

Whangarei District Council Meeting

Agenda

Date: Tuesday, 16 July, 2024

Time: 9:00 am

Location: Civic Centre, Te Iwitihi, 9 Rust Avenue

Elected Members: His Worship the Mayor Vince Cocurullo
Cr Gavin Benney
Cr Nicholas Connop
Cr Ken Couper
Cr Jayne Golightly
Cr Phil Halse
Cr Deborah Harding
Cr Patrick Holmes
Cr Scott McKenzie
Cr Marie Olsen
Cr Carol Peters
Cr Simon Reid
Cr Phoenix Ruka
Cr Paul Yovich

For any queries regarding this meeting please contact the Whangarei District Council on (09) 430-4200.

1. Karakia/Prayer	
2. Declarations of Interest / Take Whaipānga	
3. Apologies / Kore Tae Mai	
4. Decision Reports / Whakatau Rīpoata	
4.1 Development Contributions Policy Adoption Report	3
4.2 Revenue and Financing Policy - 2024-34	109
4.3 Adoption of the 2024-34 Long Term Plan	143
4.4 2024-2025 Rates Resolution	179
5. Public Excluded Business / Rāhui Tangata	
6. Closure of Meeting / Te katinga o te Hui	

Recommendations contained in the Council agenda may not be the
final decision of Council.

Please refer to Council minutes for final resolution.

4.1 Development Contribution Policy 2024 Adoption

Meeting: Whangarei District Council
Date of meeting: 16 July 2024
Reporting officer: Lynne Dahl – Team Leader Development Contributions

1 Purpose / Te Kaupapa

This item seeks a decision from Council to approve and adopt the Development Contributions Policy 2024.

2 Recommendation/s / Whakataunga

That the Council:

1. Approve and Adopt the Development Contributions Policy 2024 in accordance with Section 102 of the Local Government Act 2002.
2. Authorises the Chief Executive to make any necessary drafting, typographical or presentation changes or corrections to the Development Contributions Policy 2024 prior to the document being published.

3 Background / Horopaki

Council is required to review its Policy on Development Contributions not less than every three years. Council's Policy was last reviewed concurrently with the 2021 Long Term Plan and adopted on 24 June 2021.

Council first adopted a Development Contributions Policy (DCP) in 2005 and has reviewed and operated a DCP continuously since that date.

A Statement of Proposal for the 2024 DCP was adopted by Council 21 March 2024 with consultation from 25 March 2024 until 25 April 2024 in accordance with the requirements of the Special Consultative Procedure (SCP) provisions of the Local Government Act 2002.

Eight submissions were received on the draft DCP, the matters raised in the submissions were addressed in the deliberations report, the submissions included support for the proposed changes.

4 Discussion / Whakawhiti kōrero

Development contribution charges contained in the DCP were prepared and calculated based on capital expenditure (both past and future) that is required to service growth.

Following consultation and deliberations regarding the 2024 Long Term Plan and submissions on the Draft DCP contribution charges have been set. In response to

submissions, a clause was added separately defining the impact of Retirement villages/Care facilities.

Changes from the previous policy are

- Any pro-rata rate applied for a dwelling less than 100m² will be no less than 40% of a full HUE for the relevant catchment.
- Libraries will be collected only the first year of Policy (2024-2025) as the project growth costs will have been recovered
- Capping of water and wastewater charges
- Provisions relating to the Te Ture Whenua Act have been incorporated into the Policy
- The inclusion of a new inner city residential Transport catchment
- The addition of a separate category which identifies the impact of retirement villages and care facilities

Contribution charges have been calculated based on the capital programme in the 2024 Long Term Plan. The schedules that these charges are based on have been included in the finalised DCP.

The date the Development Contributions Policy becomes effective is 17 July 2024

4.1 Financial/budget considerations

This Policy is the mechanism that Council uses to help recover the cost of growth related infrastructure.

4.2 Policy and planning implications

Council is required to review this Policy in order to charge development contributions

5 Significance and engagement / Te Hira me te Arawhiti

Development Contributions Policies are subject to statutory requirements and considerations. These matters have been addressed in reports to Council throughout the review process and incorporate any issues relating to matters deemed significant under the Significance and Engagement Policy

Consultation on the draft Development Contributions Policy was carried out concurrently with the Long Term Plan 2024 consultation using the provisions of the Special Consultative Procedures under the Local Government Act.

The public will be informed via the publication of this agenda on Council's website. Council's website will be updated with the new Policy on 17 July 2024. The Policy will be available at Council's Offices.

6 Attachments / Ngā Tāpiritanga

Attachment 1: Deliberations Report – Fees and Charges including Development Contributions Policy deliberations

Attachment 2: Development Contributions Policy 2024

Attachment 1: Deliberations on Fees and Charges and Consultations Alongside the 2024-2034 Long Term Plan

Whangarei District Council

Contents

Background	3
Part One – Concurrent Consultations	4
Topic – Revenue and Financing Policy.....	4
Topic – Rates Remissions and Postponement Policy, Early Repayment of Rates Policy ...	6
Topic – Development Contributions Policy.....	8
Topic – Significance and Engagement Policy	11
Part Two – Fees and Charges	12
Topic – Fees and Charges	12

Background

This report is split into the following parts:

Part One – Concurrent Consultations

1. Analysis of feedback on the consultation questions through formal submissions on:
2. Draft Revenue and Financing Policy
3. Draft Rates Remission and Postponement Policy & Early Payments of Rates Policy
4. Development Contributions Policy
5. Significance and Engagement Policy

Part Two – Fees and Charges (stand-alone consultation)

Part One – Concurrent Consultations

Topic – Revenue and Financing Policy

Feedback from Consultation

Submissions Analysis:

There were three submissions received, not relating to the policy, these have been included with the submissions on the LTP. Eight submissions were received.

Key Issues raised from submissions:

A brief summary of key messages from submissions is included below. Some of these are not directly related to the Revenue and Financing Policy and will be considered in other applicable subject areas:

- Support for the principles of Te Ture Whenua Māori Act
- No to fluoridated water
- Suggestion to review the volumetric consumption rates and consider a greater increase in years one and two, to avoid large increase in years three and four.
- Concern about using land value to assess rates and the burden placed on rural landowners
- Suggestion to use capital value to ensure rates are fair, and questioning what services/costs Council has looked at to save money
- Projects taking longer and costing more than budgeted. Suggestion to look beyond local business to introduce more competition so that cost plus a margin is paid instead of the 'council price'.
- Re commercial property and Northland Inc – commercial activities are for businesses. Businesses are about maximising profit. Council is not-for-profit and minimising risk.
- Sell Hundertwasser building for one dollar to a group of supporters to save Council millions.
- Proposed rates increase is too much in this economic climate and Council should look at some other ways of funding like selling real estate
- It seems there's very little going on in town around the arts space. The new theatre is really why I'm here. We need it.
- Stop taking on debt. Cut expenditure. Cut staff numbers. Stop pay increases. Stop grand projects. Live within WDC income stream.

Staff Analysis:

Many of the submissions received do not relate directly the Revenue and Financing Policy and have been considered as part of other areas within this agenda.

Rating items concerning land v capital value and rates burden should be considered as part of the next full rating review.

A larger increase to water rates in year one was discussed during the formation of the draft LTP. This was not pursued in order to:

- Reduce any additional burden on ratepayers in year 1 considering the larger general rates increase
- Better understand the impacts of Local Waters Done well
- Rely on the current water reserve balance in the short term.

Water rates increases for year 2 can be considered again as part of the next Annual Plan.

The proposed rates increase is necessary to maintain current service delivery.
Continued focus on finding efficiencies and cost savings going forward.

Recommendation(s):

- a) Council acknowledges the feedback received in relation to the Revenue and Financing Policy.
- b) Council adopts the Revenue and Financing Policy as consulted on alongside the LTP 2024-34, subject to any changes required as a result of deliberations.

