that apply for consents and use the other services in this area are the predominant beneficiaries of this activity. Through their actions they directly drive the majority of the costs.</p> <p>These resource consent activities also provide benefit to persons other than the applicant such as future owners and occupiers of the land (a property-based benefit). There is also a person based benefit in relation to the information that is supplied to the public through inquiries.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> • Primarily to individual users. • Partly to the district as a whole in support of the community outcomes. 	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>MOST General rates</p> <p>MINIMAL User charges</p>	<p>A user charge recognises the benefits to people who apply for resource consents.</p> <p>The use of general rate to recover the public good recognises that the benefits are to the whole district.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Emergency Management & Rural Fire	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>Civil defence and rural fire activities are provided for the benefit of all the people in the district as anyone can be affected by an emergency event. Rural fire units support the NZ Fire service in the event of major fires</p> <p>Civil defence emergency may be initiated in response to threats to life or property.</p> <p>The benefits are expected to accrue primarily to the district as a whole.</p>	<p>The benefit of operating costs is in having plans in the event of an emergency at some time in the future.</p> <p>The annual operating costs ensure there are up to date plans and staff and volunteers are trained. Costs are incurred in the year the funding is sourced. Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of individual and groups can have a significant impact in this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>MOST General rates</p> <p>MINIMAL Subsidies</p> <p>UNLIKELY All other funding sources.</p>	<p>In the event of an activation or fire Council may be entitled to subsidies for some civil defence / fire costs such as welfare.</p> <p>The costs of fighting some fires may be recoverable. Council does not budget for this income or the expense related to the possibility of a fire occurring.</p> <p>The planning for an emergency benefits the whole community and is fully rate funded.</p>
Animal Control	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>Dog registration is a service that benefits dog owners by allowing legal ownership of dogs and enabling impounded dogs to be traced to their owners.</p> <p>Dog ranging, pound keeping and response to animal complaints are activities that protect the public from the negative effects of the actions or inactions of dog owners.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Primarily to individual users. Partly to the district as a whole. 	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The allocation of charges is modified on grounds of fairness and equity to recognise that the costs of controlling the negative effects of the actions or inactions of animal owners should be borne by those owners.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>MOST User charges</p> <p>MINIMAL General rates</p> <p>UNLIKELY All other funding sources</p>	<p>User charges recognise that the benefits of registration activities are to dog owners and the costs of responding to complaints about dogs and wandering stock are driven by the actions or inactions of animal owners.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Community Services:							
Community Development & Assistance	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>All the people in the district enjoy access to the services funded by way of grants. Some services are located in specific communities but the activities funded are spread across the district. Any person meeting the criteria may make application for a grant. The grants are for services that are, in the main, non-excludable.</p> <p>The benefits are expected to accrue primarily to the district as a whole in support of the community outcomes.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a minor impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>HIGH Targeted rates</p> <p>LOW General Rates</p> <p>MINIMAL Grants and subsidies</p> <p>UNLIKELY All other funding sources.</p>	<p>This activity includes grants administered on behalf of others. This shows as an income and expense.</p> <p>Funding for the grants to Glacier Country Promotions comes from the Franz Josef Glacier and Fox Glacier Community rates.</p> <p>Funding for the grants to the Regent Theatre and Enterprise Hokitika come from the Hokitika Community rate.</p> <p>This remainder is a people based activity which is funded evenly across the district.</p>
Community Halls	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>Community halls provide a venue for community activities for those in the local area. Generally each hall can be used by only one group at a time.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Primarily to the local area supporting the community hall / centre. 	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of some individuals or groups have some impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>HIGH Targeted rates</p> <p>LOW General rate</p> <p>MINIMAL User charges</p> <p>UNLIKELY All other funding sources.</p>	<p>Most halls using council funds are operated by local committees under delegation. Not all halls are owned by Council. Local committees retain any small amounts of income they earn separate from Council. Council does receive direct income for some halls (e.g. 3 Mile Hall)</p> <p>Targeted hall rates recognise the benefit from the activity is focussed mainly on the rating area in which the hall is used.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Township Development Fund	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>Each Community chooses the extent of funds it wishes to raise for local projects.</p> <p>The benefits are expected to accrue primarily to the local community as a whole.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a minor impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>MOST Targeted rates</p> <p>MINIMAL Grants and subsidies General Rate</p> <p>UNLIKELY All other funding sources.</p>	<p>This is a discretionary activity determined by each community.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Leisure Services & Facilities:							
Library	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The primary benefit from libraries is to those that borrow and use library material and resources.</p> <p>The residents of the Hokitika ward enjoy greater access to the main library; however, the network of branches means that the other areas enjoy ready access to the service at a lower level.</p> <p>The districts residents are enriched by the preservation of collections of regional significance and the contribution of the library to a well-informed and literate community.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Partly to individual users. Partly to the district as a whole. 	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	The actions of most individuals or groups have a minor impact on this activity.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	<p>MOST General rates</p> <p>MINIMAL User charges, bequests, grants, sponsorship and subsidies</p> <p>UNLIKELY All other funding sources.</p>	<p>The individual benefit component of library activities is recovered through user charges, and fines.</p> <p>High levels of user charging results in less use of the services. User recovery is also constrained by s.142 of the LGA.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Museum	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The museum activity provides exhibitions and collections for exploration by visitors and researchers.</p> <p>The residents of Hokitika enjoy proximity to the museum.</p> <p>The museum attracts visitors to Hokitika which benefits local businesses.</p> <p>The district as a whole has a collective sense of history due to preservation of collections of regional significance and the contribution of the museum to the regional visitor and tourism economy.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Partly to individual user. Partly to the district as a whole with recognition to proximity. 	<p>The benefit of most operating costs is expected to accrue in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have a minor impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>MOST General rates</p> <p>MINIMAL User charges, bequests, grants, sponsorship and subsidies</p> <p>UNLIKELY All other funding sources.</p>	<p>A high level of user charging is not cost effective and will limit access. However, some costs are recovered through donations, retail sales, and fees for use of the facilities.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Swimming Pools	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The primary benefit from the swimming pools is the use of the pools for recreation, sporting, educational, and water safety purposes with the greatest access enjoyed by local residents.</p> <p>Visitors use the Hokitika Swimming Pool which benefits businesses in the area.</p> <p>The community enjoys access to a facility to improve fitness, health and water safety.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Primarily to individual users. Partly to the local community where the pool is located. 	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have some impact on this activity. There is a correlation between the numbers of people using the pool and operating costs.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>HIGH Targeted rates</p> <p>LOW User charges</p> <p>UNLIKELY All other funding sources.</p>	<p>User charges are made for casual recreation use, fees for recreation programmes, swim school, and retail sales at the Hokitika Swimming Pool.</p> <p>User charges do not fully recover the cost of the individual benefit and rates funding is required ensure cost effective access to this service can be provided.</p> <p>The use of targeted rates recovers costs not recovered through user charges from the local community rate.</p> <p>The Ross Swimming Pool operational review is held by the Ross Community Association and Council funds the costs agreed with the community in the local community rate.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
i-Site	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The benefit from these services is to individual visitors, businesses and the district as a whole.</p> <p>It benefits businesses involved in tourism and the wider economy with increased foot traffic entering the district - buying goods and services. Thriving business also ensures employment.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Businesses as a group receive some benefits however these have a wide flow on effect in the community. Partly to individuals. 	<p>The benefit of operating costs is expected to accrue in the year the funding is sourced.</p>	<p>The actions of many individuals and groups have an impact on tourism.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>MODERATE Targeted rates User charges</p> <p>UNLIKELY All other funding sources.</p>	<p>The services provided by the i-Site are partially funded from charging directly for commissions, sales and advertising.</p> <p>The benefits of tourism accrue mostly to businesses.</p>
Parks & Reserves	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The activity provides a district wide landscape amenity created by maintaining green space and street beautification (including playgrounds and sports grounds).</p> <p>The benefits are expected to accrue primarily to the district as a whole.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have some impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>MOST Targeted rates</p> <p>MINIMAL Reserve funds Financial contributions User charges</p> <p>UNLIKELY All other funding sources.</p>	<p>There is no practical way to collect revenues from some individual benefit across this activity.</p> <p>Local residents enjoy the benefits of landscape amenity in their locality.</p> <p>Council may use the financial contributions reserve funds for some operating expenses, generally of a project nature. Some rents are received.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
West Coast Wilderness Trail	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The benefit from these services is to individual visitors using the trail, businesses and the district as a whole.</p> <p>It benefits businesses involved in tourism and the wider economy with increased foot traffic entering the district - buying goods and services. Thriving business also ensures employment.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Businesses as a group receive some benefits however these have a wide flow on effect in the community. Partly to individuals. 	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of many individuals and groups have an impact on tourism.</p> <p>A condition of being part of Nga Haerenga –The NZ Cycle Trail is that users cannot be charged for using the trail.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>ALL Targeted Rates</p> <p>UNLIKELY Other funding sources yet to be confirmed.</p>	<p>This is a new and developing activity with revenue and costs yet to develop an established pattern.</p> <p>New revenue streams are being sought to recognise individual benefits.</p> <p>The benefits of tourism accrue mostly to businesses.</p>
Public Toilets	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>Mainly visitors and those away from their home use public toilets, generally in support of leisure pursuits, tourism and commercial businesses (in urban areas).</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Primarily to individual users. Partly to the district as a whole. 	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have a minor impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>ALL General rates</p>	<p>There is no practical way of charging for the use of public toilets.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Land & Buildings	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The primary benefit from property is the use of the property by tenants, be they Council or commercial. This activity is a private good.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Primarily to individual users Partly to the district as a whole. 	<p>Property benefits could accrue over a number of years as a result of some costs. However, the benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a minor impact.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>MOST General rates</p> <p>MINIMAL Investment income, User charges</p> <p>UNLIKELY All other funding sources.</p>	<p>This activity has changed significantly with the transfer of assets from Westland District Properties Ltd back to Council. Cost and revenue patterns are yet to settle, which affects the ratios for funding sources.</p> <p>The benefits accrue primarily to users who pay for the service provided by way of rents, lease, licenses etc.</p> <p>Funding for Custom House, RSA Memorial Hall, Carnegie Building and the Band rooms comes from the Hokitika community rate.</p> <p>Assets sale income, unless otherwise resolved by Council is used to reduce debt.</p>
Cemeteries	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The provision of burial facilities and services is for individuals.</p> <p>The district in turn has available green space, protecting public health by ensuring the safe disposal of human remains, and in maintaining cemeteries and cemetery records for future generations to locate their ancestor's burial plot/site.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Partly to individual users. Partly to the district as a whole in support of the community outcomes. 	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of some individuals or groups have some impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>MOST General rates</p> <p>MINIMAL User charges</p> <p>UNLIKELY All other funding sources.</p>	<p>Individuals pay user charges for the initial acquisition and use of a burial site (burial fees and plot charges).</p> <p>The community pays for the on-going maintenance of that site.</p> <p>The wider district elements are collected from the uniform annual general charge as the activity is considered people based.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Elderly Housing	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>Tenants primarily benefit from community housing</p> <p>Council's objective for the community housing activity is that it should be self-funding and not be subsidised by rates.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Primarily to individual users. Partly to the district as a whole in support of the community outcomes. 	<p>The benefit of operating costs is expected to occur in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	The actions of most individuals or groups have a minor impact on this activity.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	<p>MOST User charges</p> <p>MINIMAL General rates Reserve funds</p>	<p>Rents are at or near market value and set in accord with the Community Housing Policy.</p> <p>Council policy requires that any operational surpluses or deficits from this activity be placed into a community housing reserve to fund capital commitments and possible future community housing developments.</p> <p>Council recognises that at times this activity may not be self-funding. If no reserves are available then any short fall will be funded from rates. This funding will be recovered across the district as a whole on a capital value basis.</p>
Wild Foods Festival	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The benefit from this event is to individual visitors, businesses and the district as a whole.</p> <p>It benefits businesses involved in tourism and the wider economy with increased foot traffic entering the district - buying goods and services. Thriving business also ensures employment.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Primarily to individuals and businesses however these have a wide flow on effect in the community. 	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	The actions of many individuals and groups have an impact on tourism.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	<p>MOST User charges</p> <p>MINIMAL Grants, sponsorship and subsidies General rates</p> <p>UNLIKELY All other funding sources.</p>	<p>The festival is generally expected to run at a surplus with income generated from sponsorship, grants,</p> <p>The benefits of tourism accrue mostly to businesses.</p> <p>Any surplus is used to reduce the general rate.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Infrastructure:							
Transportation	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The roading network serves the whole district and everyone benefits directly in their personal use and indirectly through the supply of goods and services to businesses.</p> <p>The benefits are expected to accrue primarily to individual users and the district as a whole.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding for the local share of asset renewal is sourced from the rating for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed using a reserve fund.</p>	<p>There is an impact of the actions or inactions of others.</p> <p>Costs are driven by traffic volumes and size. Large vehicles, wear roads out more quickly than motorcars.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>MODERATE Subsidy General rates</p> <p>UNLIKELY All other funding sources.</p>	<p>While there is an individual benefit to using the roading network there is no practical means available to charge for this. Subsidies sourced from New Zealand Transport Agency (NZTA) are funded from licensing revenue that represents some element of user pays, particularly in the case of Road User Charges, which is based on road kilometres travelled. Council also receives a minimal amount of regional petrol tax.</p> <p>Council maximises the amount of subsidy for the level of spending it approves.</p> <p>The whole district benefits from the roading network.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Water Supply	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The primary benefit from water supply is to consumers in the supply area. The consumption of water is a private good.</p> <p>Good quality water improves health and minimises disease for the benefit of the whole community.</p> <p>The use of water for fire-fighting purposes may benefit properties that are not connected to a scheme, and, in the event of a fire, this benefit is principally a private good.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Primarily to individual users Partly, the whole community gets a benefit in terms of health protection. 	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have a minor impact.</p> <p>Westland Milk Products Ltd has specific requirements for their connection to the network which require specific consideration.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>ALL Targeted rates.</p> <p>UNLIKELY All other funding sources.</p>	<p>Those who (either directly or indirectly) benefit should pay.</p> <p>The cost of introducing a user pays system across all connected users is impractical due to cost of installing and reading meters.</p> <p>Most users are homogenous in their consumption and a targeted rate per connection or nature of connection approximates this in a practical way.</p> <p>There are some water users where charging based on actual quantities is practical due to the location, size or the use of the property. Their share of costs is recovered by way of targeted water meter rates.</p> <p>The cost of water is equalised across all non-metered connections within the district. This has the effect of sharing the benefit Hokitika receives from having Westland Milk Products on its network.</p> <p>Westland Milk Products will for 5 years pay an additional targeted rate to cover Council's finance costs (both interest [an operational cost] and principal [a capital cost]).</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Wastewater	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The collection, treatment, and disposal of wastewater are primarily a private benefit for people whose properties are connected to the schemes.</p> <p>The protection of the environment is a benefit to the serviced communities.</p> <p>The benefits are expected to accrue primarily to individual users and businesses.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>A small number of heavy commercial producers have an adverse impact greater than most users.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>MOST Targeted rates.</p> <p>MINIMAL User charges.</p> <p>UNLIKELY All other funding sources.</p>	<p>In most cases it is not practicable to measure the quantity of each individual's contribution to the waste water system.</p> <p>Those who (either directly or indirectly) benefit should pay. A uniform targeted rate per pan approximates this in a practical way.</p> <p>There are some large producers or producers of abnormal waste water where direct charging is required by the Trade Waste Bylaw in addition to the targeted rate. Their share of costs is recovered by way of trade waste user charges.</p> <p>The cost of wastewater is equalised across all connections within the district.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Stormwater	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The collection and disposal of stormwater are primarily a community benefit in serviced communities.</p> <p>This benefit extends to the wider community as it includes protection of the environment and an accessible roading network.</p> <p>Some individual properties or groups of properties benefit from not being flooded.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> To individual properties The whole community 	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have a minor impact</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>ALL Targeted rates.</p> <p>UNLIKELY All other funding sources.</p>	<p>There is no practical way to charge individuals or groups for their private benefit.</p> <p>Those who (either directly or indirectly) benefit should pay. Reticulated stormwater networks are funded from local community rates.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Solid Waste	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>This activity primarily benefits the individuals and business that through their actions create the residual waste. They receive the primary benefit of having a means to dispose of this waste.</p> <p>There are some benefits to the whole community in having this service available.</p> <p>The whole community benefits from action in this area to minimise the negative impacts of waste.</p> <p>Individuals and businesses benefit directly from having waste and recycling collected from properties.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Primarily to individual users Partly to the district as a whole 	<p>The benefit of most operating costs is expected to occur in the year the funding is sourced.</p> <p>Annual funding for landfill aftercare is sourced from revenue that may be spent partially in the current year and probably in future years. This is managed using a provision.</p>	<p>This activity is only required due to the act of creating waste.</p> <p>Those who create the waste are individuals and business.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>LOW User charges Targeted rates General rates</p> <p>MINIMAL Reserve funds</p> <p>UNLIKELY All other funding sources.</p>	<p>The actions of individuals or groups (largely business) create the need to have this activity.</p> <p>The user charges at landfills and transfer stations (where Council provides the services), and part of the rate for refuse collection will partially fund the cost of disposal. These charges are currently higher than neighbouring councils and further increasing them creates other adverse consequences such as increased fly tipping.</p> <p>High user charges may help those who create the waste recognise the cost of their actions and encourage waste reduction.</p> <p>Kerb-side refuse collection provides a high level of service that all residents on the route have access to. A targeted rate appropriately recognises this benefit.</p> <p>There is also a small benefit to the whole community of this activity.</p>

