

A G E N D A

Extraordinary Council Meeting

**Council Chambers
36 Weld Street
Hokitika**

**Tuesday
30 June 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 TUESDAY 30 JUNE 2015 COMMENCING AT 9.00 AM

Tanya Winter
Chief Executive

25 June 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, cultural 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 D.G. Hope.

1.2 Interest Register

2. PUBLIC FORUM

The public forum section will commence at the start of the meeting.

3. BUSINESS

- | | |
|--|----------------------|
| 4.1 <u>Revenue and Financing Policy</u> | <i>(Pages 4-18)</i> |
| 4.2 <u>Rates Remissions and Postponement Policies</u> | <i>(Pages 19-28)</i> |
| 4.3 <u>Adoption of Council Plan</u> | <i>(Pages 29-33)</i> |
| 4.4 <u>Rating Policy</u> | <i>(Pages 34-55)</i> |
| 4.5 <u>Rates Resolution 2015-2016</u> | <i>(Pages 56-76)</i> |

Report



DATE: 30 June 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**.
- 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. This is a statutory policy required by Section 102 of the Local Government Act 2002 (LGA), and a compulsory component of a Long Term Plan under Clause 10 Schedule 10.
- 1.3 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.
- 1.4 This report recommends the Revenue and Financing Policy, attached as **Appendix 1**, be adopted and included in the Long Term Plan 2015-25.

2.0 BACKGROUND

- 2.1 The current Revenue and Financing Policy was adopted in the LTP 2012-22 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.
- 3.2 Council reviewed and amended its Revenue and Financing Policy as a result of this and the revised draft policy was a primary issue for the LTP 2015-25 consultation process during May and June 2015.
- 3.3 There was considerable public response through the LTP consultation process and 686 submissions were received. However, those that related to Council's funding were predominantly in respect of overall expenditure and moreover the factors that applied to different rates. The former of these is a budgetary consideration whilst the quantification of ratios and differentials applied to rates is managed through the Rating Policy.
- 3.4 There were a number of submissions that referenced Council's decision to implement a capital value based calculation for general rates. Following deliberations and extensive modelling Council observed that the capital value based system was effective, but compromised by the level of uniform charges that had been proposed. This issue is also addressed in the Rating Policy.
- 3.5 The Revenue and Financing Policy outlines the sources of funds and how those sources will be used by Council. This issues that arose from the consultation were within the parameters of the draft policy. Consequently the policy attached as **Appendix 1** is unchanged from that which was consulted.
- 3.6 The Revenue and Financing Policy is supported by the Funding Needs Analysis, Rating Policy and Funding Impact Statement.
- 3.7 The policy was reviewed by Audit New Zealand and Council's legal advisors prior to consultation.

4.0 OPTIONS

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

5.0 SIGNIFICANCE AND ENGAGEMENT

- 5.1 The Revenue and Financing Policy defines the methods by which Council will fund its activities and thus the quantum of rates. The decision will have implications for all ratepayers and is therefore deemed to be of high significance.
- 5.2 The draft Revenue and Financing Policy was publicly consulted under LGA Section 82, during May and June 2015.
- 5.3 Council considered all submissions from this consultation.

6.0 ASSESSMENT OF OPTIONS

1. Adopt the Policy

- 6.1 It is a statutory requirement.
- 6.2 The policy has been subject to consultation.
- 6.3 Adoption of the policy would facilitate the adoption of the LTP 2015-25.

2. Adopt a Modified Policy

- 6.4 Any material changes would require further consultation, precluding the timely adoption of the LTP 2015-25.

3. Reject the Policy

- 6.5 This means that Council reverts to its current policy which is neither legally compliant nor suitable for the modified rating system.
- 6.6 If Council rejects the policy it must revisit principles it previously determined and develop a new policy.
- 6.7 The Revenue and Financing Policy is a statutory component of a Long Term Plan. The LTP 2015-25 cannot be legally adopted without inclusion of a consulted and adopted Revenue and Financing Policy.

7.0 PREFERRED OPTION AND REASONS

Option 1; adopt the policy, is the preferred option because it defines and contains the methods by which Council can achieve its financial objectives for the LTP 2015-25.

8.0 RECOMMENDATION

- A) **THAT** Council adopts the Revenue and Financing Policy, attached as **Appendix 1**, and includes it in the Long Term Plan 2015-25.

Gary Borg

Group Manager: Corporate Services

Appendix 1: Revenue and Financing Policy

REVENUE AND FINANCING POLICY

The purpose of this policy is stated in s102 of the Local Government Act 2002 is to provide predictability and certainty about sources and levels of funding for Council.

CONTENTS

1. Introduction
2. Funding sources for operating costs
3. Funding sources for capital costs
4. Rates
5. Overall impact funding considerations

INTRODUCTION

This policy outlines the choices Council has made about the appropriate funding of operational and capital expenditure from the sources¹ of funds listed in the Local Government Act 2002 (LGA). The policy also shows how Council has complied with section 101(3)². 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 | • Efficiency | • Transparency |
| • Social | • Equity | • Accountability |
| • Competition | • Cost | • Business |
| • Affordability | • Intergenerational | • Strategic Alignment |
| • Impact of change | equity | • 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.

¹ The sources of funds are listed in section 103(2).

² 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	x	✓	x
Corporate Services	✓	x	x	x	x	x	✓	x
Council Controlled Organisations	x	x	✓	x	x	x	x	x
Planning & Regulatory Services:								
Inspections & Compliance	✓	x	x	x	x	x	✓	x
Resource Management	✓	x	x	x	x	x	✓	x
Emergency Management & Rural Fire	x	✓	x	x	x	x	✓	x
Animal Control	✓	x	x	x	x	x	✓	x
Community Services:								
Community Development & Assistance	x	✓	x	x	x	x	✓	✓
Community Halls	✓	x	x	x	x	x	✓	✓
Township Development Fund	x	✓	x	x	x	x	x	✓
Leisure Services & Facilities:								
Library	✓	✓	x	x	x	x	✓	x
Museum	✓	✓	x	x	x	x	✓	x
Swimming Pools	✓	x	x	x	x	x	x	✓
i-Site	✓	x	x	x	x	x	x	✓
Parks & Reserves	✓	x	x	✓	✓	x	x	✓
West Coast Wilderness Trail	x	x	x	x	x	x	x	✓
Public Toilets	x	x	x	x	x	x	✓	x
Land & Buildings	✓	x	✓	x	x	x	✓	x
Cemeteries	✓	x	x	x	x	x	✓	x
Elderly Housing	✓	x	x	x	✓	x	✓	x
Wild Foods Festival	✓	✓	x	x	x	x	✓	x
Infrastructure:								
Transportation	x	✓	x	x	x	x	✓	✓
Water Supply	x	x	x	x	x	x	x	✓
Wastewater	✓	x	x	x	x	x	x	✓
Stormwater	x	x	x	x	x	x	x	✓
Solid Waste	✓	x	x	x	✓	x	✓	✓

Key

Range Name	Range	Key
Unlikely	0	x
Minimal	0% -20%	✓
Low	20% -40%	✓
Moderate	40% - 60%	✓
High	60% - 80%	✓
Most	80% - 100%	✓

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"³. 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.

³ Local Government (Rating) Act 2002 - s.117A

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.
- 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: 30 June 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.**
- 1.2 This issue has arisen from the rating review and public consultation of these draft policies in conjunction with the public consultations of the Revenue and Financing Policy and the Long Term Plan.
- 1.3 Remissions are a tool for modifying the allocation of rates.
- 1.4 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.
- 1.5 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.
- 1.6 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.

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.
- 2.2 These changes were contained in the draft policies that were published for consultation during May and June 2015, alongside the draft Revenue and Financing Policy and the draft Long Term Plan 2015-25.

3.0 CURRENT SITUATION

- 3.1 Public consultation on the LTP closed on 10 June 2015. A total of 686 submissions were received and considered by Council.
- 3.2 While many of the submissions were in response to forecast rates for 2015-16, the only theme relevant to these policies was the consistency of their application, particularly in regards to bare sections in common ownership.
- 3.3 During its deliberations Council examined many examples of properties in different sectors and zones across the district. It was established that under the preferred capital value system, these properties will pay lower rates than a developed property, which wasn't applicable under the land value system.
- 3.4 Council undertook further modelling, modifying the factors of fixed charges to achieve an equitable balance. These are addressed in the Rating Policy.
- 3.5 As a result the policies attached are unchanged from those that were consulted.
- 3.6 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
 - 4.1.2 2. Adopt modified policies.
 - 4.1.3 3. Reject the policies.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 Policies concerning the remission and postponement of rates can have a material impact on certain groups within the community. However, a decision concerning the adoption of policies that are unchanged from those consulted is of low significance.
- 5.2 These policies were subject to public consultation in conjunction the Revenue and Financing Policy and LTP 2015-25. Council considered all submissions to these consultations.

6.0 ASSESSMENT OF OPTIONS

1. Adopt the Policies

- 6.1 The policies are unchanged following consultation.
- 6.2 The policies help to give effect to the intentions of Council's other financial and funding decisions.

2. Adopt Modified Policies

- 6.3 Only changes made in response to consultation can be accommodated. Changes that have not been previously proposed will require further consultation.
- 6.4 This would not prejudice the adoption of the LTP 2015-25, but may compromise Council's ability to fully carry out objectives for the plan.

3. Reject the Policies

- 6.5 Council's current policies are not legally compliant nor are they suitable for the modified rating system.
- 6.6 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.

7.0 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is 1. Adopt the Policies because it reflects the policies that were consulted and reflected on by Council during deliberations.

8.0 RECOMMENDATIONS

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

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



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.



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



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.

Report



DATE: 30 June 2015

TO: Mayor and Councillors

FROM: Corporate Planner

ADOPTION OF THE COUNCIL PLAN 2015–25

1.0 SUMMARY

- 1.1 The purpose of this report is to seek Council adoption of the Westland District Council Long Term Plan 2015–25 (the Council Plan).