Financial Impact:

No change.

Topic – Rates Remissions and Postponement Policy, Early Repayment of Rates Policy

Feedback from Consultation

Submissions Analysis:

There were 8 submissions received.

Key Issues raised from submissions:

The subjects covered were:

- rates relief for whenua Māori,
- water leak remission,
- no remissions so that there is no rates increase,
- discount – increase the discount percentage (currently zero) if the annual rates paid in full by 20 August
- discount – if paid by the due date
- postponed rates for farmland – support for the proposed changes
- rates relief for three properties with a high level of general rates in Marsden Point

Staff Analysis:

Council staff reviewed the submissions and:

- suggest, continuing with policy allowing for rates relief policies where they meet Council's desired outcomes
- suggest, to allow for discount when the annual rates are fully paid by 20 August if the interest rates increase sufficient to make this cost neutral (reviewed annually)
- suggest the submission made by Cazeca Marsden Ltd is considered with the rates policy review
- During the submission period, Council officers suggested the method for calculating the remission on excess water consumption due to a leak is detailed further in the proposed policy 24/102. The suggested changes are highlighted below
 - Immediate action to repair or minimise water loss is taken by the ratepayer on notification to it of a leak or damage by the Council. Proof of repairs are required, e.g. plumber's report, plumber's invoice, receipt for materials and photo of repair: and meter readings before and after the repairs. Any remission will only apply from the previous reading date to the date of repair and consequential meter reading.
 - That rating units used for residential purposes and rating units used for small businesses with usages equivalent to the average household be charged for consumption based on the daily average for the period in question for the given property, plus 50% (fifty per cent) of the said average consumption. At least two previous readings for the same period as the leak occurred are used to calculate the daily average for the property. Where that is less than the actual consumption recorded, any excess consumption over and above that charged is remitted.
 - That rating units used for business purposes with water usages more than the average household be charged for consumption based on the daily average for the period in question for the given property, plus 50% (fifty per cent) of the said average consumption. At least two previous readings for the same period as the leak occurred are used to calculate the daily average for the property. Where that is less than the actual consumption recorded, any excess consumption over and above that charged is remitted. However, in extenuating circumstances, e.g. leak difficult to find, extremely high quantity leaked, any

further remission will only be given at the discretion of the Water Services Manager or Revenue Manager.
Recommendation(s): <ul style="list-style-type: none"> a) Council acknowledges the submissions received on the Rates Remissions and Postponement Policy, Early Repayment of Rates Policy b) Council adopts the Rates Remissions and Postponement Policy, Early Repayment of Rates Policy as consulted on alongside the 2024-34 Long Term Plan incorporating the suggested changes to the policy 24/102 Remission of Excess Water Supply Rates.
Financial Impact: None

Topic – Development Contributions Policy

Feedback from Consultation

Submissions Analysis:

There was one submission received, not relating to the policy, this has been included with the submissions on the LTP. Eight submissions relating to the DC Policy were received.

Key Issues raised from submissions:

1. I understand that growth is one of the reasons there is a big gap between income and expenses at WDC. So the obvious thing to do is increase the cost of growth (building consents, land development fees, etc). It might slow down growth which is better than bankruptcy.
2. Downsize the policies to live within WDC income stream
3. Summerset is New Zealand's second largest developer and operator of retirement villages, which makes it one of New Zealand's largest home-builders. Summerset has 38 villages completed or in development across New Zealand and provides a range of living options for more than 8,000 residents.
 - New Zealand is facing a housing crisis, including a retirement living and aged care crisis. The Whangārei District Council's draft Long-Term Plan consultation document notes the district's fastest growing age group over the last two decades has been the 65 and over age group. This is expected to continue to be the fastest growing age group over the next 10 years, which will result in even further demand for retirement villages. It is vital that the regulatory environment recognises and provides for the development that is required to meet this growing demand, and funding for associated infrastructure, but does so on a fair, equitable and proportionate basis that reflects, for comprehensive care retirement villages like Summerset's:
 - reduced occupancy per unit when compared to a typical household unit - Summerset's average occupancy for its independent units is 1.3 residents per unit and for its care units is 1 resident per unit; and
 - the typically low pattern of demand on community infrastructure, amenities and facilities when compared against the demand assumptions for a typical household unit - residents entering Summerset's villages average 81 years, have specialist physical and social needs, and access Summerset's extensive range of on-site amenities.
 - Summerset notes that the draft Policy (at paragraph 11.7.2) states the Council may apply a pro-rata development contribution rate to multi-unit developments, where each additional dwelling has less than 100 m² of gross floor area and, in the Council's opinion, it is likely to generate less demand than an average dwelling. However, any such pro-rata reduction is limited to being no less than 40% of a HUE.
 - Summerset submits that the Council must provide more certainty by defining categories of activities that are considered as having a lesser impact than an average HUE (such as retirement village units and aged care rooms) and provide a specific HUE calculation for that category of activity as a starting point. It should not be left for each applicant to rely on the Council to apply an appropriate pro-rata rate, as that approach produces administrative inefficiencies, ambiguity/subjectivity from the officer assessing and allows for inconsistent calculations and approaches across and between activities within the same category. In the case of

retirement villages and in particular comprehensive care retirement villages, floor area per retirement unit or aged care room is not the best indicator of demand.

- To fairly account for the lower demand profile, both a population per unit discount (to account for the lower occupancy) and a demand factor discount (to account for the older demographic and on-site amenities) should be applied to set specific contribution calculations for comprehensive care retirement villages. This should distinguish retirement units, and aged care rooms, and provide separate rates for each. In setting calculations, the Council needs to clearly demonstrate the causal connection between any infrastructure required as a result of the increase in demand (if any) directly attributable to retirement village development. 6. For example, in determining community infrastructure impact, the Draft Development and Financial Contributions Policy 2024 (Draft Policy) assumes 2.6 people in residence per household unit equivalent (HUE), each placing demand on the funded community infrastructure. By contrast, average occupancy within Summerset's villages is 1.3 and 1 residents per unit for independent and care units respectively, with typically very low demand on the community infrastructure being funded.
- Similarly, for transport impact, the Draft Policy assumes 10 trips per day per HUE. Retirement units generate around 20% of the trips of a standard dwelling and aged care rooms generate around 10% of the trips of a standard dwelling. These figures are based on information published in an independent review commissioned by the Tauranga City Council in July 2023 into infrastructure demand by retirement village residents, the report of which is set out in Appendix 1. They include allowance for staff and visitor transport. 8. Taking into account both population per unit/room, and demand factors, Summerset suggests the rates in the following table. These are based on the equivalent rates in the most recent Tauranga City Council Development Contributions Policy, which were established following the independent review into infrastructure demand by retirement village residents. The review found that on average residents have a demonstrably lower demand for transport, reserves and community facilities, due to villages providing many on-site facilities/amenities and, for aged care residents, a higher need for 24/7 medical care and reduced mobility. We encourage the Council to review the contents of the report set out in Appendix 1 and seek an independent review of its own, which we would be happy to contribute to.

Development type	Activity	Units of demand
Retirement unit	Transport	0.2 HUE per unit
	Community infrastructure	0.1 HUE per unit
	Parks and Open Spaces	0.1 HUE per unit
Aged care room	Transport	0.1 HUE per room
	Community infrastructure	0.05 HUE per room
	Parks and Open Spaces	0.05 HUE per room

4. Support Whangārei District Council removing requirement of development contributions on Māori freehold land. (3 Submissions)

1. Support Whangārei District Council not requiring development contributions on Māori freehold land.

Staff Analysis:

1. Two submissions have been received regarding not undertaking growth related projects in order to 'live within our means'. The Development Contributions Policy (DCP) seeks to recover the cost of infrastructure that is allowed for in the LTP the Policy is not a document that makes decisions on what infrastructure is planned. Those decisions are part of the LTP decision making.
2. Summerset Retirement Village have submitted requesting a category which identifies Retirement Villages and their specific impacts. Of particular interest is the report and analysis commissioned by Tauranga City Council in response to ongoing queries from the retirement village industry. The submission is accepted in part and it is proposed to include a category specifically for retirement villages.