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RATING POLICY 2015/16

The purpose of this document is to support the Funding Impact Statement by setting out detailed rating policies applied by Council in order to determine the rates liability of a property.

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12. Disputes

Introduction

The setting of rates is a complex process.

Council must comply with the requirements of the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002 (LGRA).

In doing so, and in order to set a lawful rate, Council must:

- Have completed a s.101(3) analysis (see Funding Needs Analysis)
- Adopted a Revenue and Financing Policy (see the Long-term Plan)
- Adopted a Funding Impact Statement (see either an Annual or Long-term Plan)
- Adopt an Annual or Long-term Plan.

- Adopt a rates resolution, consistent with everything above.

The requirements of cl.15 of Schedule 10 of the LGA, and its relationship to the LGRA, can be interpreted in several ways. Council believes the Funding Impact Statement to comply with those requirements. It may be interpreted that the requirements for cl.15 to go further than disclosed in the Funding Impact Statement. Should that be the case then those requirements are met by this Rating Policy.

Calculation of Uniform Annual General Charge

Council has determined to calculate the Uniform Annual General Charge (UAGC) to the maximum allowed in accordance with the formula stipulated under s.21 LGRA. This formula limits the UAGC and some other targeted rates to 30% of total rates revenue. Westland has no "other targeted rates" that are included in the calculation.

A UAGC is charged to every rating unit.

Description of General Rate and Community Rate Differentials

The following rates are rated differentially based on the use to which the land is put.

- General rate
- Community rates for:
 - Kumara
 - Hokitika
 - Ross
 - Harihari
 - Whataroa
 - Franz Josef Glacier
 - Fox Glacier
 - Haast

The LGRA Schedule 2 allows councils to rate based on the location of the land and the use to which the land is put. Each Council is able to define that use and rate based on that use. A property may be described under different rates as having different uses.

Council has determined the following rating use categories will be used for the differential categories for the general rate and each community rate:

Differential Category	Differential Description
Residential	<p>a) Land not identified as commercial, rural, rural residential or services (properties as defined by Schedule 1, LGRA that receive only charges for services. and either:</p> <ul style="list-style-type: none"> - located in Kumara, Hokitika, Kaniere, Ross, Harihari, Whataroa, Franz Josef Resort, Franz Josef, Fox Glacier or Haast and has a District Plan zone of residential, residential mixed, coastal settlement, small settlement, tourist; or - land containing used for a residential purpose with a District Plan zone of rural and connected to a reticulated Council township water supply and less than 5ha; or - Land predominantly used for a residential purpose with an industrial/commercial or tourist District Plan zone; - Land located at Seaview that is not used for a commercial purpose. <p>b) A residential purpose is land that is primarily used for the purposes of residential accommodation in a dwelling, apartment or institutional home, not more than 5 extra</p>

	people are boarding with the residents, and no persons are employed or contracted other than for the purposes of caring for residents or boarders.
Rural Residential	<p>a) Land not identified as commercial, rural or services and either:</p> <ul style="list-style-type: none"> - located in Sanctuary Place, Arahura, Lake Kaniere, Woodstock, Rimu, Kokatahi, Ruatapu, Okarito, Bruce Bay, Okuru, Hannahs Clearing, Neils Beach and Jackson Bay and has a District Plan zone of coastal settlement, small settlement, tourist; or - land containing a dwelling with a District Plan zone of rural and less than 10ha.
Commercial	<p>a) Any land used for a commercial purpose and any land in an industrial/commercial or tourist zone unless it is identified used for a residential, services or rural purpose.</p> <p>b) A commercial purpose is land that is used for the purposes of the sale of food, services and other commodities (excluding those identified as rural) and merchandise or the provision of services or professional advice.</p> <ul style="list-style-type: none"> - For example this includes taverns, restaurants, utility networks, electricity generation activities, agricultural contractors, mineral processing (not extraction), timber milling (not felling), intensive farming or horticulture, manufacturing, tourism activities and accommodation. - Council will identify commercial purposes where advertising of the commercial activity is undertaken. Advertising includes: signage on or near the property, on vehicles, in print, radio, TV or other media, on websites or other electronic media or by direct mail. Commercial does not include any part of rural zoned land that meets the definition of rural purpose. - Commercial purposes does not include small hobbies, sale of personal items or the occasional provision of services from a home where only one person is involved in the activity and no other persons are employed or contracted and turnover is assessed as minimal and incidental to the household income. <p>c) Any residential or rural zoned land used for commercial purposes. Where a rating unit has more than one use, a division of the rating unit will be undertaken.</p>
Rural	<p>a) Any land used primarily for rural purposes and any land in a rural zone unless it is identified used for a residential, services or commercial purpose.</p> <p>b) A rural purpose is land that is used for the purpose of agricultural, forestry and mining exploration and extraction activities. It includes mineral valuation assessments. An agricultural activity is land used for the primary purpose of producing livestock or vegetative matter and includes horticultural and pastoral farming. It does not include rural zoned land where 75% of the rating unit is covered and used for intensive farming or horticulture. These are considered commercial use for rating purposes.</p> <p>c) Residential, Commercial, Industrial and Tourism zoned land with an area of greater than 4ha used exclusively for rural purposes. Where a rating unit has more than one use, a division of the rating unit will be undertaken.</p>

Having determined the rating differential categories Council determines the differentiation factor for the different categories. The 2015/16 differential factors are:

Rate	Differential Category	Differential Factor	Rate	Differential Category	Differential Factor
General rate	Residential	1.00			
	Rural Residential	0.80			

	Commercial	1.88			
	Rural	0.75			
Kumara community rate	Residential	1.00	Whataroa community rate	Residential	1.00
	Rural Residential	0.97		Rural Residential	0.90
	Commercial	1.06		Commercial	1.10
	Rural	0.97		Rural	0.90
Hokitika community rate	Residential	1.00	Franz Josef Glacier community rate	Residential	1.00
	Rural Residential	0.50		Rural Residential	0.90
	Commercial	1.57		Commercial	2.72
	Rural	0.90		Rural	0.90
Ross community rate	Residential	1.00	Fox Glacier community rate	Residential	1.00
	Rural Residential	0.98		Rural Residential	0.90
	Commercial	1.10		Commercial	2.07
	Rural	0.98		Rural	0.90
Harihari community rate	Residential	1.00	Haast community rate	Residential	1.00
	Rural Residential	0.96		Rural Residential	0.92
	Commercial	1.13		Commercial	1.09
	Rural	0.96		Rural	0.92

RatEs based on location

Council has established a number of rates where location is one of the matters used to define a category of rateable land. Rating boundaries have been drawn with the intention of encompassing whole rating units. Should a boundary split a rating unit Council will rate the property based on the predominate use of the property.

The following areas have been determined:

- Community rating zones
- Hokitika Promotions rate area.

Maps showing these areas are contained in Appendix 1.

Water and Sewerage Availability RATES

Council charges water and sewerage rates to rating units that Council determines are able to be connected to the water or sewage systems.

Divisions

Council will undertake the division of rating units when a property has more than one use (as defined for differential rating). The legislation provides that it is Council's responsibility apportion the differential categories.

A division will create a new rating unit, with a letter being appended to the valuation number.eg. 2541096401C. The division will be calculated using one of the following methods:

- By Agreement.
 - Council and the land owner will assess the area of the rating unit used for each purpose and will apportion the rateable value according to that ratio. This agreement will be in writing signed by the owner(s) and Council, a copy held by both parties. The ratio will be reviewed and reapplied at each revaluation.
- By Council's Valuer.
 - Where Council and the owner cannot agree the value, Council will request a formal valuation of the parts from Council's rating valuer. The cost of the valuation undertaken by Council's valuer will be charged to the property owner.

Payment Methods¹ and Places

Rates will be invoiced quarterly on the following due dates of each year² or the first working day thereafter:

- 31 August
- 30 November
- 28 February
- 31 May

Monthly and fortnightly payment options will be available by arrangement with Council staff, to help customers avoid cash flow difficulties.

Rates may be paid by any of the following methods:

- Cash
- EFTPOS
- Automatic payment
- Cheque
- Internet Banking
- Credit Card
- Direct debit

Rates may be paid at Customer Service Centres:

- Westland District Council Headquarters, 36 Weld Street, Hokitika between the hours of 8.30am to 5.00pm Monday to Friday.

Any payments received for rates are applied to the oldest debt first.

Minimum Economic Rate

Council will not collect the rates payable on a rating unit if the sum of those rates is so small as to be uneconomic to collect³. Council has determined that it is uneconomic to collect rates owing on any rating unit of less than \$10.00 (including GST) per annum.

POLICY FOR Early Payment of Rates IN the Current Year

A discount of 2.5%, calculated on total assessed rates in the current year less adjustments and remissions, will apply when all due rates are paid in full (which includes current rates and any outstanding rates and penalties from prior years). The total amount must be paid by the due date for payment of the first instalment being 31 August of each year.

¹ The methods of payments are required by s.45 LGRA to be listed in the Rates Assessment

² These dates are set each year in the rates resolution as required by s.24 LGRA

³ S.54 LGRA

Rates Penalties

Council must set its rates penalties as part of its rates resolution⁴.

Generally Council will resolve the following penalties:

1. A 10% penalty is added on the next business day to so much of any instalment not paid by due date.
2. A 10% penalty will be added to rates that remain unpaid from previous years. This will be added on 1 July of each year, or 5 working days after Council has passed the rates resolution (whichever is the later).
3. A further 10% penalty will be added to rates that remain unpaid from previous years. This will be added 6 months after the penalty made in 2 above.

Council notes that the penalties imposed under 2 and 3 above amount to the equivalent of 21% per annum as each subsequent penalty is on the full amount outstanding including previous penalties.

Any payments received for rates are applied to the oldest debt first.

Public Availability of Information

Council will charge a fee for supplying any person with a copy of information from the rating information database.

The fee for this is shown in Council's Fees and Charges.

Disputes

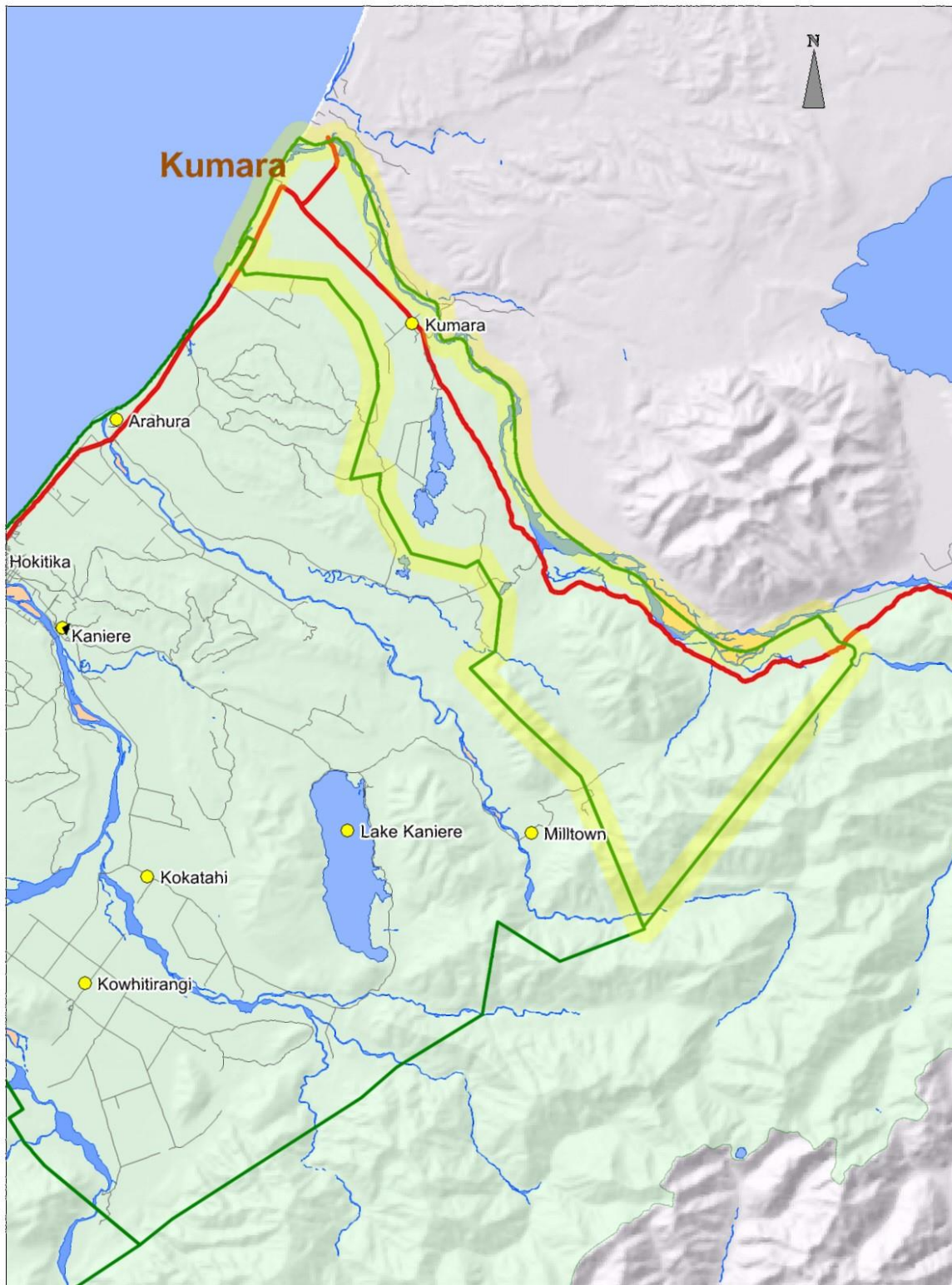
Objections to the Rating Information Database and rates records will follow the rules laid down by s.29 and s39 of the Local Government (Rating) Act 2002. Any dispute over the application of any of these rating policies that cannot be resolved through liaison with officers, must be made in writing to the Chief Executive. Should the Chief Executive be unable to reach agreement with the ratepayer the matter shall be decided by Council or any such committee or sub-committee it so delegates.