Included in the content of the Council Plan is the Revenue & Financing Policy. The adoption of this policy is addressed in a separate Council report that is being considered at today's Council meeting.

- 1.2 The Council Plan information has been audited, however 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.
- 1.3 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 (noting that the Vision is amended in the Council Plan under consideration, to include “cultural” within the final statement).

- 1.4 This report concludes by recommending that Council:

1.4.1 Receive the Audit report, and

1.4.2 Adopt the Westland District Council Long Term Plan 2015 – 2025.

2.0 BACKGROUND

- 2.1. Council is required to produce a 10 year plan every 3 years. The previous plan was adopted in June 2012.
- 2.2 All Elected Members have been heavily involved in developing and reviewing all of the information that is in the draft Council Plan 2015 – 2025.
- 2.3 Since the Consultation Document and draft Council Plan were publicly notified on 12 May 2015, Audit New Zealand have sought that Council make some amendments to the detail of the draft Council Plan. This included the addition of three further non-financial performance measures, and changes to ensure that terminology throughout the plan is compliant with the recently updated Local Government Finance Regulations. These requests have been complied with in full.
- 2.4 Council received 686 written submissions on the publicly notified Consultation Document and draft Council Plan, and over 50 people presented at the Hearings.

2.4.1 **The two significant issues identified in the Consultation Document were:**

- The new Revenue and Financing Policy, which set out the new rating system
- The proposed rates increase

A significant number of submissions were about these two significant issues. Council has responded to feedback about these two issues by adjusting the Revenue and Financing policy / rating system and final rate increase.

In summary the amendments made, in regard to the two significant issues, are:

- The annual rates cap has been reduced from 10% to 5%.
- The Capital Value rating system has been retained, but the Uniform Annual General Charge (UAGC) has been reduced from 30% to 21.7% a(for the first year), and some General Rate and Community Rate differentials have been adjusted.
- Savings have been identified in operational expenditure.

- The overall rates increase was reduced from 5.5% to 4.66% for Year 1.

2.4.2 Council used its Consultation Document to also highlight other projects that it believed the public would want to have input.

This proved to be a successful initiative as a large number of submissions were received about the proposed MDI funded projects in particular, and this provided good direction to Elected Members.

In summary:

- Council approved allocation of the Major District Initiative Funding (MDI) to the following projects:
 - \$400,000 for the new RSA facility
 - \$90,000 for the upgrade to the Ross Hall
 - Up to \$1.5m or 65% of the total project cost towards the Westland High School proposed development of a Community and Recreation Centre, on the grounds of the school.

2.4.3 Submissions were also received about other information in the Consultation Document and/or the draft Council Plan.

In summary:

- Council added the word “cultural” into its Vision in response to a submission from Poutini Ngai Tahu.
- Council’s existing Significance and Engagement policy, adopted on 18 December 2014, has been amended to better address issues raised by Poutini Ngai Tahu around engagement with mana whenua. This policy must be included within a Long Term Plan, so if the Council Plan 2015 – 2025 is adopted by Council on 30 June 2015 this will also be the new date of adoption for this policy.
- Additional Poutini Ngai Tahu and mana whenua values have been incorporated throughout the plan, as requested by submission from Poutini Ngai Tahu.
- Council confirmed that the Hokitika Wildfoods Festival will be retained in-house for 2016 and that staff will work with interested stakeholders to explore other delivery models for the running of the festival in Hokitika from 2017 onwards.
- The proposed additional opening hours for the Hokitika Museum and Westland District Library were confirmed.

- Council agreed that dog registration fees will not increase as a result of increased contract costs for the first 3 years of the Plan.
- The re-aligning and sealing of Fourth Street in Kumara was confirmed.
- Council added a statement of support into the plan for Enterprise Hokitika to develop Revell Street into a heritage theme to enhance the opportunities brought about by the mini-series “The Luminaries”.
- A statement declaring Council support in principle for the Haast-Hollyford Road was added into the plan.
- \$30,000 has been included in the plan for the Hokitika Waterfront development and \$10,000 for upgrading the Marks Road Reserve in Haast. These two projects are to be funded from the Reserves Development Fund, which itself is funded by subdivision contributions rather than by rates.
- A further \$5,000 per annum has been added to the grant for the Regent Theatre in Hokitika, bringing this grant from Council to \$30,000 per annum. This will be funded from rates.

3. CURRENT SITUATION

- 3.1. An immense amount of effort has been put into this 10-year planning exercise by Elected Members and Council staff. Council is at the stage where it must decide whether to adopt the Council Plan that is before them.

4. OPTIONS

- 4.1. Council can choose to:

- 4.1.1. Receive and read the written Audit New Zealand opinion and -

- a. Adopt the Council Plan 2015 – 2025 or;
- b. Recommend minor editorial changes be made to the Council Plan 2015 – 2025, and then adopt it subject to these changes being made; or
- c. Recommend that more material changes need to be made to the plan, and direct staff to draft these changes and to return to Council to seek adoption of the Council Plan 2015 – 2025 at a later date.

5. SIGNIFICANCE AND ENGAGEMENT

- 5.1. A Long Term Plan is a significant planning and accountability tool for Council.

- 5.2. Council has recognised the significance of the matter by following both the consultation procedure set out in s93 of the Local Government Act 2002 (the Act) and its own Significance and Engagement policy as adopted under s76AA of the Act.

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

- 6.1 There are consequences if adoption of the Long Term Plan is not achieved by 30 June 2015. It is a breach of the Local Government Act and Council may 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 the Council Plan. This will prevent further delays in being able to strike the rates for 2015-16.

8. RECOMMENDATIONS

- A) **THAT** Council receives the report from Audit New Zealand (to be tabled on the day).
- B) **THAT** Council adopts The Long Term Plan “Council Plan 2015-25”, and directs that it be printed and released, subject to the Audit report first being added to the plan.

Karen Jury
Corporate Planner

Report



DATE: 30 June 2015

TO: Mayor and Councillors

FROM: Group Manager: Corporate Services

RATING POLICY

1.0 SUMMARY

- 1.1 The purpose of this report is to seek Council approval of the amended Rating Policy as a supporting operational policy to the Revenue and Financing Policy.
- 1.2 This issue has arisen due to a large number of submissions received following the s82 consultation of the draft Revenue and Financing Policy and draft Long Term Plan 2015-25.
- 1.3 This is not a statutory policy but it gives effect to the intentions of the documents referred in 1.2.
- 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 Rating Policy, attached as **Appendix 1**, be adopted.

2.0 BACKGROUND

- 2.1 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.

- 2.2 The use 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.

3.0 CURRENT SITUATION

- 3.1 The effects of the parameters set by the Rating Review 2014 were incorporated in the draft LTP 2015-25.
- 3.2 A total of 686 submissions were received and considered by Council, with a large proportion concerning the calculation of rates. Major themes were as follows:
 - 3.2.1 The regressive nature of a system with a high proportion of flat charges.
 - 3.2.2 Sizeable movements between and within sectors as a result of the rating of utility companies and the creation of a fourth sector, rural residential.
 - 3.2.3 The equitable effects of a capital value based general rate were compromised by:
 - 3.2.3.1 The proportionately high UAGC.
 - 3.2.3.2 The factors applied to differentials.
 - 3.2.4 The inclusion of farms in the rural sector.
- 3.3 As part of its deliberations, Council undertook extensive modelling within the parameters set by the Revenue and Financing Policy, moderating the factors applied and examining numerous examples.
- 3.4 The Rating Policy, attached as **Appendix 1**, 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.

3.5 In response to submissions and as a result of Council's deliberations the following changes have been made:

3.5.1 The calculation of the UAGC has been amended from 30% of total rates to 21.7% of total rates including the special fixed rate associated with the Hokitika Water Supply Upgrade.

3.5.2 The general rate differentials have been amended as follows:

Sector		Differential as consulted on	Differential after consultation
Rural		0.75	1.00
Rural Residential		0.80	0.75
Residential		1.00	1.00
Commercial		1.88	2.00

3.5.3 The community rate differentials for Hokitika, Franz Josef Glacier and Fox Glacier have been aligned to the general rate differentials. In all other zones the differentials have been equalised.

3.5.4 The Funding Impact Statement contained in the Long Term Plan 2015-25 has been updated to reflect these changes. This is attached as **Appendix 2**.

4.0 OPTIONS

4.1 Council can choose to:

4.1.1 Adopt the Rating Policy as amended.

4.1.2 Undertake further review.

4.1.3 Reject the policy.

5.0 SIGNIFICANCE AND ENGAGEMENT

5.1 The quantification of rates has an impact on all ratepayers. However the decision to adopt a policy that reflects the community feedback and Council deliberations is administrative and of low significance.

5.2 The rates and factors applied are a direct result of public consultation.

6.0 ASSESSMENT OF OPTIONS

1. Option 1 - Adopt the Rating Policy as amended

- 6.1 The amended policy reflects community feedback in the form of submissions to the LTP consultation and public meetings.
- 6.2 The policy gives effect to the Revenue and Financing Policy and is enacted in the Funding Impact Statement. This enables Council to strike the rates for the year 2015-16.
- 6.3 Some members of the community who chose not to submit to the LTP consultation may feel disadvantaged by the changes.

2. Option 2 - Undertake further review

- 6.4 The changes proposed are in direct response to submissions. Any other material changes would require further consultation. Changes that require amendment to the Revenue and Financing Policy would require a full s82 consultation.
- 6.5 This would not necessarily preclude the adoption of the Revenue and Financing Policy. However without a basis for calculation Council cannot strike the rates for 2015-16; and without an accurate Funding Impact Statement the Long Term Plan is incomplete and cannot be adopted.

3. Option 3 - Reject the policy

- 6.6 If Council rejects the policy in its entirety it must return to first principles and redraft and consult on a revised Revenue and Financing Policy.