The table below outlines the changes proposed to the assessment

Activity	HUEs per Retirement Village (maximum 3br)		HUES per Aged Care Bedroom	
	Proposed Change	WDC Existing	Proposed Change	WDC Existing
Transport	0.3	0.44	0.1	Per traffic engineers Report
Libraries (2024 - 25 only)	0.3	0.44	No Change	0
Parks and Reserves	0.3	0.44	No Change	0
Water	No Change	0.44	0.4	0.4
Wastewater	No Change	0.44	0.4	0.4

It is noted that whilst staff are recommending some changes to the Transport assessment they are not as low as Summerset are requesting this takes into account the average vehicle movements in the report and the lack of public transport systems in Whangarei.

3. Submissions in support of the proposed changes regarding recognition of the Te Turi Whenua provisions and not requiring development contributions for Whenua Māori

Recommendation(s):

Item 1 – no change.

Item 2 – Change the Policy to include a category identifying retirement villages and the assessment criteria as discussed in the staff analysis – Thank the submitter for the thoughtful evidence based submission.

Item 3 – Acknowledge and thank the submitters

Financial Impact:

Item 2 is the only change which potentially has a financial impact – however the impact will be minimal. It is rather a refinement of the calculation of the actual impact. Development contributions for additional capacity will be collected over a longer period of time.

Topic – Significance and Engagement Policy

Feedback from Consultation

Submissions Analysis:

There were four submissions received, and one tagged for this submission which was not relating to the policy and has been included with the submissions on the LTP.

Key Issues raised from submissions:

Comments on Forum North as a Strategic Asset:

The list includes the Forum North Entertainment Centre as a strategic asset. It is not clear what is/is not included in this description. What has changed after the move of Council function from Forum North to Te Iwitihi? The community will be very interested in this asset, and its development.

The disused offices and facilities in Forum North should be used as temporary accommodation for the homeless who have been evicted from our city streets and other shelters such as under bridges. These offices and the presently disused old town hall should be developed at minimal expenditure to provide permanent facilities for such people.

Staff Analysis:

Clarity on the description of the Forum North Entertainment Centre will be included in the Significance and Engagement Policy.

The change in description for Forum North will be updated as follows:

Forum North Entertainment Centre, comprising Te Kotahitanga Exhibition Hall, Concourse and bathrooms, Cafler Suite, Bounty room and Captain Bougainville Theatre including dressing rooms, workshop, loading bay and ticket kiosk

Recommendation(s):

Council adopts the proposed 2024 Significance and Engagement policy as consulted on alongside the LTP 2024-34, with wording changes to clarify significant assets. This policy replaces the 2020 Significance and Engagement Policy.

Financial Impact:

None

Part Two – Fees and Charges

Topic – Fees and Charges

Feedback from Consultation

Submissions Analysis:

There were five submissions received concerning Fees and Charges.

There was one submission received, not relating to Fees and Charges, and has been included with the submissions on the LTP.

Key Issues raised from submissions:

- Council shouldn't be increasing fees and charges in the current environment
- Clarity sought on proposed new delivery fee for recycling crates i.e. is this in additional to the cost of the replacement recycling crate.
- Positive feedback on holding kerbside rubbish bag prices, and aligning the price for rubbish bag disposal at transfer stations with kerbside collection.
- Comment around the larger increase to the fee for rubbish per ton at transfer station to align with Re:Sort, and that this increase could have been explained in more detail.
- Is the water consumption rate sufficient to prepare for new drinking water standards? Small, incremental increases are preferable to large increases.
- A question around how growth is considered in fee increases and whether the fee increases are enough.
- Cut costs. Stop taking on debt. Reduce drastically expenditure.

Staff Analysis:

Fees have been set in accordance with the Funding Needs Analysis and Revenue and Financing Policy.

Staff acknowledge the constructive feedback on Rubbish fees in particular and note future improvements to ensure any increases about LGCI are clearly explained within the Statement of Proposal.

Water rates has been addressed in other areas of this report. A larger increase to water rates in year one was discussed during the formation of the draft LTP. This was not pursued in order to:

- Reduce any additional burden on ratepayers in year 1 considering the larger general rates increase
- Better understand the impacts of Local Waters Done well
- Rely on the current water reserve balance in the short term.

Water rates increases for year 2 can be considered again as part of the next Annual Plan.

Population growth does impact on the services provided. While these fees go some way to fund this growth, general rates, targeted rates, debt and development contributions all contribute to the funding requirements to enable our core infrastructure and services to keep up with growth.

Recommendation(s):

- a) Council acknowledge the submissions received on the 2024-25 Fees and Charges Statement of Proposal.
- b) Council adopts the 2024-25 fees contained within the Statement of Proposal consulted on alongside the 2024-34 Long Term Plan.

Financial Impact:

None



Development Contributions Policy 2024

Contents

How to read this Policy	3
Part 1 – Introduction	4
Part 2 –Development contributions assessments	6
Part 3 – Invoices and payments	23
Part 4 – Postponements, remissions, refunds	24
Part 5 – Reconsiderations, objections	25
Part 6 – other matters	26
Part 7 – legislative framework and policy approaches	28
Part 8 – Rationale for funding growth with development contributions	30
Part 9 – Capital expenditure	36
Part 10 – Determination of development contribution charges	37
Part 11 – Significant assumptions	40
Part 12 – Schedules of Assets.	43
Part 13 – Catchments	76
Appendix 1	82



Adopted 16 July 2024 by Whangarei District Council, in force from 17 July 2024

This Development Contributions Policy replaces the previous 2021 Development Contributions Policy and comes into force on 17 July 2024.

How to read this Policy

This Development Contributions Policy document contains the following key elements:

- The ‘operational’ part of the Policy – the ‘what’, ‘when’ and ‘how much’ for assessing and calculating development contributions.
- Related information, relevant provisions of the LGA, or examples that assist the reader or user of the Policy to understand how it is applied and used on a day-to-day basis.
- Council’s chosen policy direction. These are the elements of the Policy that Council can determine, but which must be aligned with legislative requirements.
- The content that the Policy is required to include under the LGA that provides the detail considered by Council in developing the Policy.

For ease of reading and to avoid repetition, all references to:

- | | |
|--|--|
| <ul style="list-style-type: none"> • GFA means gross floor area • LGA means the Local Government Act 2002 • RMA means the Resource Management Act 1991 • ‘s’ or ‘ss’ in this document mean the relevant section(s) of the LGA, unless otherwise stated (i.e., section 106 or s106; sections 199A-199P or ss199A-199P) • ‘Section’ or ‘Part’ means a reference to another section or part in the Policy • ‘the Policy’ mean this Development Contributions Policy, unless otherwise stated. | <ul style="list-style-type: none"> • ‘Council’ means the Whangarei District Council and includes staff acting in accordance with delegated authority. • LTP means the 2024-2034 adopted Long Term Plan of the Whangarei District Council, unless otherwise specified. • ‘a person’ means a person who either individually or on behalf of an organisation has applied to Council for a building consent or a resource consent or made a request for authorisation. • For the purposes of this Policy, where the term ‘Project’ is used, this includes planned or completed programmes and projects of capital expenditure intended to deliver defined Levels of Service. |
|--|--|

See Appendix 1 for meaning of words.

Part 1 – Introduction

1. About this Policy

1.1 The Whangārei District has experienced sustained growth since 2000. Council is required to plan for the future in a prudent and efficient manner. This Development Contributions Policy (the Policy) is a sustainable response to local governments overarching purpose of promoting the social, economic, environmental and cultural well-being of communities in the present and for the future.