⁴ Penalties are set each year in the rates resolution as required by s.58 LGRA

Appendix 1: Rating Maps

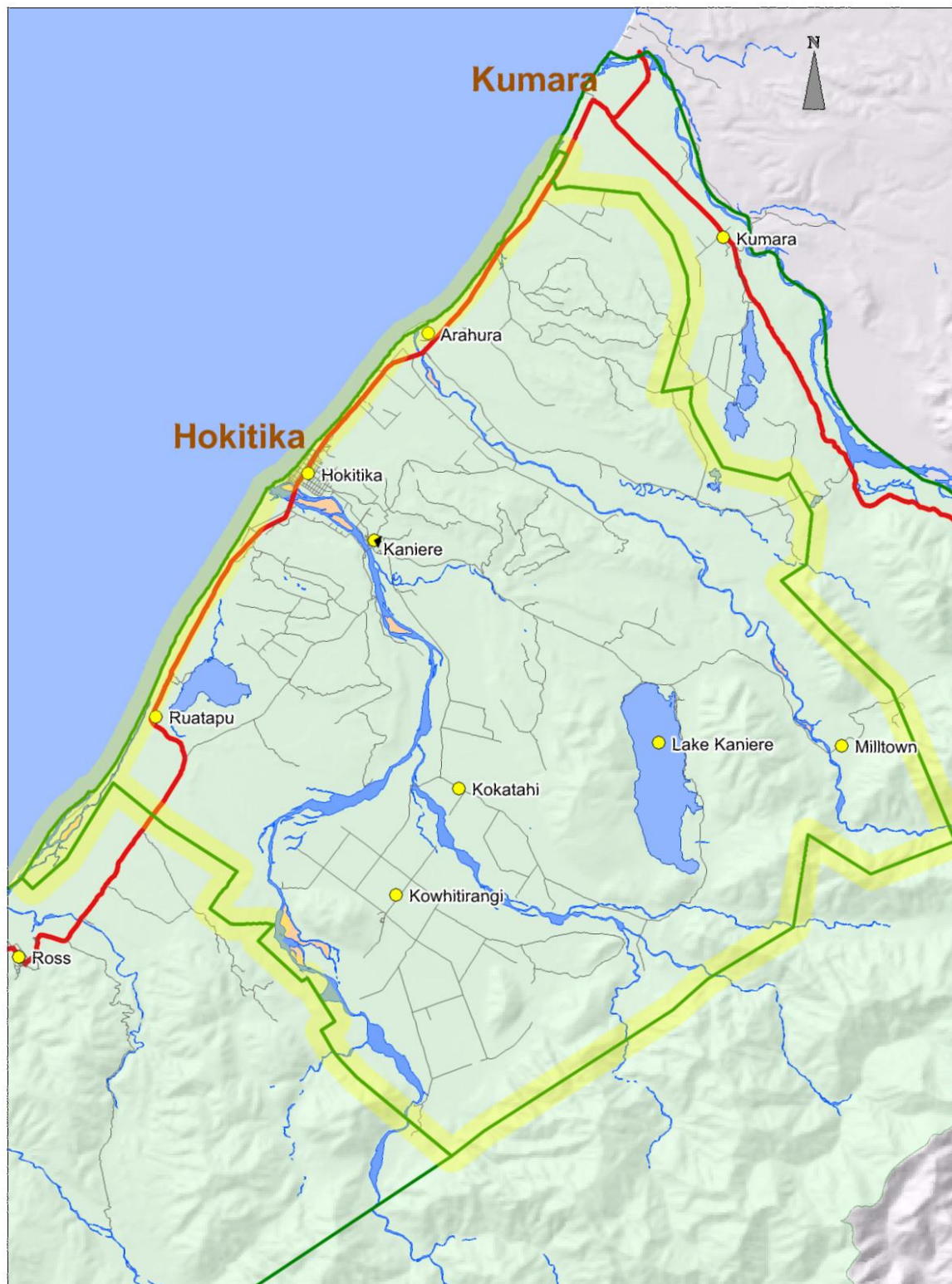


Overview Map
For Community Rating Purposes



Kumara Zone
For Community Rating Purposes

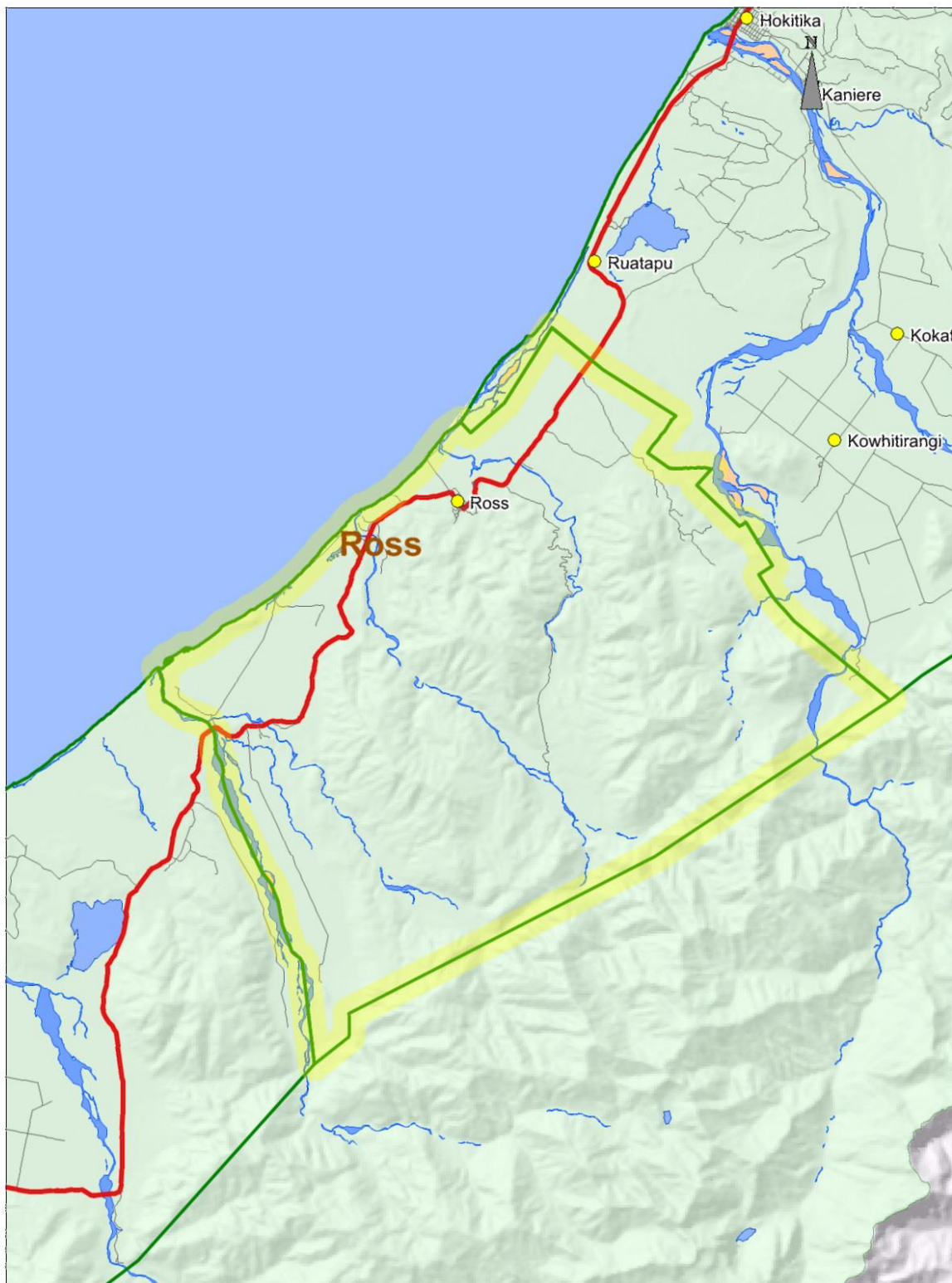




Hokitika Zone

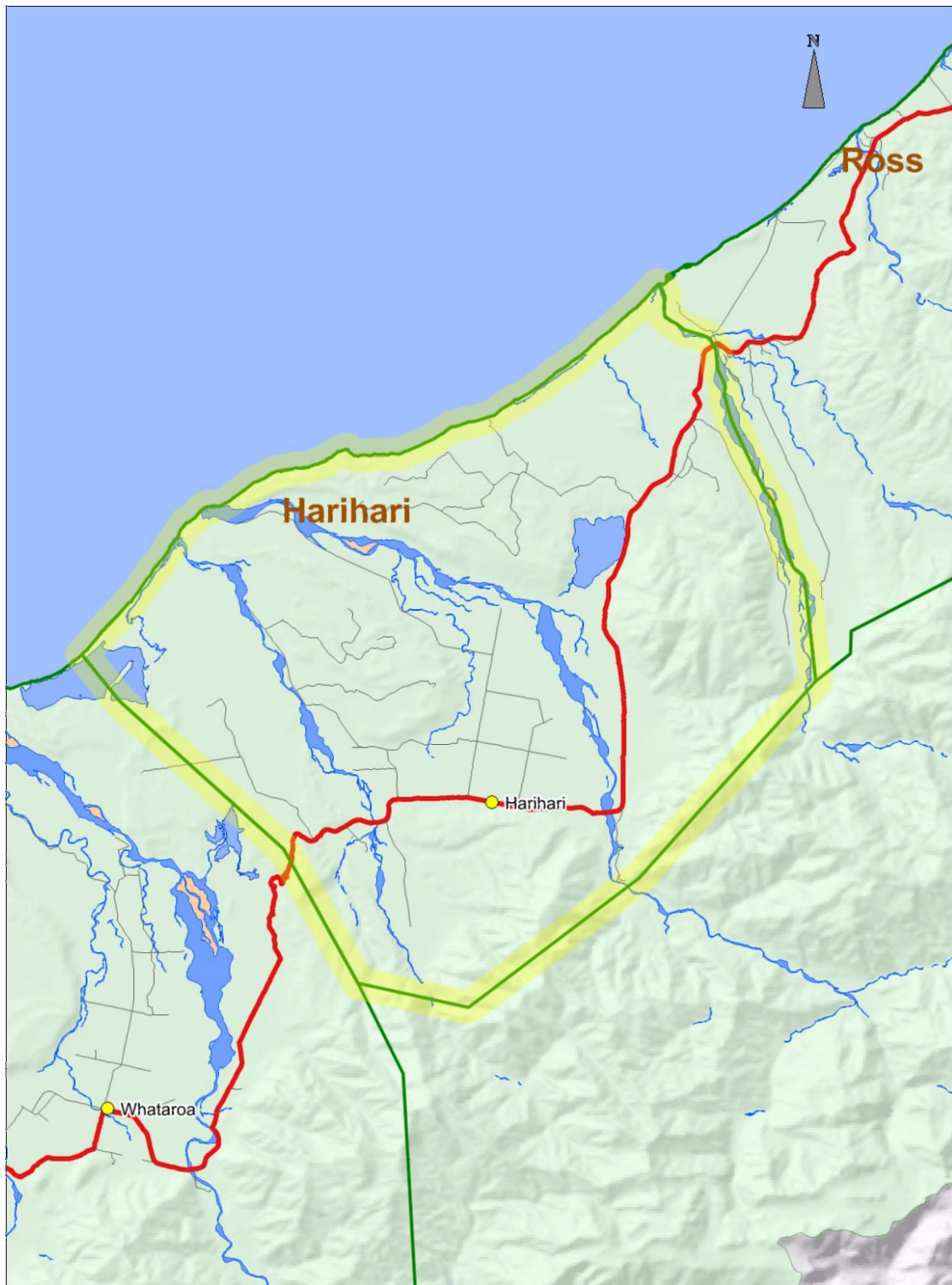
For Community Rating Purposes





Ross Zone *For Community Rating Purposes*





Harihari Zone

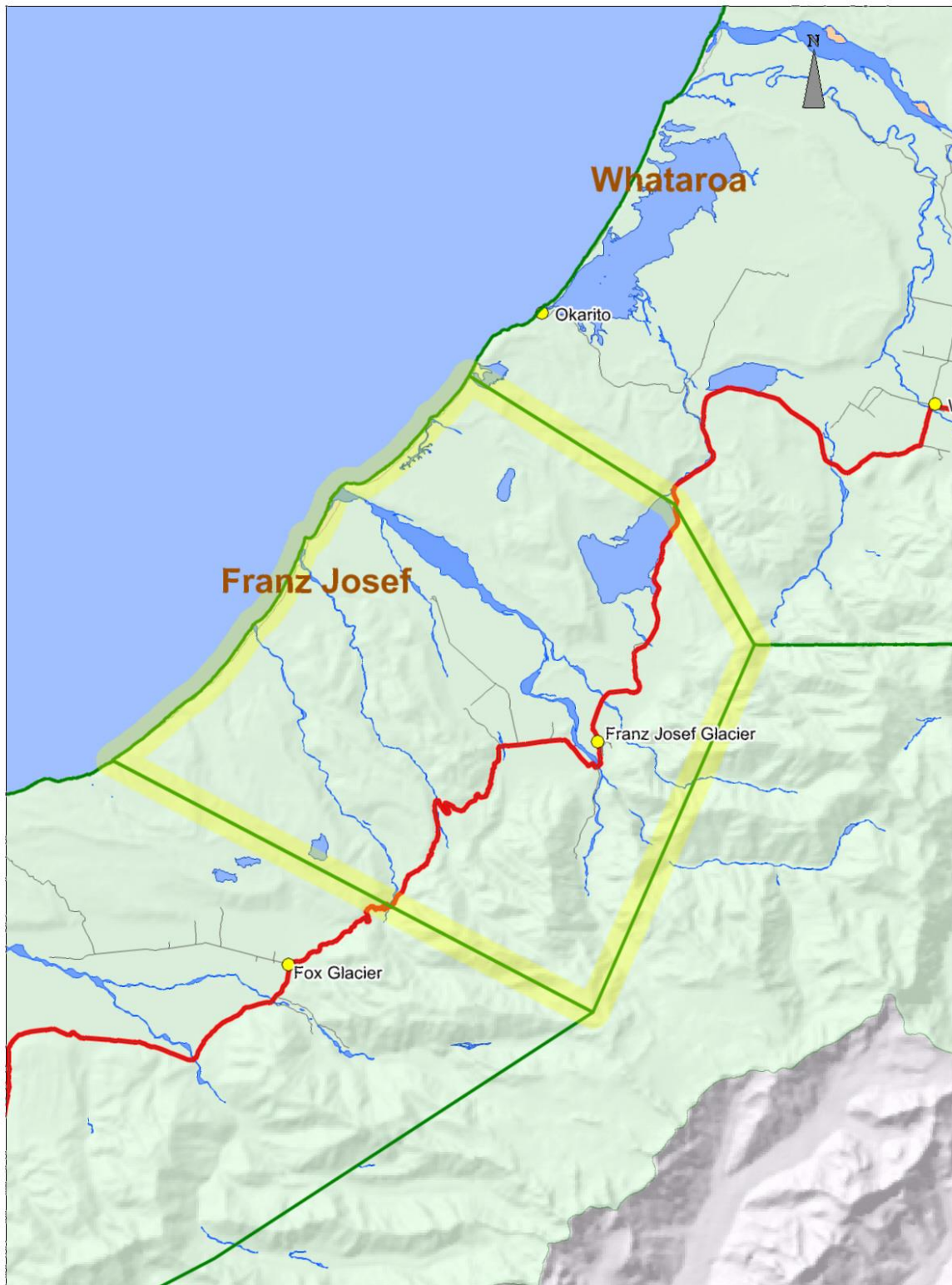
For Community Rating Purposes