7.0 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is Option 1 adopt the rating policy as amended because it reflects the decisions made by Council as a result of the LTP and Rating Review consultations.

8.0 RECOMMENDATION

- A) **THAT** Council adopts the Rating Policy attached as **Appendix 1**.

Gary Borg

Group Manager: Corporate Services

Appendix 1: Rating Policy

Appendix 2: Funding Impact Statement



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. Council will review this policy annually as part of the rates setting process.

CONTENTS

1. Introduction
2. Calculation of uniform annual general charge
3. Description of general rate and community rate differentials
4. Rates based on location
5. Water and sewerage availability rates
6. Divisions
7. Payment methods and places
8. Minimum economic rate
9. Policy for early payment of rates in the current year
10. Rates penalties
11. Public availability of information
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) at 20% of total rates, excluding the Special Purpose Fixed Water Rate associated with the Hokitika Water Treatment Plant upgrade.

A UAGC is charged to every rating unit, subject to the provisions of s20 LGRA.

DESCRIPTION OF GENERAL RATE AND COMMUNITY RATE DIFFERENTIALS

The following rates are calculated 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 people are boarding with the residents, and no persons are employed or contracted other than for the purposes of caring for residents or boarders.</p>
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	0.75			
	Commercial	2.00			
	Rural	1.00			
Kumara community rate	Residential	1.00	Whataroa community rate	Residential	1.00
	Rural Residential	1.00		Rural Residential	1.00
	Commercial	1.00		Commercial	1.00
	Rural	1.00		Rural	1.00
Hokitika community rate	Residential	1.00	Franz Josef Glacier community rate	Residential	1.00
	Rural Residential	0.75		Rural Residential	0.75
	Commercial	2.00		Commercial	2.00
	Rural	0.75		Rural	0.75
Ross community rate	Residential	1.00	Fox Glacier community rate	Residential	1.00
	Rural Residential	1.00		Rural Residential	0.75
	Commercial	1.00		Commercial	2.00
	Rural	1.00		Rural	0.75
Harihari community rate	Residential	1.00	Haast community rate	Residential	1.00
	Rural Residential	1.00		Rural Residential	1.00
	Commercial	1.00		Commercial	1.00
	Rural	1.00		Rural	1.00

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

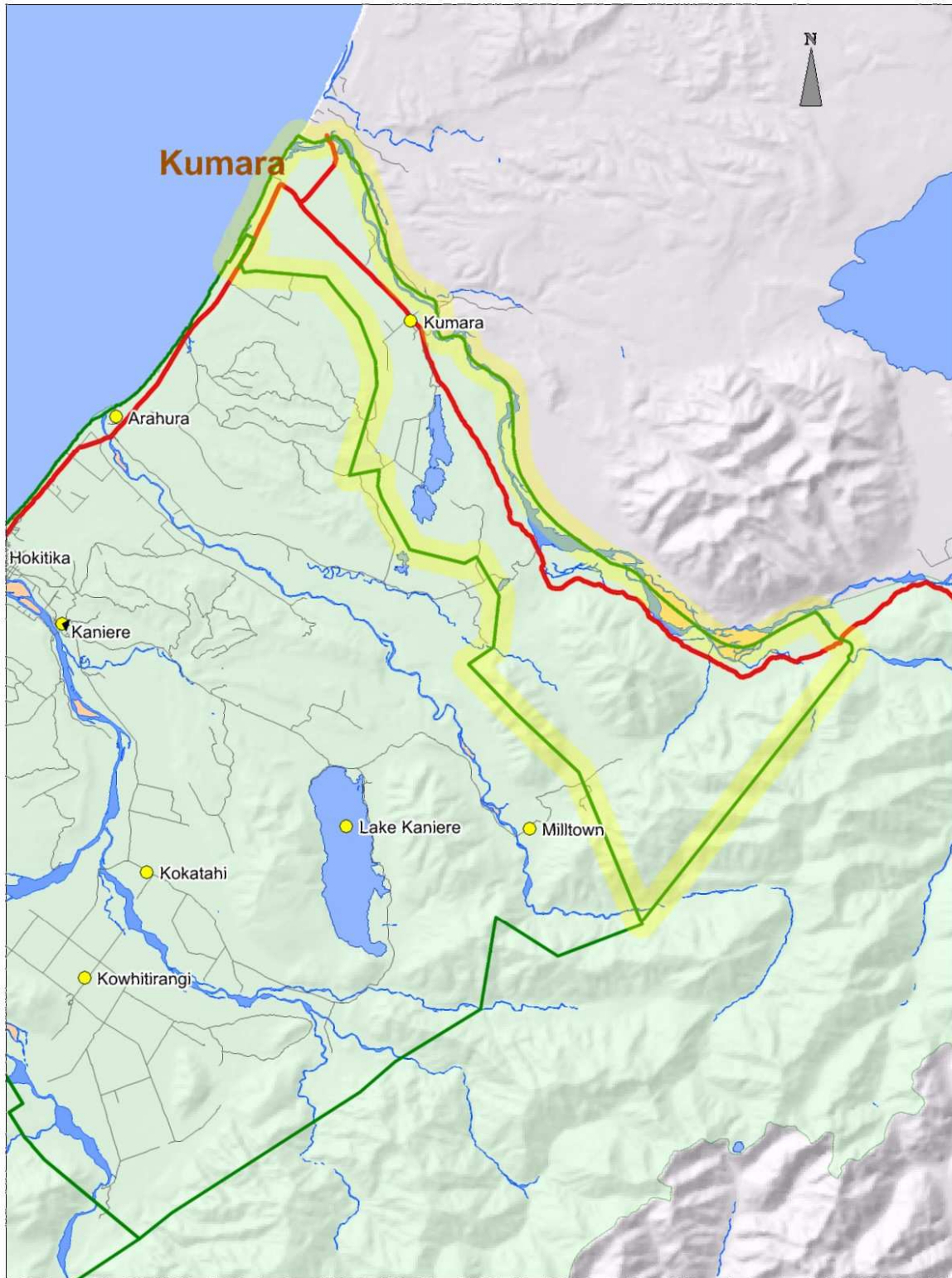
Objections to the Rating Information Database and rates records will follow the rules laid down by s.29 and s39 of the Local Government (Rating) Act 2002. Any dispute over the application of any of these rating policies that cannot be resolved through liaison with officers, must be made in writing to 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



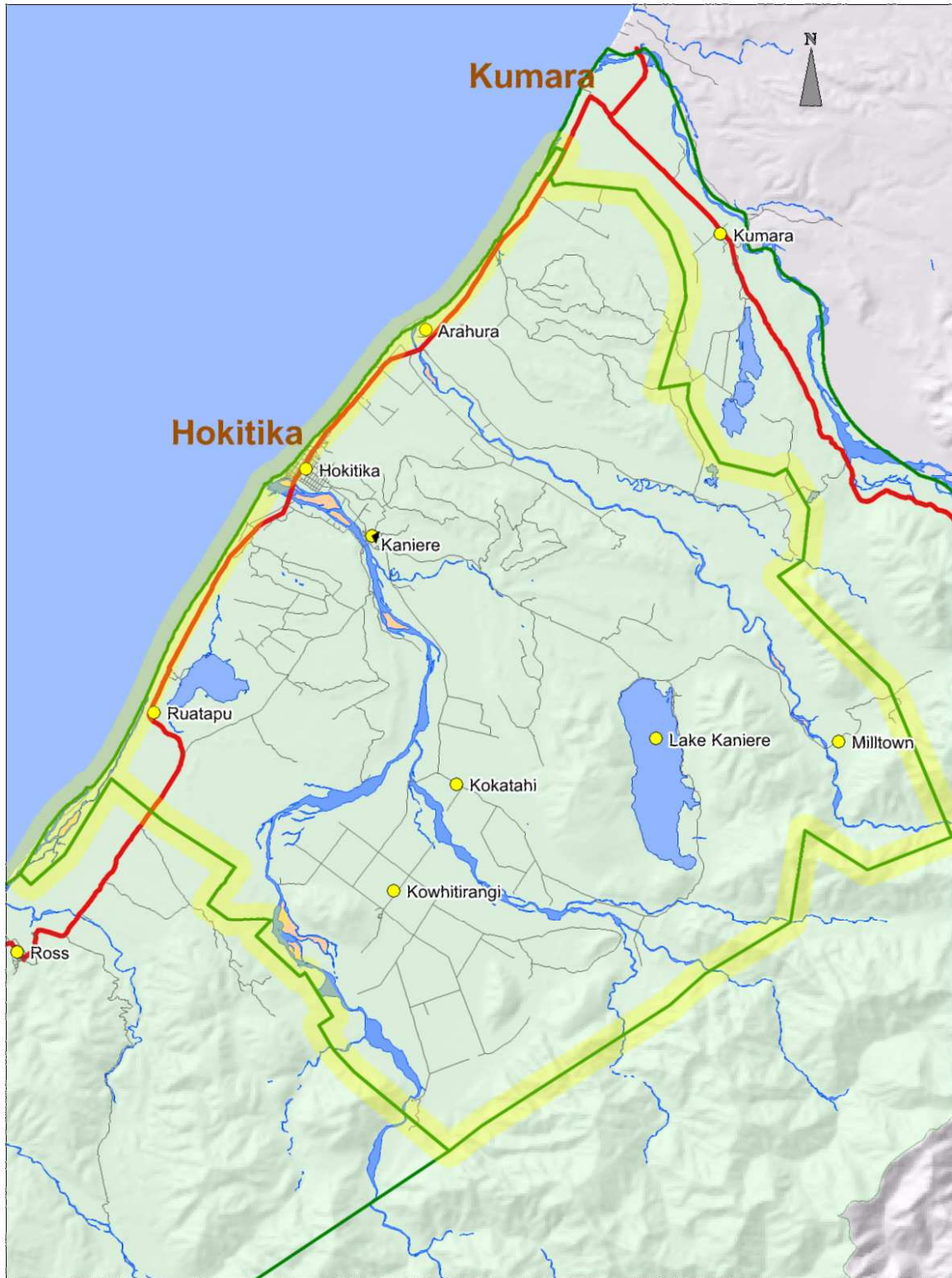
Overview Map
For Community Rating Purposes