1.2 Council's decision to adopt a Development Contributions Policy to partly fund the cost of infrastructure required to meet additional demand created by growth is driven by its consideration that those who create the need for or are the primary beneficiaries of infrastructure should pay an appropriate portion of the cost and that ratepayers in general should not bear a disproportionate portion of the costs.

1.3 Development contributions are a fee we charge for new developments to contribute to the costs of building the infrastructure needed to support that development. This revenue is a critical funding source that will ensure Whangārei District Council can provide key infrastructure needed for the growing District.

1.4 Charging development contributions enables the Council to recover a fair, equitable, and proportionate share of the cost of the capital investment needed to service growth development from those who cause and/or benefit from that investment.

1.5 The LGA provides the statutory framework and requirements for a development contributions policy and Council has developed the Whangārei District Council Development Contributions Policy in accordance with these requirements.

1.6 This document is detailed in nature so that it meets all the legal requirements set out in the LGA. It provides clear, transparent information for developers and those building homes or commercial buildings to understand how the charges are calculated and what their development contribution payments are being used for.

2. Policy objectives

197AB

2.1 To state clearly what development contributions will be charged by Council and in what circumstances.

2.2 To ensure that developers contribute fairly to the funding of infrastructure and facilities to service growth over the long term.

2.3 To provide development contributions revenue as part of the overall funding mix for Infrastructure and facilities to support new development

2.4 To provide a thorough explanation of how development contribution charges are calculated and the underlying methodology.

2.5 To provide transparency about the approach used to ensure these charges recover only a fair and equitable portion of the capital expenditure required to service growth. This will enable the community to understand how and in what proportion growth is funded

2.6 To reflect the development contributions principles set out in s197AB and to meet all relevant additional statutory requirements.

3. Date of effect

198(2A)

3.1 This Policy applies to any consent application or request for authorisation for a service connection submitted, with all required information, on or after 17 July 2024. Applications or requests submitted (accompanied by all required information) before 17 July 2024, even if granted on or after that date, will be subject to the relevant previous Development Contributions Policy.

4. Policy review

82, 106, 201A(5)

4.1 The Policy must be reviewed at least every three years. A review of the Policy must include consultation that gives effect to the requirements of s82. Usually, Council undertakes a review of the Policy in conjunction with the review of the LTP, however amendments to the Policy between LTP cycles can also occur if required. These must also be consulted on.

4.2 Despite Section 4.1 above, in accordance with s201A (5), Council may make changes to the Schedules of Assets in Part 12 without consultation, subject to those changes meeting the necessary legislative requirements.

5. Supporting documentation

106(3)

5.1 Council is required under s106(3) to make available for public inspection the full methodology that demonstrates how the calculations for development contributions charges are made.

5.2 The Cost Allocation Methodology summarised in Part 11 of the Policy is available for public inspection at all Council offices and can be accessed on our website www.wdc.govt.nz.

5.3 The full methodology as stipulated in s106(3) is however a software package. A viewing of this software package can be arranged on request.

6. Summary of changes from previous policy

- Any pro-rata rate applied for a dwelling less than 100m² will be no less than 40% of a full HUE for the relevant catchment.
- Libraries will be collected only the first year of Policy (2024-2025) as the project growth costs will have been recovered
- Capping of water and wastewater charges
- Provisions relating to the Te Ture Whenua Act have been incorporated into the Policy
- The inclusion of a new inner city residential Transport catchment
- The addition of a separate category which identifies the impact of retirement villages and care facilities

7. Financial Contributions

106(2)(f)

Whangārei District Plan contains provisions for the taking of financial contributions under the Resource Management Act. These may apply in the following circumstance:

- Legacy situations for applications lodged prior to 19 April 2005
- Where development contributions would normally be payable but the consent applicant e.g., the Crown has a statutory exemption from paying development contributions.
- Council reserves the right to continue to impose financial contributions under the RMA, as set out in the Whangārei District Plan as a condition of consent. This may be in addition to a development contribution required under this Policy, but where a financial contribution is imposed in relation to an activity on a development, a development contribution will not be required for that same activity.

Part 2 – Development contributions assessments

8. Activities for which development contributions are charged

199, 106(2)(d)

8.1 Council can require development contributions for the following:

- reserves
- network infrastructure
- community infrastructure

8.2 Within these Activities Council has, in accordance with s106(2)(d), identified the following sub-activities for which development contributions may be charged:

- reserves
 - Parks and reserves
- Network infrastructure
 - Transport and roading
 - Water
 - Wastewater
- Community infrastructure
 - Libraries including the land on which the library is situated

Related information

Any reference to Activity or Activities in this Policy means the three sub-activities as provided in Section 8.2, the use of the term activity or activities should be inferred from the context.

9. Test for development

197, 198, 199, 200

9.1 Under s198, Council may require a development contribution to be made when a:

- resource consent is granted under the RMA, for subdivision and land use consent applications
- building consent or certificate of acceptance is granted under the Building Act 2004

9.2 Council is prohibited from charging development contributions in the circumstances set out in s200. These being:

- where a resource consent condition is imposed for the same purpose;
- where the same reserve network infrastructure or community infrastructure has been or will be funded or provided by the developer or a third party
- where Council has already required a development contribution for the same purpose in respect of the same building work.

9.3 In accordance with s199, a development contribution may only be required if the effect of the development, either individually or cumulatively with other developments, is to increase demand for reserves, network infrastructure or community infrastructure, and as a consequence the Council will incur (or already has incurred) capital expenditure on reserves, network infrastructure or community infrastructure to meet that demand.

9.4 On receiving an application for a consent or authorisation, Council will:

- confirm whether the application relates to a 'development' as defined in s197
- determine whether alone or in combination with other developments the effect of the development under consideration is to require new or additional assets or assets of increased capacity and, as a consequence, Council will incur (or has already incurred) capital expenditure to provide appropriately for this
- ensure that this Policy provides for a development contribution being required in the circumstances
- check that Council is not prohibited by s200 from requiring a contribution in relation to the development.

9.5 If Council is satisfied that the application meets the requirements provided in Sections 9.1 to 9.4 above, it will assess the application in accordance with section 10 below.

10. Assessment

10.1 Council will assess the development contributions payable in relation to an application as follows:

- Identify the Catchments in which the proposed development is located.
- Calculate, by Activity for the relevant Catchments, how many Household Unit Equivalents (HUEs) are contained within the development(see Section 11).
- Identify what credits in HUEs (if any) are applicable, by Activity.
- Deduct any credit HUEs from the demand HUEs. This is to obtain the net increase in demand (additional HUEs) by Activity for the development.

- Determine the charge for each Activity by multiplying the additional HUEs for each Activity by the relevant amount in the applicable Catchment from the Development Contribution Charges Schedule (Section 13).
- Total the results for each Activity.
- Add GST.

10.2 Assessments will generally be made at the time of the earliest application for consent or authorisation for service connection relating to a development.

10.3 For clarity, should Council not require development contributions on the first consent or authorisation for a development, this does not prevent Council from assessing contributions on a subsequent consent or authorisation for the development. The Council may also require a development contribution to be made for the same purpose as it has earlier required a development contribution from the same development, to reflect an increase in the scale or intensity of the development since the original contribution was required.

10.4 An applicant may request a calculation of contributions when a Project Information Memorandum or Project Assessment under the Building Act 2004 or a Certificate of Compliance under the RMA is lodged. This affords the applicant an early indication of the likely development contribution liability. However, this amount is not binding, and a contribution will only be required at a time specified in Section 9.1 and invoiced in accordance with Part 3 of this Policy.

11. Determining Household Unit Equivalents (HUEs)

Schedule 13 cl. 2

11.1 A Household Unit Equivalent (HUE) is the unit of demand used to calculate development contribution charges. A HUE represents the demand an average dwelling generates for the Activities development contributions are collected for.