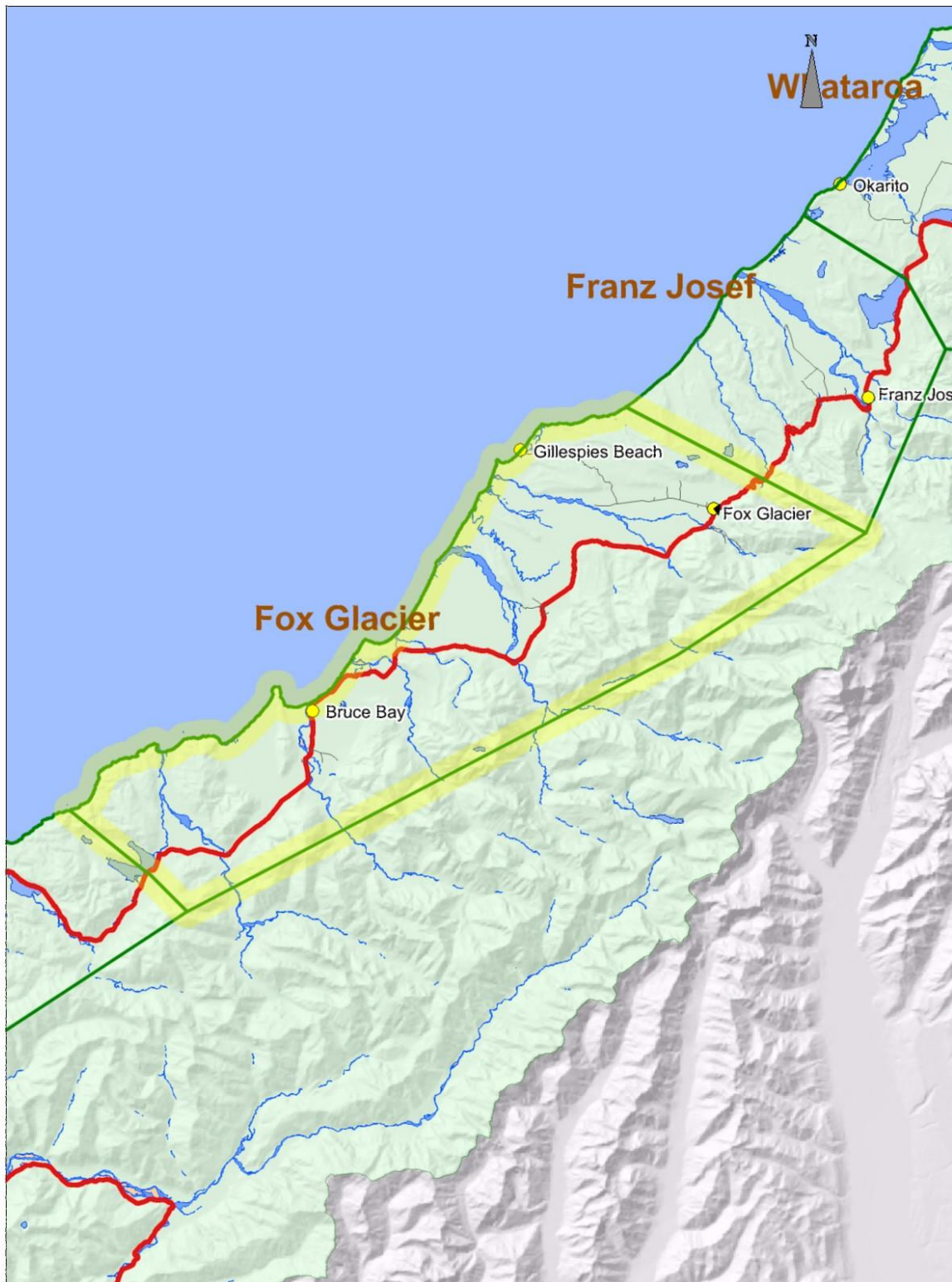
Whataroa Zone
For Community Rating Purposes





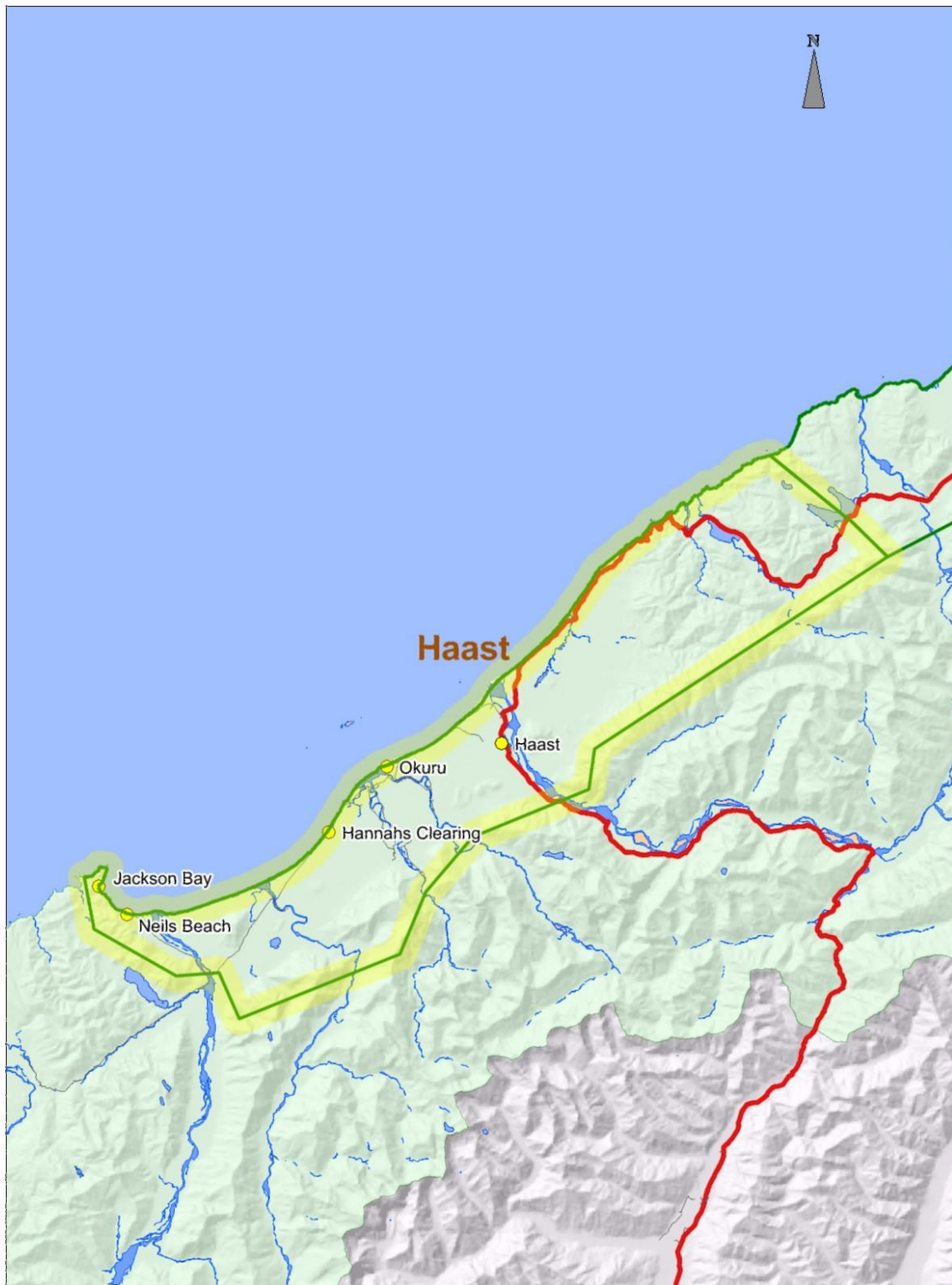
Franz Josef Zone
For Community Rating Purposes





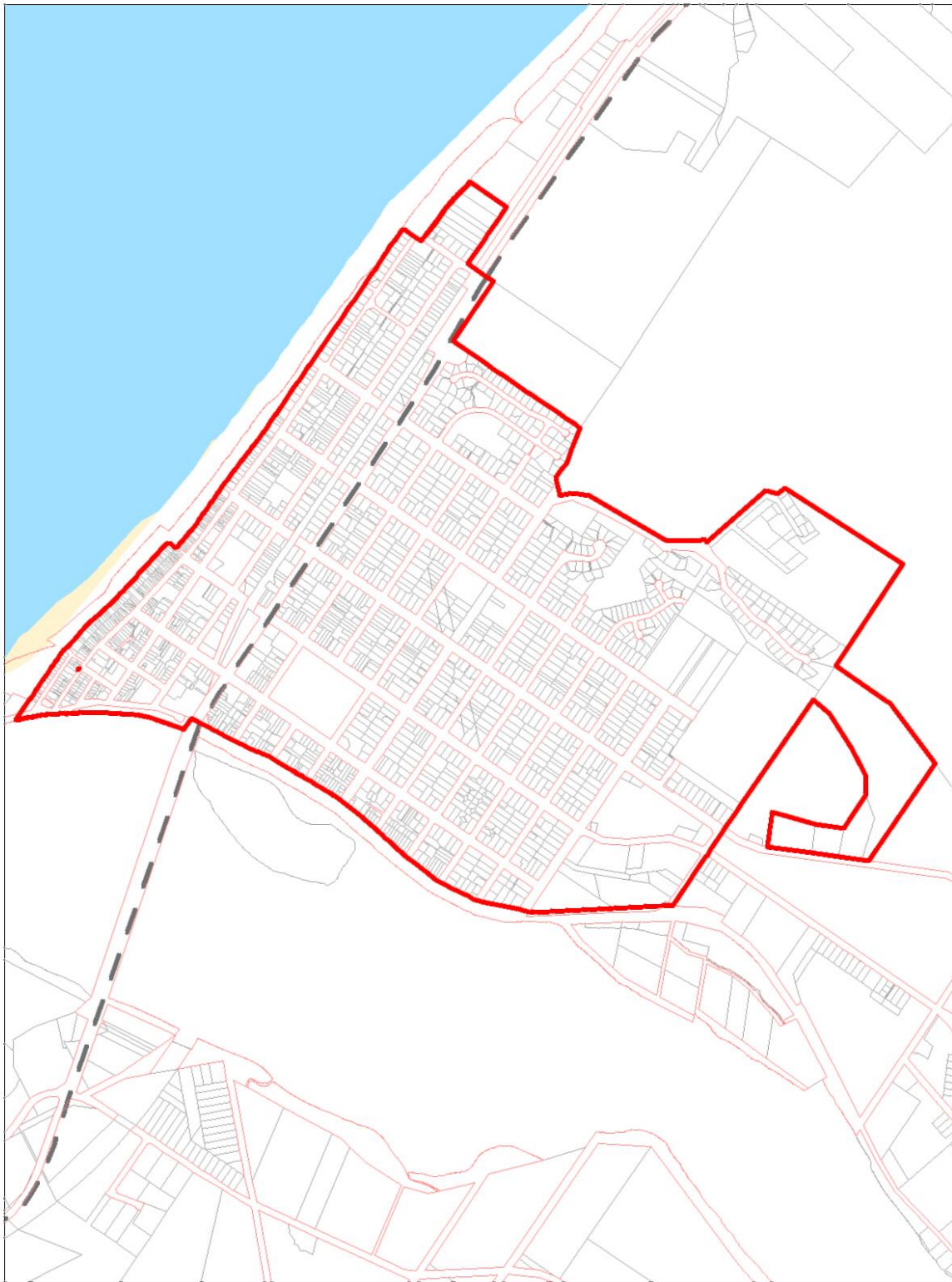
Fox Glacier Zone
For Community Rating Purposes





Haast Zone
For Community Rating Purposes





Hokitika Promotions Rate Zone





FUNDING IMPACT STATEMENT

The Funding Impact Statement is made up of three parts:

- Rates Information for 2015-16,
- Rates Samples for 2015-16
- The Whole of Council FIS Statement for 2015-25.