Kumara Zone

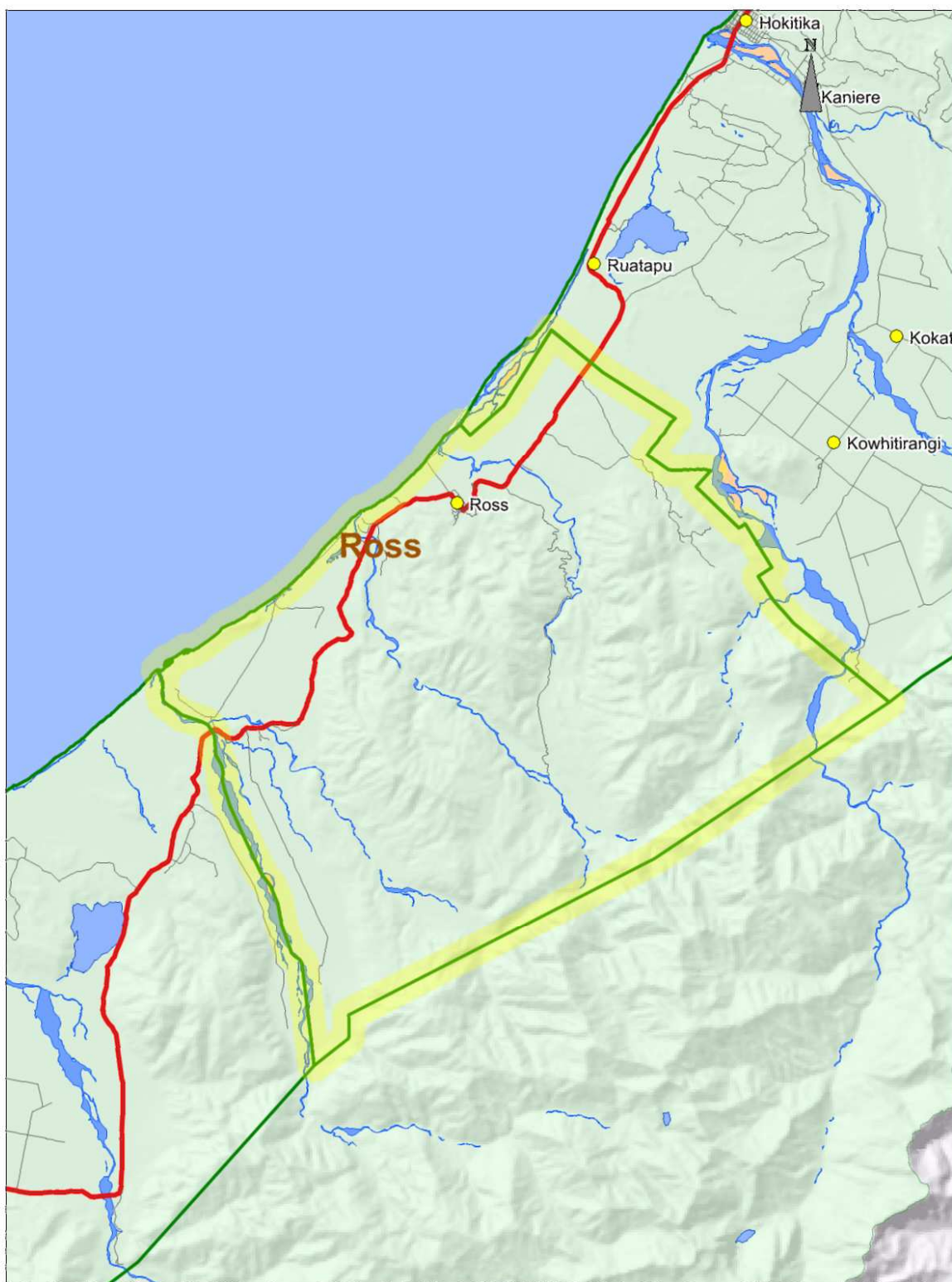
For Community Rating Purposes





Hokitika Zone *For Community Rating Purposes*

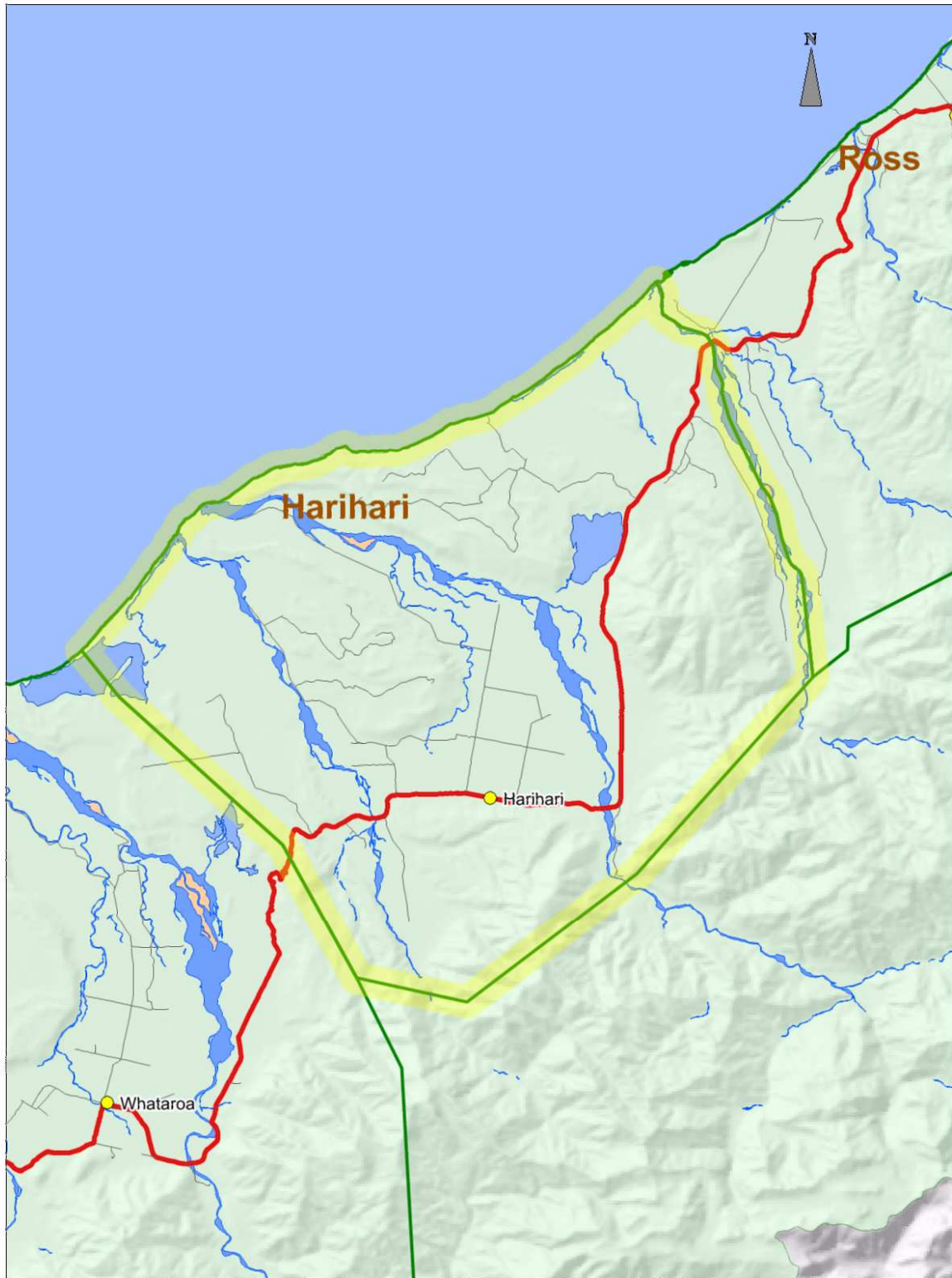




Ross Zone

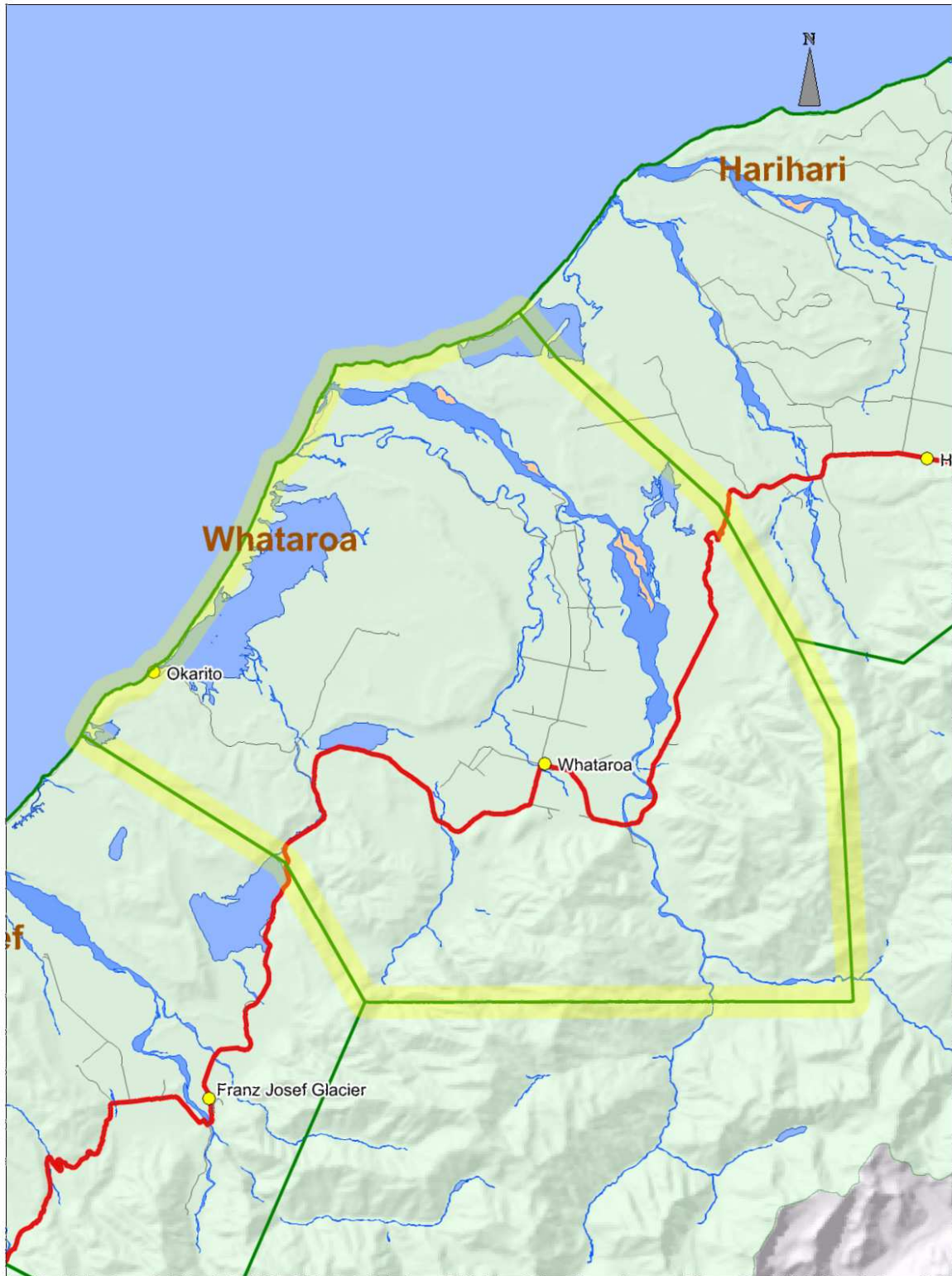