11.2 Using HUEs to assess development contributions provides an efficient method to meet the requirement to attribute units of demand to particular developments or types of development on a consistent and equitable basis.

11.3 HUEs are determined:

- as per the categories in this section
- depending on what type of consent application has led to an assessment in accordance with Section 9.

11.4 Charges based on the number of HUEs are calculated in accordance with the Development Contribution Charges Schedule in Section 13.

11.5 Depending on the specific land use activity or service connection, Tables 1-3 in Section 14 provide additional data to support HUE calculations, as they describe HUEs in appropriate unit demands for the specific activities.

11.6 In some cases, the circumstance of a development means an assessment in accordance with the typical development activities in Section 11.7 below is not appropriate, and in these cases a special assessment calculation will be made (Section 11.8).

11.7 This section identifies typical development activities and assessment considerations.

11.7.1 Residential subdivision

Council has determined that it is appropriate to assess in accordance with Section 10 and require development contributions at the time of subdivision. This is because Council has provided services to the lot and capacity has been allocated.

Each new residential lot created by subdivision attracts development contributions at the rate of one HUE per relevant Activity.

Where two or more vacant lots held in one certificate of title are divided into separate titles and no previous contributions had been paid on them, including financial contributions under the RMA, development contributions will apply.

The first single dwelling unit built on a vacant lot with a registered title in existence prior to 1 July 2005, will be assessed as having a credit of one HUE.

If an existing lot does not have connections to Council's water or wastewater services, then on application for a connection, development contributions will be assessed.

11.7.2 Second/subsequent dwellings & multi-unit developments

- Additional dwellings after the first dwelling on a lot will attract development contributions at the rate of one HUE per dwelling. Dwellings for the purposes of this section include but are not limited to integrated, attached, and detached units, sleep outs and minor dwellings as defined in the Whangārei District Plan.
- If an additional dwelling is less than 100 m² of gross floor area (GFA) and in, the Council's opinion, is likely to generate less demand than an average dwelling, Council may apply a pro-rata m² rate reduction in development contributions.
- Any pro-rata reduction applied as per Point 2 above will be to no less than 40% of a HUE. This is to reflect that smaller than average dwellings will still be occupied, and it is occupancy rather than floor space per se that generates demand.
- Where a pro-rata reduction has been applied in accordance with Point 2 above and a subsequent application is then made to expand that dwelling, the development contributions will be assessed accordingly.
- For multi-unit developments, Council may apply a pro-rata m² reduction in development contributions, where it can be demonstrated that one or more units will generate lower demand than an average dwelling.

11.7.3 Home - based commercial activities

- Home-based businesses, and residential dwellings converted to commercial use will be assessed for additional demand greater than the existing residential use. If development contributions are required, these will be charged in accordance with the charges for non-residential land use.

11.7.4 Non-residential subdivision

- Non-residential subdivision will attract development contributions for each new lot created at the rate of one non-residential HUE per new lot (See 14.2).

Any development contributions as per 1. above will be applied as a credit (Section 12) when assessing development contributions for a subsequent construction or Land Use Activity on the same lot.

11.7.5 Non-residential land use

- Non-residential land use will attract development contributions based on the demand a proposed development will place on Council's network infrastructure.

Contributions for Community Infrastructure from non-residential development will not be required as Council considers that non-residential land use impacts are at such a low level that it is administratively inefficient to require contributions.

11.7.6 Rural subdivision and land use

- For clarity, residential subdivision in the rural area is covered by residential subdivision in Section 12.8.1 of this Policy and will be assessed in accordance with that section. Non-residential subdivision in the rural area is covered by section 11.7.4 above.
- Industrial or commercial developments in the rural area, including, but not limited to milking sheds, packing houses, and growing houses, etc. (i.e., any development that has a proposed activity that will impact on infrastructure and services), will be assessed for development contributions.

For clarity, non-residential sheds, and other farm buildings (including, but not limited to, hay sheds and minor storage sheds) will not attract development contributions if they are assessed to have no additional impact on infrastructure.

11.7.7 Commercial accommodation

- Commercial accommodation is assessed on the number of transitory accommodation rooms. A transitory accommodation room is for a maximum of 2.6 people. The calculation of HUE equivalents for commercial accommodation is based on each transitory accommodation room being the equivalent to 40% of an average dwelling. Managers units will be assessed as a residential land use activity as they are considered a fulltime habitable dwelling unit.

Example of commercial accommodation assessment

The total development contributions arising from a commercial accommodation development with 20 rooms and 1 managers' unit would be:

- Transport and Rounding Activity = 9 HUEs (20 rooms x 40% of a HUE = 8 HUEs + 1 HUE (manager's unit))
- Parks and Reserves = 1 HUE (manager's unit)
- Libraries = 1 HUE (manager's unit)

11.7.8 Papakāinga developments and development on Whenua Māori Land

S102(3A) requires this policy to support the Preamble to Te Ture Whenua Māori Act 1993. In order to give that support council has determined that Papakāinga developments and developments on Whenua Māori including Māori freehold land will not be subject to development contributions:

The reasons are:

Facilitating Tangata Whenua to live and thrive on their ancestral land promotes the aims of the Preamble and of councils Housing Strategy.

Dwellings in Papakāinga developments are recognised as generating, on average, a lower level of demand for community facilities than an average dwelling.

Development of Marae facilities including educational and training facilities provide community infrastructure and facilitate the overall wellbeing of the communities they serve.

11.7.9 Retirement Villages

Retirement villages including care facilities are a landuse category that has an impact as identified in the table below:

Activity	HUEs per Retirement Village (maximum 3br)	HUEs per Aged Care Bed
Transport	0.3	0.1
Libraries (2024 - 25 only)	0.3	0
Parks and Reserves	0.3	0
Water	0.44	0.4
Wastewater	0.44	0.4

11.8 Special assessment calculations

- In certain circumstances, Council may consider that a development will generate impact on infrastructure which materially differs from that used for typical assessments.
- Generally, a special assessment will be done when the demand for an Activity is expected to be either greater/lesser than double the identified average value for that type of activity, or where a land use is not adequately described within the Land Use Activity Tables (Section 14) of this Part of the Policy.
- It is solely a matter for Council, in its discretion, whether to carry out a special assessment.
- A special assessment uses a ‘first principles assessment’ approach. This means that the development will be assessed on its actual (proposed) demand, as opposed to the average demand identified in the Land Use Activity Tables in Section 14.
- A special assessment may require the applicant to provide detailed calculations of the development’s existing and proposed impact on infrastructure. These calculations will need to be provided by a suitably qualified person.
- The information supplied in point 3 above will be converted to HUEs to undertake an assessment in accordance with section 11.
- Council encourages developers to provide this information at the feasibility stage of their project prior to lodging an application. It may also be required as part of a further information request under s92 of the RMA or s33 or s48 of the Building Act 2004.
- Council may consider a development agreement an appropriate mechanism to document the outcome of a special assessment.

Examples of land use types that may require a special assessment

- sports or convention centres that may generate large volumes of traffic at specific peak times
- trucking and courier activities that may have a consistent above average road use,
- concrete plants that use significant amounts of water as part of their manufacturing process
- a quarry or quarry extension because it can generate significant vehicle movements but at the same time may not have a building associated with the activity.

12. Credits

12.1 What is a credit?

Credits may be recognised due to previously paid development contributions, financial contributions under the RMA, or historical impact. Credits are calculated in HUEs and describe the existing or historical (i.e., pre-development) level of impact associated with a site. This includes but is not limited to:

- existing residential dwelling units on site
- historical credits of one HUE per Activity on vacant land
- GFA of non-residential buildings on the site
- Previous lawfully established activity or consented buildings on a site

12.2 The number of credits (in HUEs) a site may have will be determined in the same manner as additional demand is determined under Section 12.