The Funding Impact Statement along with the supporting Rating Policy should be read in conjunction with the Revenue and Financing Policy and Financial Statements. The rates information and Rates Samples are GST inclusive; the Whole of Council Funding Impact Statement is GST exclusive.

Rating Information for 2015-16

Council sets the following rates under the Local Government (Rating) Act 2002:

General Rates:

- General Rate
- Uniform Annual Charge

Targeted Rates:

- | | | |
|--------------------------------------|---------------------------------|---|
| • Kumara Community Rate | • Haast Community Rate | • Kokatahi Community Rates |
| • Hokitika Community Rate | • Water rates | • Kaniere Sewerage Capital Contribution Rate |
| • Ross Community Rate | • Metered Water Rates | • Hannah's Clearing Water Supply Capital Repayment Rate |
| • Harihari Community Rate | • Sewerage Rates | • Emergency Management Contingency Fund Rate |
| • Whataroa Community Rate | • Refuse Collection Rates | |
| • Franz Josef Glacier Community Rate | • Tourism Promotion Rate | |
| • Fox Glacier Community Rate | • Hokitika Area Promotions Rate | |

Details of the activities these rates fund and the rating categories liable for the rates are listed below. This is followed by a table which shows how the rates are calculated and total revenue sought for each rate.

General Rates

General Rate	A general rate is set and assessed on the capital value of all rateable land in the district.
	The general rate is set differentially based on the location of the land and use to which the land is put.
	The differential categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and differential factors are in the

Rating Policy.

**Uniform Annual
General Charge**

A uniform annual general charge is set and assessed on all rateable land in the district as a fixed amount per rating unit.

The general rate and uniform annual general charge fund part of the following activities: democracy, corporate services, inspections and compliance, resource management, emergency management, animal control, community development and assistance, library, museum, public toilets, land and buildings, cemeteries, transportation and solid waste.

Targeted Rates

**Kumara
Community Rate**

The Kumara community rate is set and assessed as a fixed amount per rating unit, on all rateable land in the Kumara community rate zone (as mapped in the Rating Policy). Within that area the rate is set differentially based on the location of the land and the use to which the land is put.

The differential categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and differential factors are in the Rating Policy.

The Kumara community rate funds all or part of the following activities: Transportation, township development fund, and parks and reserves.

**Hokitika
Community Rate**

The Hokitika community rate is set and assessed as a fixed amount per rating unit, on all rateable land in the Hokitika community rate zone (as mapped in the Rating Policy). Within that area the rate is set differentially based on the location of the land and the use to which the land is put.

The differential categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and differential factors are in the Rating Policy.

The Hokitika community rate funds all or part of the following activities: Transportation, stormwater, township development fund, parks and reserves, land and buildings (Carnegie Building, RSA Building, Custom House and Band rooms), community development and assistance (Regent Theatre), and swimming pools (Hokitika pool).

**Ross Community
Rate**

The Ross community rate is set and assessed as a fixed amount per rating unit, on all rateable land in the Ross community rate zone (as mapped in the Rating Policy). Within that area the rate is set differentially based on the location of the land and the use to which the land is put.

The differential categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and differential factors are in the Rating Policy.

The Ross community rate funds all or part of the following activities: Transportation, township development fund, parks and reserves, community halls (Ross Memorial and Waitaha) and swimming pools (Ross pool).

**Harihari
Community Rate**

The Harihari community rate is set and assessed as a fixed amount per rating unit, on all rateable land in the Harihari community rate zone (as mapped in the Rating Policy). Within that area the rate is set differentially based on the location of the

land and the use to which the land is put.

The differential categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and differential factors are in the Rating Policy.

The Harihari community rate funds all or part of the following activities: Transportation, township development fund, and parks and reserves.

**Whataroa
Community Rate**

The Whataroa community rate is set and assessed as a fixed amount per rating unit, on all rateable land in the Whataroa community rate zone (as mapped in the Rating Policy). Within that area the rate is set differentially based on the location of the land and the use to which the land is put.

The differential categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and differential factors are in the Rating Policy.

The Whataroa community rate funds all or part of the following activities: Transportation, township development fund (including Okarito), and parks and reserves.

**Franz Josef Glacier
Community Rate**

The Franz Josef Glacier community rate is set and assessed as a fixed amount per rating unit, on all rateable land in the Franz Josef Glacier community rate zone (as mapped in the Rating Policy). Within that area the rate is set differentially based on the location of the land and the use to which the land is put.

The differential categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and differential factors are in the Rating Policy.

The Franz Josef Glacier community rate funds all or part of the following activities: Transportation, stormwater, township development fund, parks and reserves and community development & assistance (Glacier Country Promotions).

**Fox Glacier
Community Rate**

The Fox Glacier community rate is set and assessed as a fixed amount per rating unit, on all rateable land in the Fox Glacier community rate zone (as mapped in the Rating Policy). Within that area the rate is set differentially based on the location of the land and the use to which the land is put.

The differential categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and differential factors are in the Rating Policy.

The Fox Glacier community rate funds all or part of the following activities: Transportation, stormwater, township development fund, parks and reserves and community development & assistance (Glacier Country Promotions).

**Haast Community
Rate**

The Haast community rate is set and assessed as a fixed amount per rating unit, on all rateable land in the Haast community rate zone (as mapped in the Rating Policy). Within that area the rate is set differentially based on the location of the land and the use to which the land is put.

The differential categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and differential factors are in the Rating

Policy.

The Haast community rate funds all or part of the following activities:
Transportation, stormwater, township development fund (Haast, Hannahs Clearing and Neils Beach), parks and reserves and community halls (Haast and Okuru).

Water Rates

Water rates are set and assessed as a fixed amount per connection, on all land, situated in specified locations, to which is provided or is available a council funded water supply service that is not metered.

The rate is set differentially depending on the nature of the connection to the land and the use to which the land is put. Commercial properties are defined as they are for the general rate (see Rating Policy).

The locations and differential categories are:

- Hokitika and Kaniere Treated water – Connected (all rating units other than commercial ones)
- Hokitika and Kaniere Treated water – Commercial connected
- Hokitika and Kaniere Treated water – Unconnected
- Rural Townships Treated water – Connected (all rating units other than commercial ones)
- Rural Townships Treated water – Commercial connected
- Rural Townships Treated water - Unconnected
- Rural Townships Untreated – Connected (all rating units other than commercial ones)
- Rural Townships Untreated –Commercial connected
- Rural Townships Untreated – Unconnected

Water rates fund part of the water supply activity.

Metered Water Rates

Water rates are set and assessed as a fixed charge per unit of water supplied on all properties located in a specified location and where the nature of the connection is a metered water supply.

The locations are:

- Hokitika and Kaniere metered water
- Rural Townships metered water

Metered water rates fund part of the water supply activity.

Water rates are set and assessed on the property used as a milk treatment plant in Hokitika for the quantity of water provided on a scale of charges . For 2015/16:

- Hokitika Milk Treatment Plant metered water 0 to 2,000,000 m3
- Hokitika Milk Treatment Plant metered water greater than 2,000,000 m3

Hokitika Milk Treatment Plant Metered water rates fund part of the water supply activity and as part of the first 2,000,000 m3 includes the cost of finance for the upgrade of the Hokitika Water Supply include the river intake, plant and new trunk main.

Sewerage Rates

Sewerage rates are set and assessed as a fixed amount per water closet or urinal on all land, to which is provided or has available to the land a council funded sewerage supply service.

The rates are:

- Sewerage Connected
- Sewerage Unconnected

Sewerage rates fund part of the wastewater activity.

Refuse Collection Rates

Refuse collection rates are set and assessed as a fixed amount per bin on all land, located in specific locations, which is provided with a refuse collection service and according to where the land is situated.

The locations are:

- Hokitika refuse collection area
- Rural refuse collection area

A property may choose to have more than one supply and will pay a full refuse collection rate for each supply.

Refuse collection funds part of the solid waste activity.

Tourism Promotion Rate

The tourism promotion rate is set and assessed as an amount per rating unit on all rateable properties in the district.

The tourism promotion rate is set differentially based on the use to which the land is put and for commercial use properties on the capital value of the rateable properties.

The differential categories are:

- Commercial
 - Greater than \$10m
 - Greater than \$3m and up to \$10m
 - Greater than \$1m and up to \$3m
 - \$1m or less
- Residential, Rural Residential and Rural

The definitions of each category are the same as those in the Rating Policy for the general rate.

The tourism and promotions rate funds part or all of the following activities: West Coast Wilderness Trail, i-Site and community development & assistance (Tourism West Coast grant).

Hokitika Area Promotions Rate

The Hokitika area promotions rate is set and assessed as a fixed amount per rating unit on all rateable properties defined as commercial use properties (using the same definition as for the general rate) and located in Hokitika (as mapped in the Rating Policy).

The Hokitika area promotions rate funds the community development & assistance activity (Enterprise Hokitika grant).

Kokatahi Community Rates

Kokatahi community rates are set and assessed on all rateable properties located in the Kokatahi Community area (as mapped in the Rating Policy).

The Kokatahi community rate is set as a fixed rate per rating unit and as a rate on the capital value per rating unit..

The Kokatahi community rate funds the community development & assistance activity (Kokatahi community grant).

Kaniere Sewerage Capital Contribution Rate The Kaniere sewerage capital contribution rate is set and assessed as a fixed rate per rating unit on all rateable properties that are connected to the Kaniere sewerage scheme and have not repaid the capital amount.

The Kaniere Sewerage Capital Contribution Rate funds part of the Waste water activity (Kaniere sewerage upgrade loan).

Hannah's Clearing Water Supply Capital Repayment Rate The Hannah's Clearing water supply capital repayment rate is set and assessed as a fixed rate rating unit on all rateable properties located in Hannahs Clearing where the nature of the connection is a Council funded water supply.

The Hannahs Clearing water supply capital repayment rate funds part of the water supply activity.

Emergency Management Contingency Fund Rate The emergency management contingency fund rate is set and assessed on the land value of all rateable properties in the district.

The emergency management contingency fund rate funds part of the emergency management & rural fire activity.

Council will accept lump sum contributions equivalent to the capital portion of the rate outstanding on the following rates:

- Kaniere Sewerage Capital Contribution Rate
- Hannah's Clearing Water Supply Capital Repayment Rate.

- **Rating Information**
- The following table quantifies the amounts and total revenue for each rate for 2015/16.
- **Table 1, Part a**

Rate	Factor	Sector				Totals		
		Rural	Residential	Rural Residential	Commercial	Units	Revenue	
<u>General Rates</u>							Inc GST \$	Ex GST \$
General Rate	Capital Value Per \$ Capital Value	1,085,417,600	563,691,100	352,705,500	383,374,000	2,385,188,200		
	Revenue	0.0008666 940,938	0.0011554 651,173	0.0009244 325,981	0.0021723 832,787		2,750,879	2,392,069
Uniform Annual General Charge	Rateable Units	1,454	2,490	1,234	331	5,509		
	Each	864	864	864	864			
	Revenue	1,255,820	2,150,613	1,065,806	285,885		4,758,123	4,137,499
Total General Rates		2,196,758	2,801,786	1,391,787	1,118,672		7,509,002	6,529,567

Table 1, Part b
Targeted Rates

Rate	Factor	Sector				Totals		
		Rural	Residential	Rural	Commercial	Units	Revenue	
				Residential			Inc GST \$	Ex GST \$
<i>Community Rates</i>								
Kumara	Rateable Units	109	124	175	10	418		
	Each	129.40	129.40	133.40	141.40			
	Revenue	14,104	16,045	23,345	1,414		54,908	47,746
Hokitika	Rateable Units	614	646	1,675	169	3,104		
	Each	422.10	234.50	469.00	736.30			
	Revenue	258,958	151,487	785,764	124,435		1,320,644	1,148,386
Ross	Rateable Units	125	22	169	10	326		
	Each	285.30	285.30	291.10	320.20			
	Revenue	35,663	6,276	49,196	3,202		94,337	82,032
Harihari	Rateable Units	107	32	94	12	245		
	Each	95.80	95.80	99.80	112.80			
	Revenue	10,251	3,065	9,381	1,354		24,051	20,914
Whataroa	Rateable Units	98	87	56	16	257		
	Each	134.20	134.20	149.10	164.00			
	Revenue	13,152	11,675	8,350	2,624		35,801	31,131
Franz Josef	Rateable Units	81	43	156	48	328		
	Each	277.30	277.30	308.10	838.00			
	Revenue	22,461	11,924	48,064	40,224		122,673	106,672
Fox Glacier	Rateable Units	78	55	86	31	250		
	Each	291.40	291.40	323.80	670.30			
	Revenue	22,729	16,027	27,846	20,779		87,381	75,983
Haast	Rateable Units	175	222	79	23	499		
	Each	108.60	108.60	118.10	128.70			
	Revenue	19,005	24,109	9,330	2,960		55,404	48,177
Total Community Rates	Rateable Units	1,387	1,231	2,490	319	5,427		
	Revenue	396,323	240,608	961,276	196,992		1,795,199	1,561,043

- Table 1, Part c

Other Targeted Rates

Rate	Factor	Unit Amounts				Totals	
						Units	Revenue
		\$	\$	\$	\$		Inc GST \$ Ex GST \$
<i>Refuse Collection Rates</i>							
Hokitika Refuse Collection	Per bin				289.00	1,584	457,776
Rural Refuse Collection	Per bin				268.30	1,369	367,303
Total Refuse Collection Rates						2,953	825,079 717,460
<i>Water Supply Rates</i>		<u>Connected non commercial</u>	<u>Connected Commercial</u>	<u>Unconnected</u>			
Rural Township Untreated Water	Each	268.60	447.70	134.30			
Rural Township Treated Water	Each	358.20	615.90	179.10			
Hokitika/Kaniere Water	Each	358.20	615.90	179.10			938,693
Hannah's Clearing Capital	Each				575.00	11	6,325
Hokitika Milk Treatment Plant							
Fixed Water Rate					3,312,000.00	1	3,312,000

Metered Water Rates	Volumetric			178,250	
Total Water Supply Rates				4,435,268	3,856,755
<i>Sewerage Rates</i>					
Connected	Each	257.20			
Unconnected	Each	128.60			
Total				978,968	
Kaniere Sewerage Capital	Each	417.00		25,854	
Total Sewerage Rates				1,004,822	873,758
Rate	Factor	Unit Amounts \$		Units	Revenue
<i>Kokatahi Community Rate</i>				Inc GST \$	Ex GST \$
Land Value	Per \$ Value	0.0000421		233,763,000	9,831
Uniform Basis	Rateable Units	51.00		181	9,231
<i>Total Kokatahi Community Rates</i>				19,062	16,576
<i>Hokitika Area Promotions Rate</i>	Rateable Units	332.2		135	44,847
					38,997
<i>Tourism Promotions Rates</i>					
Non Commercial	Each	11.20		5,184	58,061
Commercial within Capital Value Range:		<u>Over \$10 million</u>	<u>\$3 - 10 million</u>	<u>\$1 - 3 million</u>	<u>\$0 - 1 million</u>
	Units	3	11	74	237
	Each	7,440.30	3,720.10	1,488.10	744.00
	Revenue	22,321	40,921	110,119	176,328
<i>Total Tourism Promotions Rates</i>				5,509	407,750
					354,565
Total Other Targeted Rates					6,736,828
					5,858,111