For Community Rating Purposes





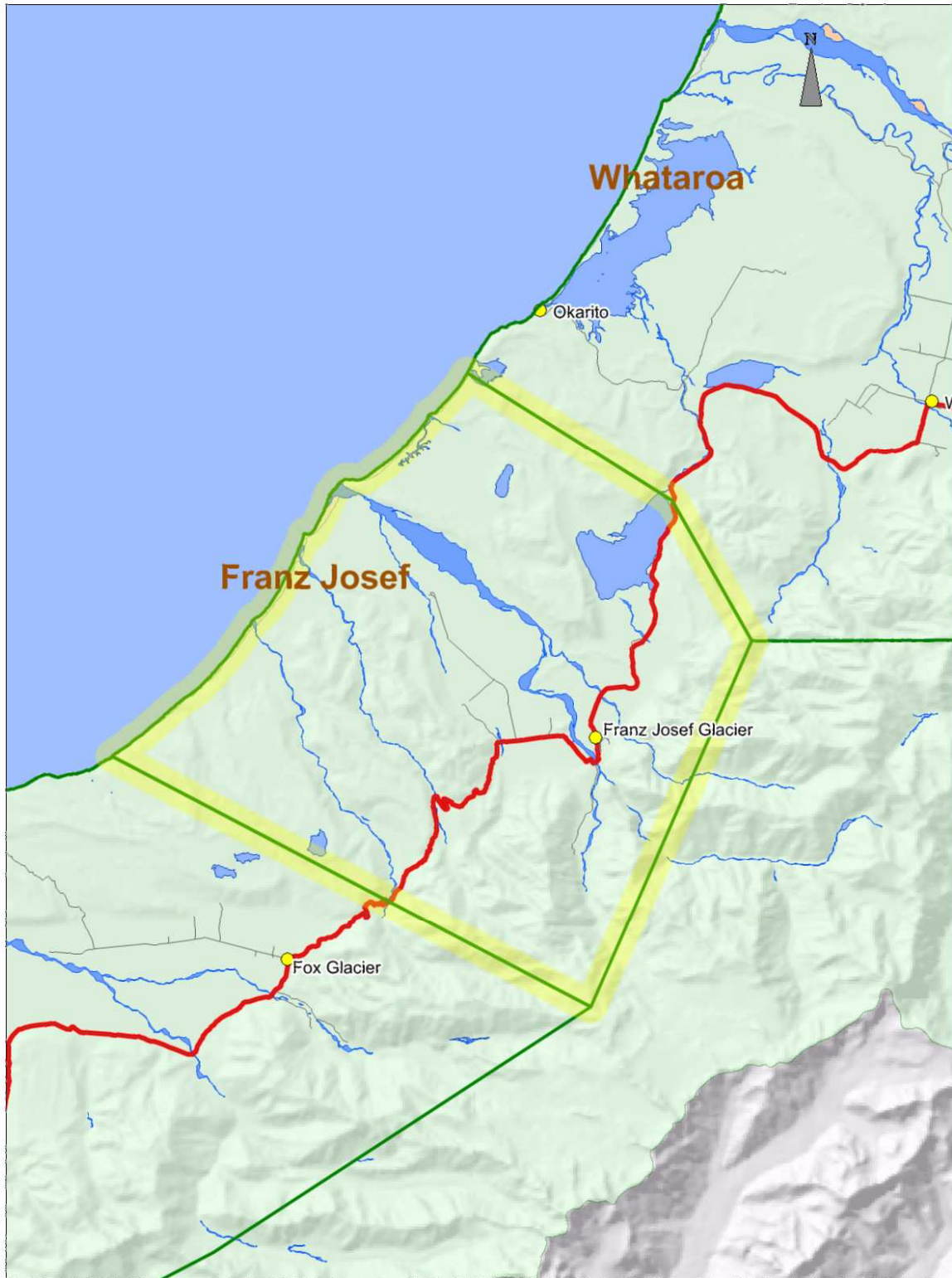
Harihari Zone For Community Rating Purposes





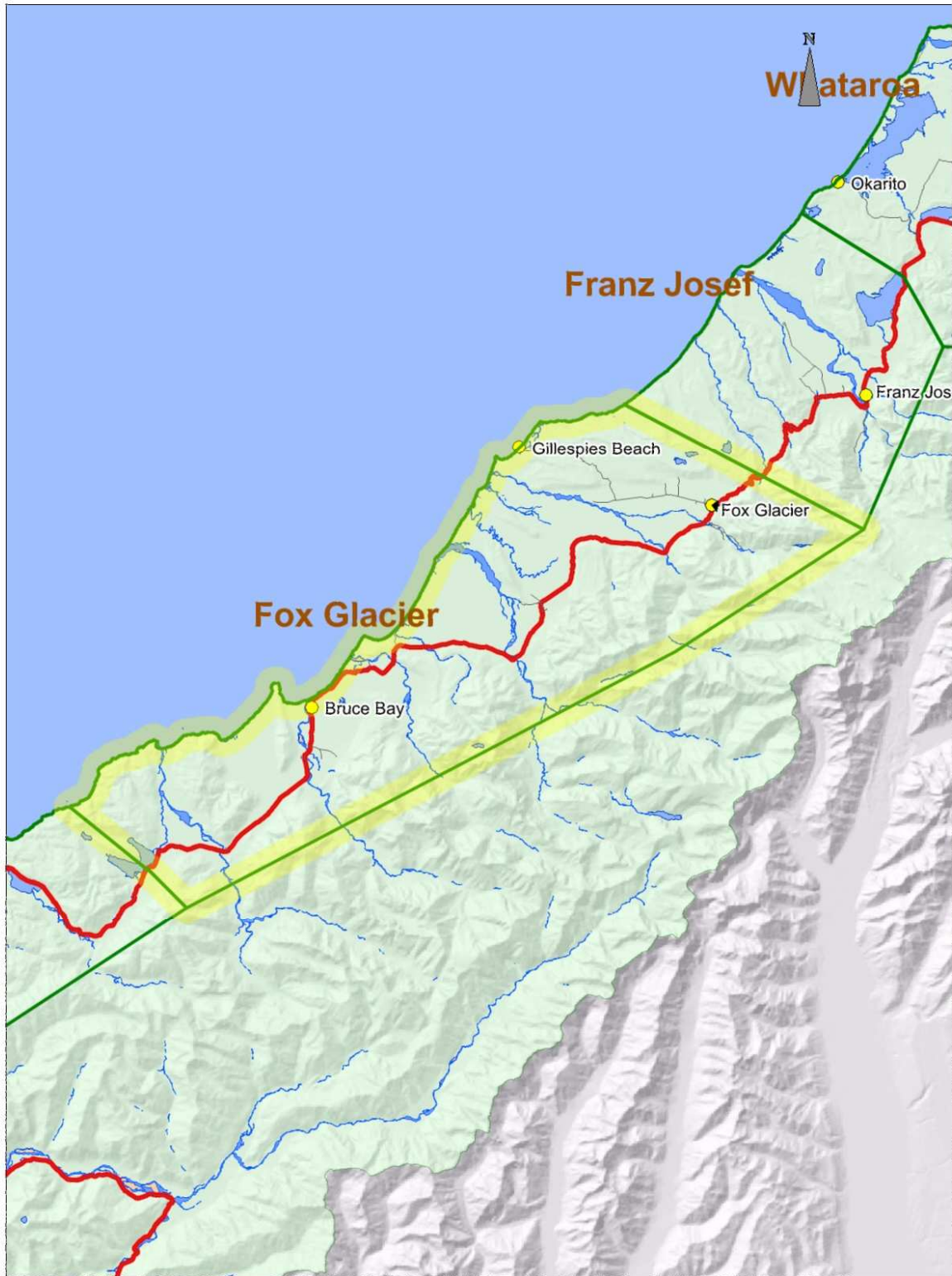
Whataroa Zone
For Community Rating Purposes