12.3 Credits are based on lawfully established activities.

12.4 Credits remain with the relevant site and may not be transferred to another site.

12.5 Credits are not transferable from one Activity to another (i.e., credits for Transport and Roading will only be applied to that activity, credits for reserves to reserves etc.).

12.6 For clarity, surplus development contribution credits are not redeemable by other means (either land or money).

12.7 Council established a base line demand on 1 July 2005 with its first Development Contributions Policy 2005 and all credits are benchmarked against the level of demand generated by lawfully established activity or lawfully consented buildings on the site as of 1 July 2005.

12.8 The following sections detail the specific approaches for credits for residential and non-residential developments.

12.8.1 Residential

- Any undeveloped existing lot with a registered title is deemed to have one HUE credit in respect of an Activity provided to the lot. This excludes small road severances or titles that are unable to be built on.

Cross leases that are converted into 'Fee Simple' titles will not attract development contributions if the conversion does not increase demand for Council infrastructure.

12.8.2 Non-residential

- Any undeveloped existing lot with a registered title is deemed to have one HUE credit in respect of an Activity provided to the lot. This excludes small road severances or titles that are unable to be built on.

Credits will not be given if the existing activity is non-residential and a contribution was not required at the time the activity commenced, because that activity did not require any form of consent but placed additional demand on Councils services.

For developments that extend buildings or demolish buildings that are re-built to the same or higher intensity, the assessment of credits will be based on the pre-existing development.

Sites that contained buildings that were demolished or destroyed prior to 1 July 2005 will be deemed to be vacant lots for the purpose of credits.

13. Development Contribution Charges Schedule 201(2), 202

13.1 This Schedule is provided in accordance with ss201(2) and 202. and details the charges per HUE by Activity and Catchment.

2024 Development Contribution Charges

	\$				
	Catchment	Community Wide	Total Charges- Uncapped	Capping Amount	Total Charges
Libraries					
Library - Whangarei City	238	101	339	-	339
Library - Rural	-	101	101	-	101
Parks & Reserves					
Coastal Villages	219	1,582	1,801	-	1,801
Growth Nodes	-	1,582	1,582	-	1,582
Countryside	-	1,582	1,582	-	1,582
Rural Villages	-	1,582	1,582	-	1,582
Satellite Town	-	1,582	1,582	-	1,582
Urban	171	1,582	1,753	-	1,753
City	230	1,582	1,812	-	1,812
Transport and Roothing					
North Coastal	1,520	4,890	6,410	-	6,410
North Rural	4,532	4,890	9,422	-	9,422
Ruakaka	594	4,890	5,484	-	5,484
South	4,407	4,890	9,297	-	9,297
Whangarei City	2,554	4,890	7,444	-	7,444
Inner City Residential	1,916	3,668	5,583	-	5,583

	\$				
	Catchment	Community Wide	Total Charges- Uncapped	Capping Amount	Total Charges
Wastewater					
Hikurangi	669	100	769	-	769
Waipu Cove - Langs Beach	1,280	100	1,380	-	1,380
Ngunguru	1,698	100	1,798	-	1,798
Wastewater - Oakura	6,973	100	7,073	-	7,073
Marsden Point - Ruakaka (capped)	75,518	100	75,618	50,618	25,000
Portland	91	100	191	-	191
Waipu	1,917	100	2,017	-	2,017
Tutukaka	-	100	100	-	100
Waiotira	2,579	100	2,679	-	2,679
Whangarei Heads (capped)	35,372	100	35,472	10,472	25,000
Whangarei	3,796	100	3,896	-	3,896
Water					
Bream Bay North	7,339	224	7,563	-	7,563
Bream Bay South	5,050	224	5,274	-	5,274
Mangapai (capped)	32,224	224	32,448	18,448	14,000
Maungakaramaea (capped)	48,646	224	48,870	34,870	14,000
Whangarei (capped)	16,716	224	16,940	2,940	14,000
Whangarei Heads (capped)	23,265	224	23,489	9,489	14,000
Whangarei North (capped)	17,946	224	18,170	4,170	14,000

* All charges above are GST Exclusive

** Parks and reserves contributions have been calculated at a maximum of \$7,411 per new residential allotment within any catchment to remain within the 7.5% cap set in S203 of the LGA

However, if the market value of a lot created by a subdivision is likely to fall below \$100,000 a valuation supplied by a registered valuer may be provided and the proposed reserve contribution will be calculated at 7.5% of the market value of that lot, which is the maximum value allowed under s203(1). (also refers to 201(1)(d))

Council may require development contributions in accordance with this Schedule when granting:

- a building consent, including a certificate of acceptance
- a resource consent
- an authorisation for a service connection.

See section 15 for invoicing.

14. Land Use Activity Tables

14.1 Table 1 – base demand units for residential HUE

This table assumes an average household occupancy rate of 2.6 people per dwelling, Based on the Whangārei District population projections as at August 2023 (see significant assumptions for further explanation of the occupancy rate)

Activity	Base Unit per HUE	Demand per HUE	Comment
Transportation and Rooding	10 vehicle movements per day		Vehicle movements are 1 in 1 out
Water	m ³ per day	0.75 m ³ or 750 litres	Based on average flow (design average
Wastewater	m ³ per day	0.8 m ³ or 800 litres	Based on peak flow and providing sufficient capacity to safely and effectively discharge wastewater.
Wastewater Marsden Point Ruakākā Catchment	m ³ per day	0.5m ³ (or 500 litres)	Based on peak flow and providing sufficient capacity to safely and effectively discharge wastewater
Parks and Reserves	per capita basis		Based on assumed average occupancy
Libraries	per capita basis		Based on assumed average occupancy

14.2 Table 2 - base demand units for commercial HUE

Activity	Base Unit per HUE	Demand per HUE	Comment
Transportation and Rooding	10 vehicle movements per day	See Table 3 & 3 A Demand calculated per 100m ²	Based on average trip generation tables per land use type
Water	m ³ per day	0.75 m ³ or 750 litres	Based on average flow by landuse type see table 4
Wastewater	m ³ per day	See Table 4 Note that wastewater is based on peak flow of 0.8 m ³ or 800 litres Council must provide adequate capacity to safely and effectively discharge wastewater	See Table 4 Based on average usage by landuse type
Wastewater Marsden Point Ruakākā Catchment	m ³ per day	See Table 4 Note that wastewater is based on peak flow 0.5m ³ (or 500 litres) Council must provide adequate capacity to safely and effectively discharge wastewater	See Table 4 Based on average usage by landuse type

14.3 Table 3 – transport and roading

To establish transport and roading contributions, Council uses Table 3 below, which shows average Vehicle Movements per Day (VMPD) per 100m² of Gross Floor Area converted to HUEs.

However, some Land Use Activities do not rely on GFA, these are separately identified in Table 3A below.

If an activity is not covered by the categories within Tables 3 and 3A, or has identified demand significantly different from the tables, Council may request an assessment be provided by a qualified Traffic Engineer and reserves the right to have any such assessments peer reviewed at the applicant's expense.