Total Rates

16,041,029	13,948,721
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• Table 2 – Rates Samples

Example property	Capital value (2015)	Actual rates in 2014/15	After consultation 2014/15	Comparatives with new rates system using 2014/15 budget	Proposed rates for 2015/16	The dollar movement from 2014/15
	\$	\$	\$	\$	\$	\$
Kumara residential	245,000	1,488	1,653	1,726	1,828	\$340
Awatuna rural-residential	475,000	1,353	1,770	1,603	1,817	\$464
Keogan's Road residential	490,000	1,257	1,788	1,615	1,831	\$574
Brickfield Road residential	460,000	1,892	2,439	2,443	2,502	\$610
Kaniere residential	255,000	2,091	2,346	2,452	2,522	\$431
Hokitika residential	325,000	2,468	2,473	2,544	2,624	\$156
Hokitika residential	210,000	2,459	2,298	2,426	2,491	\$32
Hokitika Beachfront residential	310,000	3,811	2,451	2,529	2,606	-\$1,205
Ross residential	180,000	1,731	1,857	1,962	2,000	\$269
Whataroa residential	175,000	1,363	1,455	1,563	1,584	\$221
Okarito rural- residential	300,000	1,152	1,019	1,094	1,286	\$134
Franz Josef residential	325,000	2,066	2,176	2,209	2,174	\$108
Okuru rural- residential	240,000	884	894	993	1,205	\$321
Kowhitirangi Farm	3,500,000	5,099	5,007	3,915	4,491	-\$608
Waitaha Farm	1,850,000	3,088	2,906	2,412	2,763	-\$325
Hokitika Shop	290,000	5,380	4,047	4,186	4,468	-\$912
Hokitika Motel	1,320,000	11,705	9,943	9,113	10,435	-\$1,270
Hari Hari commercial	850,000	4,207	4,545	3,940	4,183	-\$24
Franz Josef Hotel	1,240,000	72,593	73,837	62,373	71,829	-\$764
Haast commercial	1,750,000	4,609	6,832	5,383	6,282	\$1,673

• Table 3 – Whole of Council Funding Impact Statement

Annual Plan 30 June 2015		LTP 30 June 2016	LTP 30 June 2017	LTP 30 June 2018	LTP 30 June 2019	LTP 30 June 2020	LTP 30 June 2021	LTP 30 June 2022	LTP 30 June 2023	LTP 30 June 2024	LTP 30 June 2025
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	OPERATING FUNDING										
	Sources of operating funding										
6,516,000	General rates, UAGC and rates penalties	8,660,614	9,193,381	9,829,774	10,420,351	10,569,890	10,743,941	10,793,215	11,008,497	11,321,648	11,471,445
2,264,000	Targeted rates (other than water supply)	5,448,103	5,868,815	6,232,782	6,470,625	6,728,140	6,038,012	6,521,478	6,678,926	6,797,202	6,872,260
1,829,000	Grants, subsidies and donations	1,571,965	1,694,979	1,631,063	1,423,370	1,458,421	1,497,009	1,538,035	1,583,579	1,630,956	1,685,404
5,107,000	Fees, charges and target rates for water supply	1,990,348	2,048,423	2,092,127	2,148,139	2,212,881	2,269,429	2,339,271	2,425,312	2,497,543	2,586,220
-	Interest and dividends from investments	547,000	560,675	575,253	590,784	607,917	626,155	645,565	666,869	689,543	714,366
120,000	Local authorities fuel tax, fines, infringement fees and other	3,698,275	3,940,623	3,900,355	3,960,331	4,083,509	4,159,740	4,195,138	4,327,456	4,424,934	4,551,410
15,836,000	Total operating funding	21,916,306	23,306,897	24,261,354	25,013,600	25,660,758	25,334,285	26,032,703	26,690,640	27,361,824	27,881,106
	Applications of operating funding										
12,930,000	Payments to staff and suppliers	17,346,932	17,993,974	18,123,374	18,573,940	19,122,629	19,557,044	19,945,285	20,577,414	21,265,370	21,806,448
945,000	Finance costs	882,473	851,836	942,663	1,079,413	1,071,640	1,052,414	1,050,676	1,011,901	961,231	913,912
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
13,875,000	Total applications of operating funding	18,229,405	18,845,809	19,066,037	19,653,353	20,194,269	20,609,458	20,995,961	21,589,315	22,226,601	22,720,361
1,961,000	Surplus/(deficit) of operating funding	3,686,901	4,461,087	5,195,317	5,360,247	5,466,490	4,724,827	5,036,742	5,101,325	5,135,224	5,160,746
	CAPITAL FUNDING										
	Sources of capital funding										
1,344,000	Grants, subsidies and donations	1,488,660	3,277,934	3,579,362	2,643,443	1,602,085	1,646,232	1,693,321	1,744,826	1,800,742	1,859,609
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
830,000	Increase/(decrease) in debt	(671,280)	2,031,410	3,066,894	(179,342)	(426,413)	(45,608)	(868,638)	(1,132,981)	(1,058,499)	(1,281,624)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
2,174,000	Total capital funding	817,380	5,309,344	6,646,256	2,464,101	1,175,672	1,600,624	824,683	611,845	742,243	577,985
	Applications of capital funding										
-	Capital expenditure - meet additional demand	76,500	71,238	46,814	75,130	49,484	39,503	40,745	42,090	43,505	45,057
420,000	Capital expenditure - improve level of service	78,000	3,496,630	3,116,700	2,222,150	1,400,380	1,152,000	-	155,760	73,950	-
2,817,000	Capital expenditure - replace existing assets	3,909,500	4,537,666	5,747,813	4,195,841	3,909,114	2,945,061	3,290,384	3,659,344	3,505,654	4,398,141
898,000	Increase/(decrease) in reserves	440,281	1,664,899	2,930,246	1,331,228	1,283,184	2,188,888	2,530,297	1,855,976	2,254,359	1,295,532
-	Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-
4,135,000	Total applications of capital funding	4,504,281	9,770,432	11,841,573	7,824,348	6,642,162	6,325,451	5,861,425	5,713,170	5,877,467	5,738,730
(1,961,000)	Surplus/(deficit) of Capital Funding	(3,686,901)	(4,461,087)	(5,195,317)	(5,360,247)	(5,466,490)	(4,724,827)	(5,036,742)	(5,101,325)	(5,135,224)	(5,160,746)
-	Funding balance	-	-	-	-	-	-	-	-	-	-

Report



DATE: 11 May 2015

TO: Mayor and Councillors

FROM: Group Manager: Corporate Services

REVENUE AND FINANCING POLICY

1.0 SUMMARY

- 1.1 The purpose of this report is to seek Council approval of the Revenue and Financing Policy, attached as **Appendix 1**, for consultation.
- 1.2 This issue has arisen from the Rating Review, the decisions from which must be implemented through an amendment to the Revenue and Financing Policy on which Council is required to consult by Section 102 (4) (a) of the Local Government Act 2002 (LGA).
- 1.3 A Long Term Plan must include Council's adopted Revenue and Financing Policy.
- 1.4 Council seeks to meet its obligations under the LGA and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25 (LTP). These are stated on Page 2 of this agenda.
- 1.5 This report recommends the Revenue and Financing Policy, attached **Appendix 1**, be adopted for consultation concurrently with the LTP consultation as provided by LGA s83A.

2.0 BACKGROUND

- 2.1 The current Revenue and Financing Policy was adopted in the 2012/22 LTP and is required to be reviewed every three years.

- 2.2 During 2014 Council completed a Rating Review which made significant changes to the rating methodology.

3.0 CURRENT SITUATION

- 3.1 In December 2014 Council adopted a new rating system following the Rating Review and the s83 special consultative procedure undertaken during 2014. It is intended that the changes be implemented from 1 July 2015.
- 3.2 In order to implement the decisions from the Rating Review, Council must amend its Revenue and Financing Policy and consult on that change. This work is the technical implementation of the decisions made in 2014. While this is repetition of the work undertaken in 2014 it is required by the LGA. It was planned this way so that the consultation with the community on changes to the rating system focussed on the reasons for the changes.
- 3.3 The Revenue and Financing Policy outlines the sources of funds and how those sources will be used by Council. The policy gives effect to the decisions from the Rating Review and provides for the lawful collection and use of all funding sources.
- 3.4 The Revenue and Financing Policy is supported by the Funding Needs Analysis, Rating Policy and Funding Impact Statement.
- 3.5 The policy has been reviewed by Audit New Zealand and Council's legal advisors.

4.0 OPTIONS

- 4.1 Council can choose to:
- 4.1.1 Adopt the policy, attached as **Appendix 1**, for consultation (recommended).
 - 4.1.2 Adopt a modified policy.
 - 4.1.3 Reject the policy.

5.0 SIGNIFICANCE AND ENGAGEMENT

- 5.0 The Revenue and Financing Policy defines the methods by which Council will fund its activities and thus the application of rates. The decision is likely to have implications for all ratepayers and is therefore deemed to be of high significance.

- 5.1 Changes to the Revenue and Financing Policy require public consultation, applying the principles of LGA Section 82. As a s82 consultation, Council must make the following available:
 - 5.1.1 The proposal (being the Revenue and Financing Policy attached as **Appendix 1**).
 - 5.1.2 The reasons for the proposal; being the policy is updated as a consequence of matters identified during the Rating Review.
 - 5.1.3 Analysis of the practical options. The policy has been amended with regards to changes in the rating system, after consideration of a wide range of options for rating as part of the Rating Review.
- 5.2 It is proposed that the consultation takes place concurrently with the LTP consultation; as it is efficient to do so and would ensure that ratepayers are informed of all interdependent issues at the same time.

6.0 ASSESSMENT OF OPTIONS

1. Adopt the Policy (recommended)

- 6.1 The changes are necessary to implement the Rating Review and meet legal compliance.
- 6.2 The proposal is subject to consultation.
- 6.3 The impact of the proposal is in line with community expectations following the Rating Review decisions.
- 6.4 Council must undertake a process so that this policy can be adopted prior to adoption of the LTP.

2. Adopt a Modified Policy

- 6.5 Minor modifications may be possible, however due to the complex nature of the policy it may not be wise to make ad-hoc changes at this time. Changes can be made following the consultation.
- 6.6 Changes cannot be inconsistent with the decisions made following the Rating Review without further consultation.

3. Reject the Policy

- 6.7 This means that Council reverts to its current policy which is neither legally compliant nor suitable for the modified rating system.

6.8 If Council reject the policy it must revisit principles it previously determined and develop a new policy.

6.9 The Revenue and Financing Policy is a statutory component of a Long Term Plan. LTP consultation cannot proceed without this and hence the statutory deadline for LTP adoption would almost certainly be missed.

7.0 PREFERRED OPTION AND REASONS

7.1 Option 1; adopt the proposal, is the preferred option because it reflects the decisions from the Rating Review in a legally compliant form.

8.0 RECOMMENDATION

E) **THAT** Council adopts the Revenue and Financing Policy, attached as **Appendix 1**, for consultation concurrent with the LTP consultation.

Gary Borg

Group Manager: Corporate Services

Appendix 1: Revenue and Financing Policy

Appendix 1:

REVENUE AND FINANCING POLICY

The purpose of this policy is stated in s102 is to provide predictability and certainty about sources and levels of funding for Council.

CONTENTS

- 13. Introduction
- 14. Funding sources for operating costs
- 15. Funding sources for capital costs
- 16. Rates
- 17. Overall impact funding considerations

Introduction

This policy outlines the choices Council has made about the appropriate funding of operational and capital expenditure from the sources⁵ of funds listed in the Local Government Act 2002 (LGA). The policy also shows how Council has complied with section 101(3)⁶. The comprehensive section 101(3) analysis is separately documented in the Funding Needs Analysis.

Determining the appropriate way to fund Council activities is complex. It is a process that takes account of many variables including, but not limited to, the following matters:

- Legal
- Social
- Competition
- Affordability
- Impact of change
- Efficiency
- Equity
- Cost
- Intergenerational equity
- Transparency
- Accountability
- Business
- Strategic Alignment
- Benefit

In determining the appropriate Revenue and Financing Policy, Council plans to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

Funding Principles

Council has determined the following basic principles to guide the appropriate use of funding sources.

- User charges are preferred when a private benefit can be identified and it is efficient to collect the revenue.
- Subsidies, grants and other income options are fully explored prior to rates being used.
- Each generation of ratepayers should pay for the services they receive and borrowing can assist to achieve this outcome.
- Capital expenditure to replace assets that reach their projected economic life is firstly funded from asset renewal reserves built up over time by funding depreciation, rates and then borrowing.
- Capital expenditure to upgrade or build new assets is funded firstly from other sources (e.g. subsidies, grants, fundraising, financial contributions) and then borrowing.

Complying with these principles can at times be challenging. The Council must apply judgment in assessing many options to determine appropriateness in its development of budgets or acquisition of assets and the choice of funding sources to implement these.

⁵ The sources of funds are listed in section 103(2).

⁶ All legislative references are to the Local Government Act 2002 unless otherwise stated.

Related Policies

The Development and Financial Contributions Policy provides further analysis, as required by section 106(2)(c). This explains why Council has chosen to use financial contributions but not development contributions to fund the capital expenditure needed to meet increased demand for community infrastructure.

The Westland District Plan determines those matters that financial contributions are required under the Resource Management Act 2001.

The Liability Management Policy places restrictions on the use of borrowing as a funding source.

The Investment Policy places conditions on how surplus funds should be invested, the reasons for holding investments, the type of investments that may be held, and how they might be used as a source of funds.

The Rating Policy, sits with the Funding Impact Statement, and further clarifies the funding requirements of Council by documenting matters not included in the Funding Impact Statement, rates resolution or this policy. It includes the allocation of activity rates requirements to different rate types, detailed definitions and maps for rating areas.

The Funding Impact Statement is included in each Long-term Plan and Annual Plan as required by clauses 15 or 20 of schedule 10. This statement shows the basis for the rates calculation for the following year.

Together the above documents form the necessary components to lawfully charge under the LGA for the revenue requirements of Council. Council must also comply with other legislation in regard to the setting of some fees and charges and the Local Government (Rating) Act 2002 for the setting of rates.