Franz Josef Zone
For Community Rating Purposes

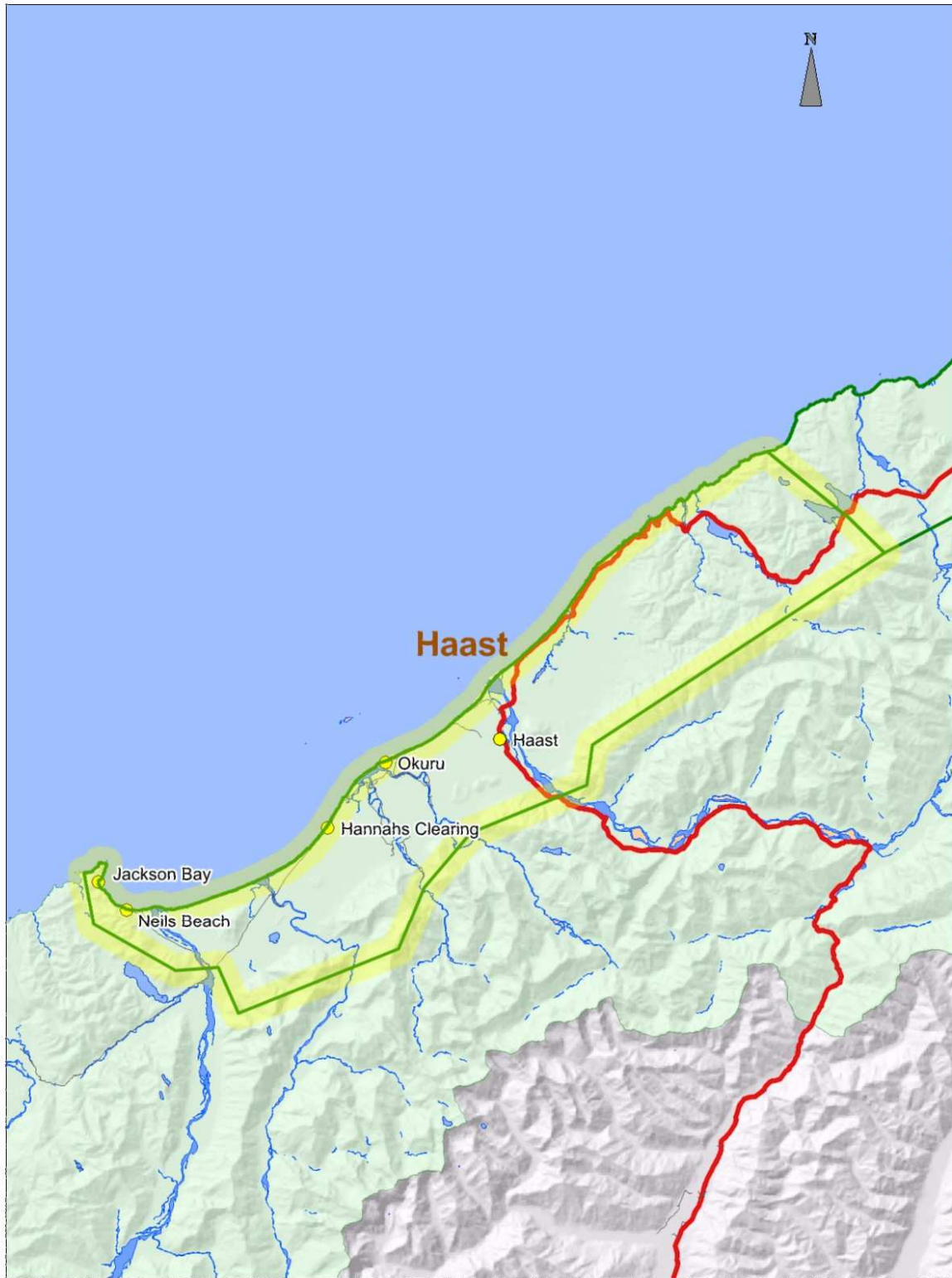




Fox Glacier Zone

For Community Rating Purposes

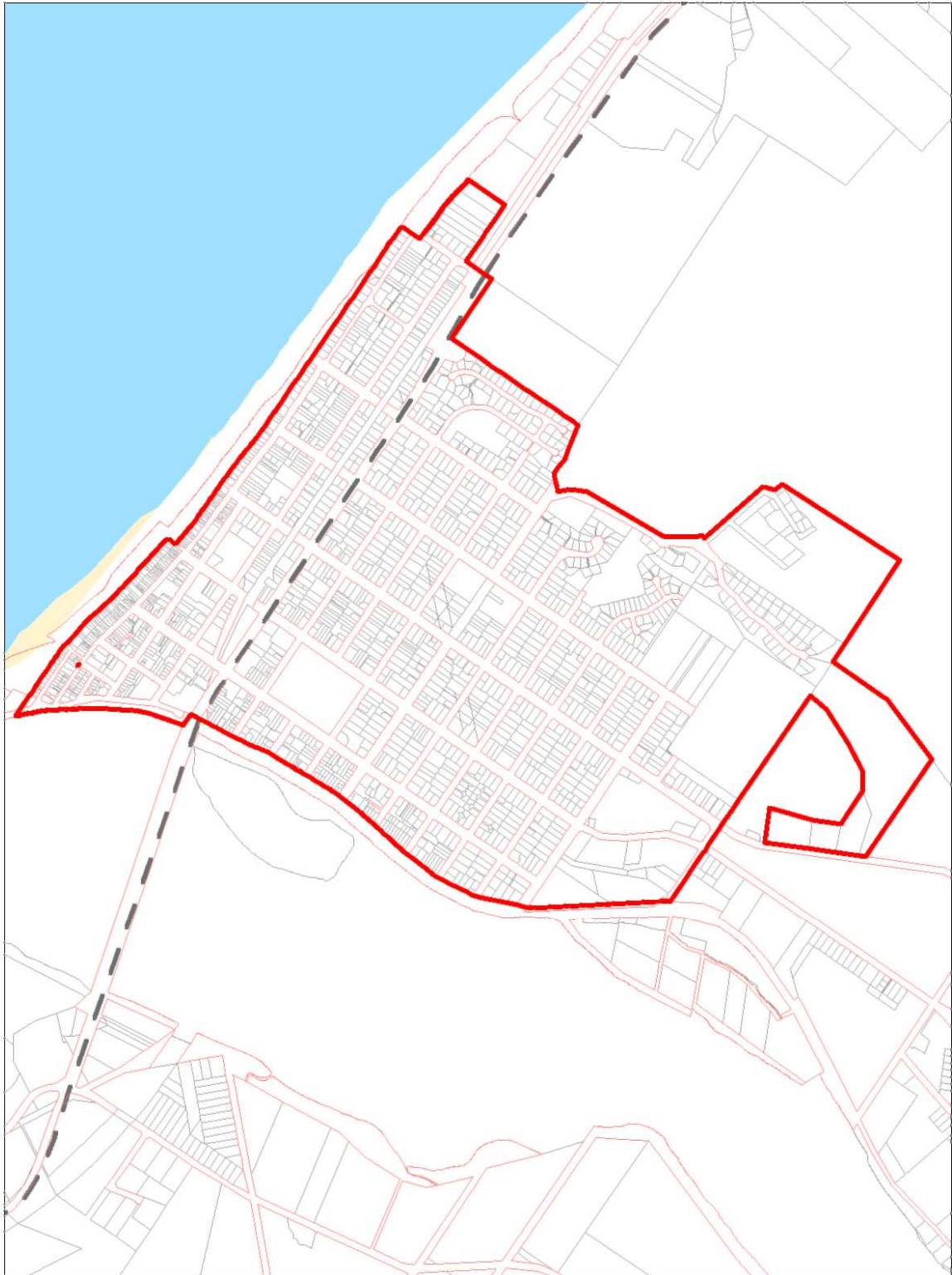




Haast Zone

For Community Rating Purposes





Hokitika Promotions Rate Zone



Report



DATE: 30 June 2015

TO: Mayor and Councillors

FROM: Group Manager: Corporate Services

RATES RESOLUTION 2015-16

1.0 SUMMARY

- 1.1 The purpose of this report is for Council to set the rates for the year ended 30 June 2016.
- 1.2 This issue has arisen as a result of consultation on the Long Term Plan 2015-25 and the Revenue and Financing Policy, and the requirements of the Local Government (Rating) Act 2002 (LGRA).
- 1.3 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.
- 1.4 This report recommends that Council:
 - 1.4.1 Adopts all of the Rates described and quantified in the Rates Resolution, attached as **Appendix 1**.
 - 1.4.2 Instructs the Chief Executive to strike the Rates for the year ended 30 June 2016 in accordance with Year 1 of the Long Term Plan 2015-25.

2.0 BACKGROUND

- 2.1 Council's forecast revenue for 2015-16 is \$20,094,001. Of this, 69% is derived from Rates, which is within the parameters prescribed by the Revenue and Financing Policy.

- 2.2 Section 23 LGRA requires that Rates must be set by resolution and in accordance with the relevant provisions of the local authority's Long Term Plan and Funding Impact Statement for the relevant financial year.

3.0 CURRENT SITUATION

- 3.1 The rate types and descriptions contained in the resolution attached as **Appendix 1** reflect the decisions of Council following consultation on the Revenue and Financing Policy and LTP 2015-25.
- 3.2 Amendments to the distribution of rates and factors applied as a result of consultation are addressed in the Rating Policy. These are contained in the Funding Impact Statement, which informs the Rating Resolution.

4.0 OPTIONS

- 4.1 Council can choose to:
- 4.1.1 Option 1 - Resolve to strike the rates for 2015-16 as proposed.
 - 4.1.2 Option 2 - Undertake further consultation.
 - 4.1.3 Option 3 - Do nothing.