Average Vehicle Per Day (VMPD)/100m ² GFA converted to HUEs						
Land Use Activity	VPD/ 100m ²	% of activity @50%	% of activity @20%	% of activity @3%	Reduced VPD/ 100m ²	HUEs Per 100m ²
Agriculture/ Aquaculture	8	70%	20%	10%	3.14	0.31
Cafes	47	50%	30%	20%	14.85	1.49
Churches	38	70%	20%	10%	14.93	1.49
Churches, Halls and gathering rooms	21	70%	20%	10%	8.25	0.83
Commercial	26	60%	30%	10%	9.44	0.94
Dental	21	70%	20%	10%	8.25	0.83
Equipment Rental	15	70%	20%	10%	5.90	0.59
Freight & Distribution Centres	192	30%	50%	20%	4.90	4.92
Hospital	18	70%	20%	10%	7.07	0.71
Industrial	19	50%	30%	20%	6.00	0.60
Mass Buildings	8	60%	30%	10%	2.90	0.29

Average Vehicle Per Day (VMPD)/100m ² GFA converted to HUEs						
Land Use Activity	VPD/100m ²	% of activity @50%	% of activity @20%	% of activity @3%	Reduced VPD/100m ²	HUEs Per 100m ²
Medical Centre	21	70%	20%	10%	8.25	0.83
Motels	13	50%	30%	20%	4.11	0.41
Public Storage	2	70%	20%	10%	0.79	0.08
Restaurant	64	60%	20%	20%	22.14	2.21
Restaurant - Fast Food	315	10%	20%	70%	34.97	3.50
Retail - Large (> 500m ²)	59	30%	50%	20%	15.10	1.51
Retail - Small (< 500m ²)	29	30%	50%	20%	7.42	0.74
Showrooms	17	60%	30%	10%	6.17	0.62
Veterinary	21	70%	20%	10%	8.25	0.83

14.4 Table 3A

The following ACTIVITIES use the indicated factors (instead of GFA) to convert to HUEs.

Activity	Factor	HUEs
Independent Dwelling Unit	per dwelling unit over 100m ²	1.00
Child Care Facilities	per child	1.2
Petrol Stations	per pump	7.9
Rest Homes	per bed	2.3

Transport and roading contributions are calculated on trips generated by a development activity. The unit of measure is based on the average annual daily trips for a weekday. The traffic activity used for this Policy is established from the New Zealand Trips and Parking Surveys database and locally established traffic activity by location and land use. The trips data has been adjusted to reflect that the trips observed at the gate are influenced by the start and end destinations.

For example, a car driven from home to a place of work has activity equally allocated to both the residential and the work elements of the trip. It is further recognised that some level of traffic activity has multiple causes, and this is reflected in these calculations.

Many trips include multiple stops for other activities. To average the level of activity, it has been assumed that traffic activities fall into the following categories:

- Primary usage: the portion of the trip that is solely to visit a single business. This assumes that 50% of the trips are directly attributable to that business land-use.
- Secondary usage: the portion of the trip is to visit several businesses. This assumes that 20% of the trips are attributable to that business land-use.
- Incidental usage: the portion of the trip that is incidental to the land-use. This assumes that the primary purpose of the trips is to visit somewhere else however, 3% of the trip is an incidental stop at the business land-use i.e., a service station stop for petrol or fast food drive through.

14.5 Table 4 – Water

Water use is based on the “average” usage per household in the district divided by the average occupancy per household. The design average for residential household water usage is 0.75m³ or 750 litres per day.

Average water usage by commercial land-use type	
Use	Ltr/1m ²
Medical	3.48
Dental	2.11
Veterinary	2.28
Office	1.30
Office service	0.65
Retail - small	0.45
Retail - large	0.86
Retail - supermarket	2.36
Retail Garden Centres	32.41
Retail Hardware & Timber	1.81
Petrol Stations (carwash)	30.83
Heavy plant	3.58
Industrial	0.74

Average water usage by commercial land-use type	
Use	Ltr/1m ²
Large mass buildings	0.22
Auto/boat sales	2.52
Equipment Rental	10.04
Restaurants- fast food	20.32
Restaurant	6.55
Pub /Bar	9.20
Cafes	4.35
Public Storage	0.22
Banks	0.83
Churches & Halls	0.40
Motels	6.83
Freight & distribution w/wash-down	24.10
Freight & distribution/light	1.83

Calculation of water use for a business land-use activity is based on the district-wide average water used by an industry type.

If the average water use for an activity in the district is identifiable then the following example will be followed:

Assuming the average water use for commercial office space in the City is 1.30 litres per m² of GFA. If the proposed building has a GFA of 400 m² the water use is calculated to be 1.3 litres x 400m² = 520 litres. This is then divided by the HUE base rate (750 litres) to identify the contributions. Therefore, $520 \div 750 = 0.693 \times \$14,000 = \$9,702$.

Part 3 – Invoices and payments

15. Invoices

15.1 The applicant may request an invoice be issued for development contributions payable, on any occasion that contributions are assessed. Except where the developer has requested and the Council has already issued an invoice, the Council will generate an invoice before the relevant ‘no later than’ date in Section 17.

15.2 Invoices must be paid in full within 30 days of issue, but in no case later than the relevant time specified in Section 17.1. Invoicing and payments are in accordance with the Council’s financial and debt recovery practices.

16. Goods and Services Tax (GST)

16.1 The total end-to-end process for calculation of development contributions is exclusive of GST. Once all the calculations are complete, GST is added to the final amount to be invoiced (See Section 10).

17. Timing of payments

S208

17.1 Development contributions must be paid no later than the following times:

- for contributions required when granting subdivision consent, prior to issue of a S224(c) certificate under the RMA
- for contributions required when granting building consent, when the first inspection of building work is requested or prior to the release of a Code Compliance Certificate under the Building Act 2004
- for land use consents without an associated building consent when Council’s monitoring staff are satisfied the consent has been given effect to.
- When an authorisation for a service connection is granted, prior to actual connection.

17.2 In addition to the powers provided in s208, Council may avail itself of any and all, other legal methods of collecting unpaid development contributions as it sees fit.

Related information

S208 provides Council with a range of powers, should payment not be received as outlined in this Policy.

Part 4 – Postponements, remissions, refunds

18. Remissions

201(1)(c)

18.1 This Policy does not provide for remissions on payment of development contributions.

18.2 In general, the policy does not provide for remissions or reductions to development contributions for the following reasons:

- The greater the number and range of remissions, the less transparent the administration of development contributions becomes.
- If the Council decides to advance particular strategic objectives, it is important that it does so transparently and effectively via a separate means, rather than through remitting or reducing development contributions.

19. Postponements

S201(1)(c)

19.1 This Policy does not provide for postponements on payment of development contributions.

19.2 Council reserves sole discretion to enter into agreements to delay payments in extraordinary circumstances.

20. Refunds

201(1)(c), 209 & 210(1)(a)(b)

20.1 The Council will refund any development contributions that have been paid to the consent holder, when any of the circumstances set out in section 209(1) of the LGA apply. If a development contribution has been paid for a specified reserve purpose, Council will refund the money received for that purpose if the money is not applied to that purpose within 20 years of receiving the money.

20.2 If land was acquired in lieu of a cash development contribution for a specified reserve purpose and has not been used for that purpose, Council will return that land in accordance with section 210(1)(b).

20.3 Except in relation to development contributions or land taken for a specified reserve purpose as provided in this Policy, Council will not refund a contribution where a specific capital Project does not proceed, but will apply the contribution to assets or projects of the same general function and purpose..

20.4 The amount of any refund will be the contribution paid, less any costs incurred by Council in relation to the development and its discontinuation, but may include any interest earned, depending on the circumstances of the case.

Related information

S209 outlines the circumstances in which Council is required to refund money paid or return land, including who the refund must be paid to, or the land must be returned to.

S210 prescribes the circumstances for refunds of money or return of land where this was required for a specified reserve purpose.

- Both sections provide for the retention of money or land to cover costs incurred by Council.

Part 5 – Reconsiderations, objections

21. Reconsiderations

199A(2), 202A(2)

21.1 S199A allows a person who has been charged development contributions to request a reconsideration of the charges.

21.2 Council must, in this Policy state the process for requesting a reconsideration in accordance with s202A(2).

21.3 Council's process is as follows:

- A request for consideration must be made to the Council within 10 working days after the date on which a person has received notice from Council of the assessment of development contributions.

If requested, Council may provide the applicant an extension of time to supply relevant supporting information.

Council may require additional relevant information from the applicant.