Previous reviews

In 2004/14 Council prepared its first Long Term Council Community Plan (later to be named the Long Term Plan). A requirement of the plan was to every three years review and consult on the Revenue and Financing Policy. The Funding Needs Analysis was incorporated in its entirety in these previous Revenue and Financing Policies, but is now separated, to enhance clarity of the separate requirements of the parts of the Act.

At each review Council has considered particular activities that may need re-analysis and made incremental changes. In 2013 it became apparent that Council needed to undertake a first principles review of its rating policies. This review was undertaken during 2014 culminating in December 2014 with a decision to change the rating system.

Following the 2014 review, this policy along with the Funding Needs Analysis will be effective from 1 July 2015, subject to Council approval.

Funding Sources for Operating Costs

Operating costs are the day to day spending that maintains the services delivered by Council. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and corporate overheads.

Council must consider the funding of each activity in a way that relates exclusively to that activity. Some activities may be best funded by user charges, such as swimming pool admission fees, others with targeted rates, such as a water rate, and others from the general rate, such as road maintenance. Distinct funding enables ratepayers or payers of other charges to assess more readily whether or not the cost of the service provided to them, either directly or indirectly, represents good value. They can also more easily determine how much money is being raised for the service and spent on the service, which promotes transparency and accountability. The funding sources for operating costs include:

User charges

User charges are used for services where there is a benefit to an individual or group. User charges is a broad group of revenue charged directly to an individual or entity. It includes:

- Entry fees.
- Service charges.
- Hire.
- Rent, lease, licenses for land and buildings.
- Permits
- Regulatory charges.
- Fines and penalties.
- Connection fees.
- Disposal fees.
- Deposits.
- Private works.
- Memberships.
- Planning and consent fees.
- Statutory charges.
- Retail sales.

The price of the service is based on a number of factors, including:

- The cost of providing the service.
- The estimate of the users' private benefit from using the service.
- The impact of cost to encourage/discourage behaviours.
- The impact of cost on demand for the service.
- Market pricing, including comparability with other councils.
- The impact of rates subsidies if competing with local businesses.
- Cost and efficiency of collection mechanisms.
- The impact of affordability on users.
- Statutory limits.
- Other matters as determined by Council.

Council's ability to charge user charges is limited by the powers conferred to it by many statutes and regulations. As a general rule fees for statutory functions should be set at no more than the cost of providing the service. In some cases legislation sets the fees at a level that is below cost and in other cases, where provided by legislation (e.g. Waste Minimisation Act 2008) Council may set fees at greater than the cost of providing the service. Council considers it appropriate to incorporate overhead charges in the determination of the cost of providing a service.

Where Council is charging for the sale of goods or services not required by statute, Council's preference is to charge a market price, having regard to the powers conferred by section 12. This includes leases, rents and licenses for land and buildings.

Fees and charges may be set by Council at any time and are reviewed by Council annually. A list of regular fees and charges is maintained on Council's website.

User charges revenue is allocated to the activity which generates the revenue.

Grants, sponsorship, subsidies and other income

Grants, sponsorship and subsidies are used where they are available. Many of these items are regular and predictable and therefore can be budgeted. Some items of other income are unexpected or unpredictable and may not be able to be prudently budgeted (e.g. reparation payments, Civil defence and other reimbursements, legal settlements and insurance pay-outs)

Council expects to continue receiving substantial subsidies for road maintenance from government or its agencies.

Investment income

Council has an Investment Policy which determines the types of investments Council has and procedures for the management of these. These investments generate income such as dividends, interest, forestry returns, rents and surpluses on disposal. The policy places some restrictions on the use of revenue generated from some investments.

Each source of income is receipted to the activity that owns the asset.

Council maintains reserves funds and much of the income received by Council is allocated to reserve balances and is not used to reduce rates requirements for operating costs.

Financial contributions

Council collects financial contributions under the Reserve Management Act 2001. The purpose of these contributions is outlined in the Westland District Plan and Development and Financial Contributions Policy. Most contributions are made by vesting assets in Council. Some contributions are paid in cash and the Westland District Plan allows for some of these contributions to be used for operating expenses.

Council's approach is to deposit receipts into a reserve fund and to withdraw from that fund for specific projects. These projects are generally in addition to the normal operating budgets but may not meet the accounting definition of capital expenditure (e.g. the establishment of a garden).

Development contributions, proceeds from the sale of assets and lump sum contributions

Council does not collect revenue from lump sum contributions and development contributions to fund operating costs. Low value proceeds from sale of assets may be used to fund operating costs.

Reserve funds

Council maintains reserve funds. These cash reserves have generally come about from unspent rates, investment income, bequests or other revenue sources in a previous year. Many of these reserve funds are for capital expenditure however some of these reserve funds are available to meet operating costs.

Council generally uses these funds for the purposes that the reserve was created and usually for new projects additional to normal operating expenditure. Council at times may use these funds to minimise or smooth changes in rates.

Borrowing

Council may in exceptional circumstances borrow to fund operating costs where it is prudent to do so. Council has budgeted to not require borrowing for operating expenses, except as part of a major capital project, where accounting rules determine a project cost cannot be capitalised.

If an unexpected event occurs, Council has limited reserves and may during a financial year resolve to fund some operating expenses from borrowing.

Rates

Having been prudent and appropriately exhausting all other funding sources, Council funds its remaining operating expenses from rates. For many activities this is the main funding source.

Council must determine whether the portion of an activity to be funded from rates is to be funded from a general rate or a targeted rate.

In doing this, while considering all the matters of section 101(3), Council placed emphasis on developing a simple more easily understood rating system. Council has taken the view that rates are more akin to a tax and are not a payment for services received.

As a result the default stance is that an activity should be funded from the general rate unless Council determines a targeted rate is justified to more appropriately allocate the rates to a community or sector or connected property.

Summary of sources of funding for operating expenditure by activity

Council has developed the above preferences for the use of the funding sources after completing the activity analysis for each activity in its Funding Needs Analysis. Table 2 describes the extent each funding source is used expressed in ranges. These ranges are expressed as a percentage of the cost of the activity. A key to interpret the graphics follows the table.

Table 2: Summary of funding sources by activity

Activity	User charges Grants, subsidies & other	Invest. Income	Fin. Cont.	Reserve Funds	Borrowing	General Rates	Targeted rates
Leadership:							
Democracy	x	x	x	x	x	P	x
Corporate Services	P	x	x	x	x	P	x
Council Controlled Organisations	x	x	P	x	x	x	x
Planning & Regulatory Services:							
Inspections & Compliance	P	x	x	x	x	P	x
Resource Management	P	x	x	x	x	P	x
Emergency Management & Rural Fire	x	P	x	x	x	P	x
Animal Control	P	x	x	x	x	P	x
Community Services:							
Community Development & Assistance	x	P	x	x	x	P	P
Community Halls	P	x	x	x	x	P	P
Township Development Fund	x	P	x	x	x	x	P
Leisure Services & Facilities:							
Library	P	P	x	x	x	P	x
Museum	P	P	x	x	x	P	x
Swimming Pools	P	x	x	x	x	x	P
i-Site	P	x	x	x	x	x	P
Parks & Reserves	P	x	x	P	P	x	P
West Coast Wilderness Trail	x	x	x	x	x	x	P
Public Toilets	x	x	x	x	x	P	x
Land & Buildings	P	x	P	x	x	P	x
Cemeteries	P	x	x	x	x	P	x
Elderly Housing	P	x	x	x	P	P	x
Wild Foods Festival	P	P	x	x	x	P	x
Infrastructure:							
Transportation	x	P	x	x	x	P	P
Water Supply	x	x	x	x	x	x	P
Wastewater	P	x	x	x	x	x	P
Stormwater	x	x	x	x	x	x	P
Solid Waste	P	x	x	x	P	P	P

Key

Range Name	Range	Key
Unlikely	0	x
Minimal	0% -20%	P
Low	20% -40%	P

Moderate	40% - 60%	P
High	60% - 80%	P
Most	80% - 100%	P
All	100%	P

Council budgets will normally be set within these ranges. As these ranges are expressed as a percentage of the cost of the activity they may change over time because of changes in expenditure rather than changes in revenue. Budgets are set within these ranges, it is however likely that actual funding sources may be different from budgeted funding sources due to unexpected events happening during a financial year. In years subsequent to 2015/16, if budgets were marginally outside these ranges, it is unlikely that Council will consider this to be a matter with a high degree of significance. As such Council is unlikely to update the policy. Significant changes are required to have the policy updated and these may require to be consulted upon.

Council will review and update this policy in 2018.

Funding Sources for Capital Costs

Capital costs are those costs associated with the purchase and improvement of assets and for the repayment of debt. The funding sources for capital costs include:

User charges

User charges are generally not available for capital costs as individual user contributions would generally be too large to be affordable. Borrowing and charging users annually for financing costs (interest and principal) via rates is often a more affordable method of charging users contributions.

Council does charge for capital works that are solely for private benefit (e.g. a network extension to a single dwelling) or where capital works are undertaken outside of asset management plans at the request of individuals (e.g. a rural seal extension for dust suppression).

Grants, subsidies, and other income

Council relies on a significant subsidy for capital works in its roads and bridges activity. Other activities are able to access grants and subsidies from time to time. Other income can be from many and varied sources and is unlikely to be predictable enough to budget for in advance. Other income used to fund capital expenditure could include bequests, insurance payouts, and legal settlements.

Grants, subsidies and other income are used wherever they are available.

Development contributions

Council has chosen not to collect development contributions.

Financial contributions

Council collects financial contributions under the Resource Management Act 2001. The purpose of these contributions is outlined in the Westland District Plan and Development and Financial Contributions Policy. Most contributions are received as revenue by the vesting of assets in Council; some contributions (reserve contributions) are paid to Council.

Council's approach is to deposit receipts into a reserve fund and to draw funds from that account for specific projects that meet the purpose for which the funds were collected.

Council has a Development and Financial Contributions Policy that, in addition to the requirements of sections 101(3) and 103 describes funding matters further as stipulated by section 106(2)(c).

Proceeds from the sale of assets

From time to time Council disposes of assets. Many of these are low value items and the revenue is received by the activity that owns the assets.

Council's property activity holds some higher value assets that are intended for sale. Unrestricted proceeds from the sale of these assets will be used to repay debt, unless resolved otherwise by Council. Restricted revenues will be placed in a reserve fund and used for the purpose required by the document that imposes the restriction (e.g. endowments).

Reserve funds

Council maintains various reserve funds for capital projects and will approve the use of the funds when a project meets the specific criteria for the reserve. These reserve funds may include bequests, depreciation or asset renewal reserves and financial contribution reserves.

Borrowing

For larger capital projects that provide a long-term benefit to the community, Council may determine that borrowing the funds is an appropriate method of allocating the costs of a project over time to users.

Borrowing, both the capital (principal) and interest components, is generally repaid by future rates. Council may resolve to capitalise interest repayments on some debt, where it considers it most likely (prudent) that another funding source (e.g. property sales or grants) will be able to repay the accumulating debt.

Where it is not practical to obtain third party revenue and where reserve funds haven't previously been set aside, Council prefers borrowing as a funding source. Borrowing spreads the cost of the project over a longer period, smoothing changes in rates and contributing to intergenerational equity.

Lump sum contributions

Council has the option when undertaking a major project to seek lump sum contributions to the capital cost of the project from those who are identified in the projects "capital project funding plan"⁷. Lump sum contributions are provided for in the Local Government (Rating) Act 2002 and have stringent requirements placed on how they are used. Where a lump sum payment option is proposed ratepayers choose to participate or not. Council has previously used these provisions and may do so in the future.

Council will consider for major projects, requiring funding from borrowing, whether it wishes to seek lump sum contributions.

Rates

Rates are used firstly to fund the day to day operational expenses including depreciation and borrowing interest costs. A portion of rates funds the capital (principal) repayments of debt, generally using table loan calculations. Rates will be used to fund some small items of capital expenditure. Rates are not a practicable method to fund large projects in the year of expenditure.

Council funds some capital projects, for maintaining service levels, in advance by collecting rates for depreciation (an operating expense). These funds are placed into depreciation or asset renewal reserve funds.

Analysis for capital expenditure by activity

Council has developed the above preferences for the use of the funding sources for capital costs after completing the activity analysis for each activity in its Funding Needs Analysis. Council will fund capital costs on the same basis as determined by the operating costs funding policy, unless Council resolves otherwise. Such a resolution that follows the following funding guidelines will be considered consistent with this policy and not require amendment to the policy. It is not practicable to determine a funding policy for an unknown future project at this time.

Council uses the following guidelines when considering the funding of capital projects:

- A Funding Needs Analysis will be completed.
- All projects are first funded from grants, subsidy or other income.

⁷ Local Government (Rating) Act 2002 - s.117A

- Renewal projects that maintain the same service level are then funded from reserves set aside for this purpose.
- Other reserve funds (e.g. financial contributions) are considered.
- Lump sum rating options are considered.
- Capital projects that have exhausted previous funding sources or are for new or increased service levels or for growth are then funded from borrowing.

A single project may have a mix of each of these funding options.

Generally it is not practical to create separate funding policies for each and every capital project. Council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity. Whenever Council resolves to consider funding for a capital project Council will consider the sources of funds above and the guidelines for applying those to a capital project. Generally Council will resolve the funding policy at the time the project is proposed in an Annual Plan or Long-term Plan.

Overall impact funding considerations

Council is required by section 101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the community. It allows Council, as a final measure, to modify the overall mix of funding in response to these considerations.

1. Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years for the purpose of smoothing the cost to users and ratepayers.
2. While an unbalanced budget is neither prudent nor sustainable in the long term, Council may choose to not fund some operating costs in the short term:
 - a. In order to phase costs and set rates at affordable levels.
 - b. Where short term expenditure [projects] is expected to deliver long term savings
3. Council may waive or discount fees and charges where it considers it appropriate to do so. Some matters Council may consider in deciding whether it is appropriate to waive fees are for social reasons, for the promotion of events and facilities, for commercial reasons, or to compensate for poor service.
4. Council may remit rates where it considers it appropriate to do so and as documented in the Rates Remissions Policy. These policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (e.g. additional or no provision of some services).
5. Council having determined to use a differentiated rate will modify the rate to adjust the rate for different rating categories. This adjustment is complex and takes account of the matters raised in paragraph two of the introduction to this policy.

RATES

Council's final consideration of revenue and financing policy for rates comes:

- After consideration of how the funding source will be used to fund operating and capital costs, and
- After that has been applied to activities in the Funding Needs Analysis, and
- After being adjusted for the overall funding considerations

The following section outlines the revenue and financing policy requirements that are relevant to setting rates. To have a full understanding of rates they should be read having regard to the analysis above and in conjunction with the Rating Policy, Funding Impact Statement and Rates Resolution.

General rates

Council has chosen to have two general rates; a uniform annual general charge (UAGC) and a general rate based on the value of the property.