5.0 SIGNIFICANCE AND ENGAGEMENT

- 5.1 The decision to strike rates is administrative, in that it gives effect to decisions made as a result of the LTP process.
- 5.2 The rates and factors applied are a direct result of public consultation.

6.0 ASSESSMENT OF OPTIONS

1. Resolve to strike the rates for 2015-16 as proposed

- 6.1 The rates proposed are in accordance with the Funding Impact Statement.
- 6.2 The decision enables Council to lawfully generate sufficient revenue to fund its activities.

2. Undertake further consultation

- 6.3 The rates proposed are as a result of extensive consultation.

- 6.4 Since the Rates Resolution must be consistent with the Funding Impact Statement, any proposed amendments would effectively restart the entire LTP process.

3. Do nothing

- 6.5 Council would run out of money and not be able to borrow to fund capital expenditure.

7.0 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is Option 1 - Resolve to strike the rates for 2015-16 as proposed because it enables Council to generate sufficient revenue to carry out its objectives for Year 1 of the Long Term Plan 2015-25.

8.0 RECOMMENDATIONS

- A) **THAT** Council adopts the Rates Resolution attached as **Appendix 1**.
- B) **THAT** Council instructs the Chief Executive to strike the Rates in accordance with Year 1 of the Long Term Plan 2015-25.

Gary Borg
Group Manager: Corporate Services

Appendix 1: Rates Resolution

Appendix 1

Resolution to Set the Rates - 2015/16 Financial Year

Recommendation:

Council resolves to set the rates and due dates for payment and authorise the penalty regime for the 2015/16 financial year commencing 1 July 2015 and ending 30 June 2016, in accordance with the Funding Impact Statement contained in the Long-term Plan 2015-25 summarised as follows; all amounts are GST inclusive:

Name of Rate	Summary Narrative	LGRA Ref	Proposed Rate (GST Inclusive)	Required Revenue (GST Inclusive)
	(must be read in conjunction with the Funding Impact Statement)			
General Rate	Set at different rates in the dollar of rateable value for different categories of rateable land on the capital value of each rating unit in the District.	s13(2)(b)		
Residential			\$0.0014700	\$829,471
Rural Residential			\$0.0011025	\$390,950
Commercial			\$0.0029400	\$1,127,118
Rural			\$0.0014700	\$1,596,210
Uniform Annual General Charge	Set at a fixed amount per rating unit on each rating unit in the District.	s15(1)(a)	\$628.70	\$3,462,249
Kumara Community Rate	Set differentially for different categories of land, at a fixed amount per rating unit, on each rating unit in the Kumara Community Rate Zone.	s16(3)(b) s16(4)(b)		
Residential			\$120.00	\$21,000
Rural Residential			\$120.00	\$14,880
Commercial			\$120.00	\$1,200
Rural			\$120.00	\$13,200
Hokitika Community Rate	Set differentially for different categories of land, at a fixed amount per rating unit, on each rating unit in the Hokitika Community Rate Zone.	s16(3)(b) s16(4)(b)		
Residential			\$416.10	\$697,175
Rural Residential			\$312.00	\$203,424
Commercial			\$832.20	\$140,642
Rural			\$312.00	\$188,916
Ross Community Rate	Set differentially for different categories of land, at a fixed amount per rating unit, on each rating unit in the Ross Community Rate Zone.	s16(3)(b) s16(4)(b)		
Residential			\$267.90	\$45,275
Rural Residential			\$267.90	\$5,894
Commercial			\$267.90	\$2,679
Rural			\$267.90	\$33,487

Name of Rate	Summary Narrative	LGRA Ref	Proposed Rate (GST Inclusive)	Required Revenue (GST Inclusive)
Harihari Community Rate	Set differentially for different categories of land, at a fixed amount per rating unit, on each rating unit in the Harihari Community Rate Zone.	s16(3)(b) s16(4)(b)		
Residential			\$98.20	\$9,231
Rural Residential			\$98.20	\$3,142
Commercial			\$98.20	\$1,178
Rural			\$98.20	\$10,507
Whataroa Community Rate	Set differentially for different categories of land, at a fixed amount per rating unit, on each rating unit in the Whataroa Community Rate Zone.	s16(3)(b) s16(4)(b)		
Residential			\$137.50	\$7,700
Rural Residential			\$137.50	\$11,962
Commercial			\$137.50	\$2,200
Rural			\$137.50	\$13,475
Franz Josef Glacier Community Rate	Set differentially for different categories of land, at a fixed amount per rating unit, on each rating unit in the Franz Josef Community Rate Zone.	s16(3)(b) s16(4)(b)		
Residential			\$343.10	\$53,523
Rural Residential			\$257.30	\$11,064
Commercial			\$686.20	\$32,937
Rural			\$257.30	\$20,841
Fox Glacier Community Rate	Set differentially for different categories of land, at a fixed amount per rating unit, on each rating unit in the Fox Glacier Community Rate Zone.	s16(3)(b) s16(4)(b)		
Residential			\$343.30	\$29,524
Rural Residential			\$257.50	\$14,162
Commercial			\$686.60	\$21,285
Rural			\$257.50	\$20,085
Haast Community Rate	Set differentially for different categories of land, at a fixed amount per rating unit, on each rating unit in the Haast Community Rate Zone.	s16(3)(b) s16(4)(b)		
Residential			\$111.30	\$8,681
Rural Residential			\$111.30	\$24,820
Commercial			\$111.30	\$2,560
Rural			\$111.30	\$19,366

Name of Rate	Summary Narrative	LGRA Ref	Proposed Rate (GST Inclusive)	Required Revenue (GST Inclusive)
Water Rates	Set differentially depending on the nature of the connection to the land and the use to which the land is put.	s16(3)(b) s16(4)(b)		
Hokitika and Kaniere Treated water – Commercial			\$660.40	\$2,642
Hokitika and Kaniere Treated water – Connected			\$384.10	\$697,945
Hokitika and Kaniere Treated water – Unconnected			\$192.00	
Rural Townships Treated water – Commercial			\$660.40	\$19,152
Rural Townships Treated water - Connected			\$384.10	\$202,456
Rural Townships Treated water - Unconnected			\$192.00	
Rural Townships Untreated – Commercial			\$480.10	\$6,241
Rural Townships Untreated - Connected			\$288.00	\$77,796
Rural Townships Untreated – Unconnected			\$144.00	
Metered Water Rates	Set on all rateable properties located in a specified location and for the quantity of water provided as a fixed charge per unit of water supplied.	s19(2)(a)		
Metered water				\$178,250
Milk Treatment Plant Water Rates	Set as a fixed rate on the property used as a milk treatment plant in Hokitika for the quantity of water provided for the year.	s19(2)(b)		
Hokitika Milk Treatment Plant water rate			\$3,312,000	\$3,312,000
Sewerage Rates	Set as a fixed amount on all rateable land, which is provided or has available to the land a council funded sewerage supply service.	s16(3)(b) s16(4)(b)		
Connected			\$266.00	\$989,444
Unconnected			\$133.00	\$21,280

Name of Rate	Summary Narrative	LGRA Ref	Proposed Rate (GST Inclusive)	Required Revenue (GST Inclusive)
Refuse Collection Rates	Set as a fixed amount on all rateable land, located in a specific location, which is provided with a refuse collection service and according to where the land is situated.	s16(3)(b) s16(4)(b)		
Hokitika			\$289.00	\$457,487
Rural			\$268.30	\$367,571
Tourism promotions rate	Set differentially for different categories of land, at a fixed amount per rating unit, on each rating unit in the District.	s16(3)(b) s16(4)(b)		
Commercial rating units Over \$10 million capital value			\$7,421.60	\$37,108
Commercial rating units greater than \$3 and up to \$10 million capital value			\$3,710.80	\$51,951
Commercial rating units greater than \$1 and up to \$3 million capital value			\$1,484.40	\$109,846
\$0 - 1 million Commercial rating units greater than \$0 and up to \$1 million capital value			\$742.10	\$177,362
Residential, Rural Residential and Rural			\$11.30	\$58,475
Hokitika Area Promotions Rate	Set as a fixed rate on all rateable properties defined as commercial use properties and located in Hokitika (as mapped in the Rating Policy).	s16(3)(b) s16(4)(a)	\$332.20	\$44,847
Kokatahi Community Rates	Set differentially as a fixed rate and as rate on the land value of all rateable properties located on the Kokatahi area (as mapped in the Rating Policy).	s16(3)(b) s16(4)(b)		
Land value			\$0.0000421	\$9,831
Rating Unit			\$51.00	\$9,231
Kaniere Sewerage Capital Contribution Rate	Set as a fixed rate on all rateable properties that are connected to the Kaniere sewerage scheme and have not repaid the capital amount.	s16(3)(b) s16(4)(a)	\$417.00	\$25,437
Hannah's Clearing Water Supply Capital Repayment Rate	Set as a fixed rate on all rateable properties located in Hannah's Clearing where the nature of the connection is a Council funded water supply and the capital amount has not been repaid.	s16(3)(b) s16(4)(a)	\$575.00	\$6,325
Emergency Management Contingency Fund Rate	Set on the land value of all rateable properties in the district.	s16(3)(a) s16(4)(a)	\$0.000	\$NIL

Name of Rate	Summary Narrative	LGRA Ref	Proposed Rate (GST Inclusive)	Required Revenue (GST Inclusive)
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Instalments

Rates will be collected by four equal quarterly instalments due on the following dates or the first working day after this date. Payments will be applied to the oldest debt first.

Instalment Number	Due Date
One	31 August 2015
Two	30 November 2015
Three	28 February 2016
Four	31 May 2016

Penalty Regime

1. A 10% penalty is added under s.58(1)(a) on the next business day to so much of any instalment not paid by due date will be added on or after the due date for each instalment.
2. A 10% penalty will be added to rates under s.58(1)(b) 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 under s58(1)(c) that remain unpaid from previous years. This will be added 6 months after the penalty made in 2 above.