Council has chosen capital value as the basis by which to calculate the general rate and to apply a differentiated general rate based on the use of a rating unit. The Rating Policy documents how Council calculates the general rate differentials.

Council has determined in its Funding Needs Analysis that all or part of the following activities should be funded from the general rate:

- Democracy
- Corporate services
- Inspections and compliance
- Resource management
- Emergency management
- Animal control
- Community development and assistance
- Library
- Museum
- Public toilets
- Land and buildings
- Cemeteries
- Transportation
- Solid Waste

The UAGC is assessed on each rateable rating unit and is used to fund all activities funded from general rates. The Rating Policy document describes how Council calculates the UAGC.

Targeted rates

Council has determined in its Funding Needs Analysis that all or part of the following activities should be funded from targeted rates:

- Community halls
- Township development fund
- Swimming pools
- i-Site
- West Coast Wilderness Trail
- Water supply
- Parks and Reserves
- Land and Buildings
- Transportation
- Wastewater
- Stormwater
- Solid Waste

In funding the above activities from targeted rates Council uses the following types of targeted rates. More information on the calculation of each rate, including the percentage of the rate requirement of an activity to be collected for each rate and the rating area maps, can be found in the Rating Policy.

Table 1: Targeted rate types

Name	Activities funded
Community rates	Activities where Council considers every property in a community zone receives a benefit.
Tourism promotions rate	Tourism promotion activities where Council considers businesses should contribute a greater portion.
Refuse collection rate	To fund the cost of kerb-side refuse collection, recycling and disposal.

Water rates	To fund water supply.
Sewerage rates	To fund wastewater treatment and disposal.
Kokatahi community rate	To fund projects in the Kokatahi community.
Kaniere sewerage capital contribution rate	To recover the capital cost of the extension of the sewerage system to Kaniere.
Hokitika area promotions rate	To fund Enterprise Hokitika.
Emergency Management Fund rate	To accumulate a reserve in case of an emergency.
Hannahs Clearing water supply capital repayment rate	To recover the cost of installing water supplies.

Differentiation by Use

Council has chosen to differentiate the general rate and each community rate using the following categories of use:

- Residential
- Rural Residential
- Commercial
- Rural

Each year Council will determine the rating differential factors when it adopts its Rating Policy prior to the adoption of the Funding Impact Statement as part of an Annual Plan or Long-term Plan.

When setting the differential Council shall consider the following matters to determine the appropriate rating differential factors:

- Council's approach to rates funding as documented in this Revenue and Financing Policy.
- The activities funded by each rate.
- The effect (if applicable) of changes in valuations.
- The rates differentials and revenue collected from each sector for the previous year and the implications of changing those differentials as it affects individual ratepayers.
- For community rates the mix of properties and nature of services funded in each community.

Report



DATE: 11 May 2015

TO: Mayor and Councillors

FROM: Corporate Planner

ADOPTION OF THE DRAFT COUNCIL PLAN 2015–25 AND CONSULTATION DOCUMENT, AND APPROVAL TO PUBLICLY NOTIFY THE CONSULTATION DOCUMENT

1.0 SUMMARY

- 1.1 The purpose of this report is for Council to approve the components of the draft Council Plan 2015–25 (the Long Term Plan) and Consultation Document being publicly notified, for a month long public feedback process.

Included in the content of the draft Council Plan is the draft Revenue & Financing Policy. The adoption of this draft policy for consultation, through the Consultation Document process, is subject to a separate Council resolution.

- 1.2 The public consultation period would be 12 May – 10 June 2015.
- 1.3 By providing approval at this time, Council is signalling to the public that it is comfortable with the framework and direction that the draft Council Plan is taking. It is confirming that it is providing the public with a Consultation Document that is an accurate and representative example of its financial modelling, strategies, policies and “Right Debate” issues that it intends to include in the final Council Plan.
- 1.4 Council must note that, although the draft Council Plan information and the Consultation Document have been audited, the final written Audit New Zealand approval has not been received at the time of this agenda item being distributed. The written approval will be tabled prior to this agenda item being considered by Council.

- 1.5 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.6 This report concludes by recommending that Council:
- Receive the Audit report, and
- Adopt the draft components of the Council Plan 2015 – 2025 and the Consultation Document, and
- Approve the Consultation Document being publicly notified, and the draft Council Plan components of the Council Plan being made accessible to the public, for a month long public feedback process to occur.

2.0 BACKGROUND

- 2.1 Council is required to produce a 10 year plan every 3 years. The current plan was adopted in June 2012 and it is intended that this operational document be replaced in June 2015.
- 2.2 **Councillors have developed and reviewed all of the draft Council Plan 2015 – 2025 information.** Some of the components have been the subject of earlier separate consultation processes.

The draft components of the Plan will be made available to the public as a source of further information for public discussion and input. The amount of information is substantial so Council will encourage people to access it electronically i.e. via the Council website.

The full draft Revenue and Financing policy will be on the website, as only a summary is contained in the Consultation Document.

Ancillary information will also be on the website i.e. information that will not be in the Council Plan but which needs to be referred to in order to understand the draft Revenue and Financing Policy (this is the Funding Needs Analysis and the amended Rating Policies).

All of the information described above is on the Council **website** for Councillors and other interested parties to access:

www.westlanddc.govt.nz

As an indication of the content that is available online, the “draft Council Plan contents page” is also **attached** to this agenda item.

- 2.3 The Council Plan information is intentionally still in draft form as the Plan will be finalised once submissions have been received and further decisions made.

The draft Council Plan includes the following components which are either new or have been significantly amended:

- The draft Revenue and Financing Policy
- Draft Rating Policies
- The draft Infrastructure Strategy
- The draft Financial Strategy

2.4 **Councillors have been involved in the production of the Consultation Document.**

This document is **attached** to this report. It sets out:

- Two key matters that Council would like the public to provide feedback about, which are
 - a. The proposed Revenue and Financing Policy (which reflects the new rating system adopted in 2015) and
 - b. The proposed rates increase for Year 1 of the plan (and reasoning for subsequent rates requirements for Years 2 – 10).
- Proposed Council activities, including how rates, debt and levels of service might be affected
- Council’s Infrastructure and Financial Strategies
- Council’s core decision-making policies
- Other projects that Council is seeking public response as to whether it should allocate money towards.

3. CURRENT SITUATION

- 3.1. Council has been developing the new Council Plan since July 2014. Staff and Councillors have followed the best practice advice from the Society of

Local Government Management (SOLGM) whilst developing the information.

- 3.2. An immense amount of effort has been put into this 10-year planning exercise by the Councillors and Council staff. Council is now at the stage where the community can be provided with the information they need in order to provide Council with their input.

4. OPTIONS

- 4.1. The following options are available to Council:

- 4.1.1. Approve all of the draft Council Plan components and the draft Consultation Document being publicly notified.
- 4.1.2. Direct staff to make changes to the draft Council Plan components and the Consultation Document and return to Council for re-approval to publicly notify.

5. SIGNIFICANCE AND ENGAGEMENT

- 5.1. The proposed 10-year Council Plan is a significant proposal for Council to consult with the public about.
- 5.2. A comprehensive engagement and consultation plan has been prepared, as **attached** to this report.

6. ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL or LEGAL IMPLICATIONS)

- 6.1 Adopting the documents will mean that Council can proceed to public consultation on the draft Council Plan. It means the timeline is adhered to and makes it more likely that the legislative deadline of 30 June 2015 is met.
- 6.2 There are consequences if, as a result of delaying the adoption of the draft documents consultation is delayed and the 30 June deadline is not be met. For example it is a breach of the Local Government Act and Council will not be able to strike the rates for 2015-16 on time.

7. PREFERRED OPTION AND REASONS

- 7.1. The preferred option is for Council to adopt all of the draft Council Plan components and approve the Consultation Document being publicly notified.

This will prevent further delays in being able to proceed to seek feedback from the community about the draft Council Plan 2015-25.

8. RECOMMENDATIONS

- A) **THAT** Council receives the Audit report for the draft Council Plan 2015-25.
- B) **THAT** Council adopts the draft components of the Council Plan 2015–2025 and the Consultation Document.
- C) **THAT** Council approves the Consultation Document being publicly notified as a Special Consultative Procedure under s.82 of the Local Government Act 2002.
- D) **THAT** Council approves the components of the Council Plan being made accessible to the public, for a month long public feedback process to occur (from 12 May – 10 June 2015).

Karen Jury
Corporate Planner

Appendix : 1. Consultation Document-
<https://www.westlanddc.govt.nz/planning-long-term>
2. Content page of the draft Council Plan
3. Engagement and Consultation Plan
4. Draft Council Plan
<https://www.westlanddc.govt.nz/planning-long-term>

Content of the draft Council Plan 2015 - 2025

INTRODUCTION

Message from the Mayor and Chief Executive

Purpose of the Council's Ten Year Plan

Key challenges and changes to levels of service

Significant forecasting assumptions

Our rating base

Audit Report

Some of this 'Introductory' information is in the Consultation Document. A final version for the Council Plan will be compiled after public consultation. The Audit report will be added when the final Council Plan is prepared.

YOUR COUNCIL

Your Councillor's and the Council committees

The Council vision & how Council activities contribute

Significance & Engagement Policy

Development of Maori capacity to contribute to decision-making process

COUNCIL ACTIVITIES

Leadership:

Democracy

Corporate Services

Council Controlled Organisations

*In this draft version of the Council Plan:
Comprehensive financial information is in the FINANCIAL
STATEMENTS section below.*

Financial Forecast (for the Leadership group)

Funding Impact Statement (for the Leadership group)

Planning & Regulatory Services:

Inspections & Compliance

Resource Management

Emergency Management

Animal Control

Financial Forecast (Planning & Regulatory Services group)

Funding Impact Statement (for the Planning & Regulatory Services group)

Community Services:

Community Development and Assistance

Community Halls

Townships (The Development Fund & improvement projects)

Financial Forecast (for the Community Services group)

Funding Impact Statement (for the Community Services group)

Leisure Services & Facilities:

Westland District Library

Hokitika Museum

Swimming Pools

i-SITE

Parks & Reserves

West Coast Wilderness Trail

Public Toilets

Land & Buildings

Cemeteries

Elderly Housing

Hokitika Wildfoods Festival

Financial Forecast (for the Leisure Services & Facilities group)

Funding Impact Statement (for the Leisure Services & Facilities group)

Infrastructure:

Transportation

Financial Forecast

Funding Impact Statement

Water Supply

Financial Forecast

Funding Impact Statement

Wastewater

Financial Forecast

Funding Impact Statement

Stormwater

Financial Forecast

Funding Impact Statement

Solid Waste

Financial Forecast

Funding Impact Statement

KEY STRATEGIES

The relationship between the key strategies

Financial Strategy

30-Year Infrastructure Strategy

The Infrastructure 'Gap Analysis'

FINANCIAL POLICIES

Revenue & Finance

Development & Financial Contributions

FINANCIAL STATEMENTS

Statement of Balanced Budget

Comprehensive Funding Impact Statement (by group)

Forecast Financial Statements (including Financial Statements for previous year)

Fees and Charges 2015/16

Appendix 3:

ENGAGEMENT AND CONSULTATION PLAN

A Consultation Document and the draft components of the Council Plan will be released to the public on 12th May 2015. There will be 1 month for the public to provide us with feedback.

12 May – 10 June 2015

During this time Council will engage, consult and communicate with the public by:

1. Newspaper media releases (Hokitika Guardian and the Grey Star)

Thu 7th May “The Consultation Document is going to the Council for approval to publicly notify”

Monday 11th May “Council has released the Consultation Document ...”

2. All information and the ability to submit will be on our website

Tuesday 12th May - Wednesday 10th June

This will include a ‘Video’ of the Mayor and CE stating that this is “Our Way Forward”, some key points and “We want your feedback”.

3. Electronic copies of information will be emailed to the two Runanga offices, the 3 CDO’s, the range of Community and Resident Trusts and various other community and groups and businesses across the District

Tuesday 12th May

4. Hard copy information will be distributed to a number of facilities across the District

Tuesday 12th May

- One ‘reference’ copy of the Consultation Document
- 15 other copies of the Consultation Document
- 30-40 supplementary “bookmark” information cards to draw people’s attention to the website address and that they can attend the public meetings

[Initial print run of Consultation Documents = 300 (150 for facilities, others for pick-ups from this office and the library, remainder for mail outs on request)]

Deliver to:

- Council offices
- Westland District Library
- Kumara Tearooms and Takeaways

Courier:

- Ross Store (9 Moorhouse Street, Ross, phone 03 755 4022)
- Whataroa Service Station (Main Road, Whataroa, phone 03 753 4144) & Store
- Pukeko Tea Rooms (33 Main Road, Hari Hari)
- Franz Josef Supermarket (24a Main Road, PO Box 65, Franz Josef Glacier)
- Fox Glacier Store (Main Road, Fox Glacier)

- Haast Service Centre (425 Haast-Jacksons Bay Road, Haast)

5. Public notices in the Guardian newspaper

- a. Friday 8th May
Footsteps brand, "The Consultation Document is going to be available on the website on Tuesday 12th May, copies can be collected from the Council office and library in Hokitika", public info sessions will be held x, x, x (alternative advert is "The CD is coming – watch this space")
- b. Tuesday 12th May
Footsteps brand, "The Consultation Document is available on the website, from Council ... AND from local facilities x, x, x... AND 4 public info sessions will be held x, x, x"
- c. Monday 18th May "
- d. Monday 25th May "

6. Public notices in the Messenger newspaper

- a. Wednesday 13th May
Footsteps brand, “The Consultation Document is available” on the website, from Council ... AND from local facilities x, x, x ... AND 4 public info sessions will be held x, x, x
- b. Wednesday 20th May “ ”
- c. Wednesday 27th May (After public info sessions)
- d. Wednesday 3rd June “One week left to submit”

7. Four public information sessions

These public information sessions are included in the above public notices.

In addition, the 2 Runanga offices, the 3 CDO's, the range of Community and Resident Trusts and various other community groups across the District will be advised about the 3 meetings by email

Relevant topics will be selected for each of the meetings.

Day	Location (Venue)	Time	Specific topics highlighted
<i>TBC: c/- Lisa Tumahai</i>	<i>Ngati Wae Wae Runanga</i>		
<i>TBC: c/- Susan Wallace</i>	<i>Makaarwhio Runanga</i>		
Mon 18 May	Hokitika (WDC Chambers)	12.30 midday	Hokitika Wildfoods Festival
	Hokitika (Pensioners Association/Greypower Rooms)	6.30pm	The new rating system
Tue 19 May	Ross (Hall)	6.30pm	MDI Funding Township Development Grant
Wed 20 May	Kumara (Hall)	6.30pm	MDI Funding Township Development Grant Sealing Fourth Street
Thu 28 May	Franz Josef (Scenic Hotel, Mueller Wing, Fern Room)	2pm	General, with focus on Franz Josef issues