Delegations

Council confirms that all matters that can be delegated under s.132 of the Local Government (Rating) Act 2002 are delegated to the Chief Executive, Group Manager: Corporate Service, Finance Manager and assistant Accountant.

COMPREHENSIVE 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 / Kowhitirangi 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
/Waiau
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 /Waiau 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 /Waiau 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 /
Kowhitirangi
Community Rates**

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

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

The Kokatahi / Kowhitirangi community rate funds the community development & assistance activity (Kokatahi / Kowhitirangi 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	<p>The Hannahs 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.</p> <p>The Hannahs Clearing water supply capital repayment rate funds part of the water supply activity.</p>
Emergency Management Contingency Fund Rate	<p>The emergency management contingency fund rate is set and assessed on the land value of all rateable properties in the district.</p> <p>The emergency management contingency fund rate funds part of the emergency management & rural fire activity.</p>

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

- Kaniere Sewerage Capital Contribution Rate
- Hannahs 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	Rural Residential	Residential	Commercial	Units	Revenue	
<u>General Rates</u>							Inc GST \$	Ex GST \$
General Rate	Capital Value	1,085,821,600	354,654,500	564,317,600	383,374,000	2,388,167,700		
	Per \$ Capital Value	0.0014700	0.0011025	0.0014700	0.0029400			
	Revenue \$	1,596,210	390,950	829,471	1,127,118		3,943,749	3,429,347
Uniform Annual General Charge	Rateable Units	1,435	1,252	2,489	331	5,507		
	Each \$	628.7	628.7	628.7	628.7			
	Revenue \$	902,185	787,132	1,564,834	208,100		3,462,249	3,010,651
Total General Rates		2,498,395	1,178,082	2,394,305	1,335,218		7,405,998	6,439,998

Table 1, Part b
Targeted Rates

Rate	Factor	Sector				Totals		
		Rural	Rural Residential	Residential	Commercial	Units	Revenue	
<i>Community Rates</i>							Inc GST \$	Ex GST \$
Kumara	Rateable Units	110	124	175	10	419		
	Each	120.00	120.00	120.00	120.00			
	Revenue	13,200	14,880	21,000	1,200		50,280	43,722
Hokitika	Rateable Units	605	652	1,675	169	3,101		
	Each	312.00	312.00	416.10	832.20			
	Revenue	188,916	203,424	697,175	140,642		1,230,157	1,069,702
Ross	Rateable Units	125	22	169	10	326		
	Each	267.90	267.90	267.90	267.90			
	Revenue	33,487	5,894	45,275	2,679		87,335	75,943
Harihari	Rateable Units	107	32	94	12	245		
	Each	98.20	98.20	98.20	98.20			
	Revenue	10,507	3,142	9,231	1,178		24,058	20,920
Whataroa	Rateable Units	98	87	56	16	257		
	Each	137.50	137.50	137.50	137.50			
	Revenue	13,475	11,962	7,700	2,200		35,337	30,728
Franz Josef	Rateable Units	81	43	156	48	328		
	Each	257.30	257.30	343.10	686.20			
	Revenue	20,841	11,064	53,523	32,937		118,365	102,926
Fox Glacier	Rateable Units	78	55	86	31	250		
	Each	257.50	257.50	343.30	686.60			
	Revenue	20,085	14,162	29,524	21,285		85,056	73,962
Haast	Rateable Units	174	223	78	23	498		
	Each	111.30	111.30	111.30	111.30			
	Revenue	19,366	24,820	8,681	2,560		55,427	48,197
Total Community Rates	Rateable Units	1,378	1,238	2,489	319	5,424		
	Revenue	319,877	289,348	872,109	204,681		1,686,015	1,466,100

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		1,583	457,487
Rural Refuse Collection	Per bin			268.30		1,370	367,571
Total Refuse Collection Rates						2,953	825,058 717,442
<i>Water Supply Rates</i>		<u>Connected</u> <u>non</u> <u>commercial</u>	<u>Connected</u> <u>Commercial</u>	<u>Unconnected</u>			
Rural Township Untreated Water	Each	288.00	480.10	144.00		270 / 13 / 0	
Rural Township Treated Water	Each	384.10	660.40	192.00		527 / 29 / 0	
Hokitika/Kaniere Water	Each	384.10	660.40	192.00		1,817 / 4 / 0	1,006,231
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							4,502,806 3,915,483
<i>Sewerage Rates</i>							
Connected	Each			266.00		3,720	989,444
Unconnected	Each			133.00		160	21,280
<u>Total</u>							<u>1,010,724</u>
Kaniere Sewerage Capital	Each			417.00		61	25,437
Total Sewerage Rates							1,036,161 901,010

Rate	Factor	Unit Amounts \$				Units	Revenue	
							Inc GST \$	Ex GST \$
Kokatahi / Kowhitirangi Community Rate								
Land Value	Per \$ Value				0.0000421	233,763,000	9,831	
Uniform Basis	Rateable Units				51.00	181	9,231	
Total Kokatahi / Kowhitirangi Community Rates							19,062	16,576
Hokitika Area Promotions Rate	Rateable Units				332.20	135	44,847	38,997
Tourism Promotions Rates								
Non Commercial	Each				11.30	5,175	58,475	
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	5	14	74	239	332		
	Each	7,421.60	3,710.80	1,484.40	742.10			
	Revenue	37,108	51,951	109,846	177,362		376,267	
Total Tourism Promotions Rates						5,507	434,742	378,035
Total Other Targeted Rates							6,862,676	5,967,543

Total Rates

15,954,690	13,873,643
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Table 2 – Rates Samples

Example property	Capital value (2015)	Actual rates in 2014/15	Comparatives with new rates system using 2014/15 budget after consultation	Draft LTP	Proposed rates for 2015/16	The dollar movement from 2014/15
	\$	\$	\$	\$	\$	\$
Kumara residential	245,000	1,488	1,576	1,828	1,676	\$188
Awatuna rural-residential	475,000	1,353	1,574	1,817	1,744	\$391
Keogan's Road residential	490,000	1,257	1,590	1,831	1,760	\$503
Brickfield Road residential	460,000	1,892	2,353	2,502	2,385	\$493
Kaniere residential	255,000	2,091	2,285	2,522	2,349	\$258
Hokitika residential	325,000	2,468	2,404	2,624	2,473	\$5
Hokitika residential	210,000	2,459	2,242	2,491	2,304	-\$155
Hokitika Beachfront residential	310,000	3,811	2,383	2,606	2,451	-\$1,360
Ross residential	180,000	1,731	1,790	2,000	1,825	\$94
Whataroa residential	175,000	1,363	1,378	1,584	1,419	\$56
Okarito rural- residential	300,000	1,152	928	1,286	1,108	-\$44
Franz Josef residential	325,000	2,066	2,152	2,174	2,111	\$45
Okuru rural- residential	240,000	884	810	1,205	1,016	\$132
Kowhitirangi Farm	3,500,000	5,099	5,811	4,491	6,257	\$1,158
Waitaha Farm	1,850,000	3,088	3,354	2,763	3,627	\$539
Hokitika Shop	290,000	5,380	4,359	4,468	4,593	-\$787
Hokitika Motel	1,320,000	11,705	10,194	10,435	11,437	-\$268
Hari Hari commercial	850,000	4,207	4,434	4,183	4,628	\$421
Franz Josef Hotel	12,400,000	72,593	72,877	71,829	82,166	\$9,573
Haast commercial	1,750,000	4,609	6,669	6,282	7,369	\$2,760

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		6,676,879	7,113,397	7,672,682	8,178,625	8,222,445	8,391,088	8,407,934	8,572,533	8,826,954	8,912,300
4,614,000	Targeted rates		7,356,764	7,872,264	8,321,640	8,611,850	8,972,113	8,284,218	8,796,747	9,001,171	9,174,214	9,309,489
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
2,757,000	Fees and charges		2,000,348	2,058,673	2,102,644	2,179,310	2,244,956	2,302,466	2,373,333	2,460,498	2,533,924	2,623,912
-	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		21,851,231	23,240,612	24,203,636	24,944,270	25,589,361	25,260,676	25,956,753	26,612,106	27,280,524	27,796,881
	Applications of operating funding											
12,930,000	Payments to staff and suppliers		17,329,732	17,927,396	18,065,342	18,503,738	19,050,348	19,482,551	19,868,439	20,497,968	21,183,157	21,721,291
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		18,212,205	18,779,232	19,008,004	19,583,151	20,121,988	20,534,965	20,919,115	21,509,869	22,144,387	22,635,203
1,961,000	Surplus/(deficit) of operating funding		3,639,026	4,461,380	5,195,632	5,361,119	5,467,373	4,725,711	5,037,638	5,102,237	5,136,136	5,161,678
	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		208,000	3,804,980	3,813,060	2,709,950	1,400,380	1,152,000	-	194,700	391,785	-
2,817,000	Capital expenditure - replace existing assets		3,819,500	4,229,316	5,051,453	3,735,891	3,909,114	2,945,061	3,290,384	3,620,404	3,187,819	4,398,141
898,000	Increase/(decrease) in reserves		352,406	1,665,191	2,930,561	1,304,250	1,284,068	2,189,771	2,531,193	1,856,889	2,255,272	1,296,465
-	Increase/(decrease) of investments		-	-	-	-	-	-	-	-	-	-
4,135,000	Total applications of capital funding		4,456,406	9,770,724	11,841,888	7,825,220	6,643,045	6,326,335	5,862,322	5,714,083	5,878,380	5,739,663
(1,961,000)	Surplus/(deficit) of Capital Funding		(3,639,026)	(4,461,380)	(5,195,632)	(5,361,119)	(5,467,373)	(4,725,711)	(5,037,638)	(5,102,237)	(5,136,136)	(5,161,678)
-	Funding balance		-	-	-	-	-	-	-	-	-	-