The Council will, in accordance with s199B LGA, notify the person of the outcome of the reconsideration within 15 working days after the day it receives all required information in relation to the request.

Council will review the original assessment and prepare a report that will include, but is not limited to, consideration of the following matters:

- the grounds on which the request for reconsideration was made, including any new information provided
- the purpose and principles of development contributions under ss197AA and 197AB
- the provisions of the Policy
- any other relevant matters.

The reconsideration request and report will be provided as part of an agenda report for a public meeting of the Committee of Council with the relevant delegations and Terms of Reference to consider the request.

The Committee will consider the information provided and will make a decision.

Related information

Ss 199A and 199B outline the process and requirements for a reconsideration, including timeframes. A reconsideration request must:

- be in writing
- be lodged with Council within 10 working dates after the date on which a development contributions notice was received
- contain the grounds on which the person believes that:
 - the development contribution was incorrectly calculated or assessed under the Policy or a previous Policy; or
 - Council incorrectly applied the current or previous Policy; or
 - the information used to assess the person's development, or the way the Council has recorded or used it when requiring a development contribution, was incomplete or contained errors.

Council must notify in writing the outcome of a reconsideration request within 15 working days of receiving all required information relating to a request.

A request for a reconsideration cannot be made if an objection under section 199C has already been lodged.

22. Objections

199C-199K, Schedule 13A

22.1 Council will consider objections in accordance with the legislative requirements.

Related information

Objections made under s199c must be lodged within 15 working days, either:

- after the date on which a person has received notice from Council of the assessment of development contributions, or
- after the person has been advised of a decision on a reconsideration request.

A person may lodge an objection regardless of whether a reconsideration request under s199A has been lodged with Council.

Part 6 – other matters

23. Development agreements

207A-207F

23.1 Development agreements allows councils and developers to agree on an alternative way of providing or contributing to the cost of infrastructure outside of the Policy.

23.2 Council may, at its sole discretion, enter into a development agreement where Council considers that such an agreement will be in the best interests of all parties.

Related information

A Development Agreement is defined in the LGA. Ss 207A-207C provide the framework within which Council can consider a request to enter into a Development Agreement, or by which Council can request a developer to consider entering into a Development Agreement with Council. This also includes that Council must consider any request without unnecessary delay.

24. Acceptance of land or works in place of development contributions

24.1 Council requires development contributions to be paid in cash rather than land. In exceptional circumstances, and at the sole discretion of Council, an offer of land instead of cash may be considered, as part of a development agreement (Section 23).

24.2 Council will only accept land in lieu of a cash development contribution if the following criteria are met:

- Council considers a piece of land offered would adequately meet the purposes for which the contribution is sought or;
- the land in question will be vested as a recreational, scenic or historic reserve under the Reserves Act 1977
- all other matters relating to the acceptance of land in lieu of a cash are satisfactorily agreed in a Development Agreement

24.3 For clarity, Council will not accept land in lieu of a cash development contribution for esplanade reserves for the purpose set out in s229(a) of the RMA or for a local purpose reserve (drainage reserve) under the Reserves Act 1977.

24.4 For clarity, undertaking works in compliance with Council's Engineering Standards and/or specific conditions of consent imposed under the RMA may not be offset against the requirement to pay development contributions.

25. Exemptions

25.1 Council is exempt from paying any development contributions on any development that is funded by Council if the project itself is a capital project for which development contributions are required.

25.2 The LGA does not bind the Crown (s8) and therefore the Crown is exempt from paying development contributions.

Part 7 – legislative framework and policy approaches

26. Legislative framework

101,102, 106, 197AA-211,
Schedules 13 and 13A

26.1 In developing and producing this Policy, the LGA requires Council to consider and apply a range of matters provided for in the Act. The LGA also stipulates some specific content requirements for the Policy to provide certainty and support understanding of the various approaches chosen and applied by Council. In many cases, the content in this Policy is informed by multiple sections and subsections of the Act. Parts 7 to 13 of this Policy focus on these legislative requirements.

26.2 Parts 7 -11 of this Policy describe and summarise the methodology, approaches used, including the legislative justifications and significant assumptions, including growth, that inform the Schedules of Assets in Part 12 and the Development Contributions Charges Schedule in Section 13.

26.3 In developing this Policy, Council has also given due consideration to s101. See Sections 29-34 Below..

26.4 The Schedules of Assets in Part 12 are separated into Catchments and the financial split between growth and other funding that are required to be included in this Policy in accordance with s201A(1).

26.5 In accordance with s204(1), Council will only use development contributions on the Activity for which they are collected (e.g., contributions collected for roading will only be spent on roading) and must not be spent on other types of infrastructure Projects. However, the Council may use contributions for reserves in the ways allowed under ss 205 and 206.

26.6 This Policy is informed by Council's Long Term Plan, and this is noted where appropriate throughout the Policy.

27. Policy approaches and drivers

197AA, Schedule 13

27.1 Council has determined to use development contributions as a funding source for growth related capital expenditure on additional reserves, network infrastructure and community infrastructure, or to increase the capacity of existing reserves, network infrastructure and community infrastructure.

27.2 The purpose of the development contributions provisions in the LGA is to enable territorial authorities to recover from those persons undertaking development a fair, equitable and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

27.3 The options chosen and explained in this Policy will enable Council to fund its capital Projects in a fair, predictable, and reasonable manner as part of a consistent, integrated, and equitable approach to planning and providing for the District.

27.4 Growth within the District drives a significant portion of Councils capital works. Council considers it equitable that those undertaking a development should contribute to the costs that Council has or will incur to service such growth. Council does not consider it appropriate that ratepayers should fully fund Projects that are required because of growth. This would be a disproportionate burden relative to the benefits ratepayers receive. The District has experienced a long-term trend of growth. While the actual rate of growth has been variable over the short-term, the long-term trend remains positive. With the advantages of growth comes the difficulty of funding the essential infrastructure necessary to support it.

27.5 Non-growth related capital expenditure is funded by rates and other sources because these costs would have been incurred even if there had been no growth and/or there is a benefit to the wider community. Ratepayers may also contribute to the cost of growth to recognise that there may be benefits from growth that accrue to the existing community.

27.6 Capital Projects provided by Council may be required for multiple reasons. These include the requirement to meet the demands attributable to growth (the growth element), to renew existing network and community infrastructure (renewal), or to meet the Level of Service (Section 46.1) required for current demand (backlog). Development contributions fund only the growth element of infrastructure capital Projects.

Part 8 – Rationale for funding growth with development contributions

28. Introduction

106(2(c), 101(3)

28.1 In adopting this Policy, Council has determined that the growth community should bear a proportionate share of the cost of providing infrastructure that is required to meet that growth.

28.2 Development contributions promote sustainable development in that they require developers to consider the true cost of their developments, including the cost of Council provided infrastructure.

28.3 Council considers that for ratepayers to fully fund the cost of growth-related capital works would cause unsustainable rate increases and would be inequitable.

28.4 In determining the funding sources for the growth-related components of capital Projects, this section provides Council's considerations for each of the matters required under s101(3) (a) and (b).

29. Community outcomes

101(3)(a)(i)

29.1 Council's Community Outcomes are identified in the LTP. Council needs to consider the community outcomes to which the Activity primarily contributes in relation to its associated Activities, programmes and projects.

29.2 The table below shows the Activities for which development contributions may be required and an assessment of the level of contribution (high, medium, low) to each Community Outcome.

29.3 A more complete explanation of the community outcomes to which each of the Activities primarily contributes is included in the LTP.

29.4 Community Outcomes matrix

	Activity				
Community Outcome	Transport	Parks & Reserves	Library	Water	Wastewater
A thriving local identity	√√	√√√	√√	√	√
A sustainable and resilient future	√√√		√√	√√√	√√√
A diverse and inclusive culture	√√	√√	√√√	√√	√√
A great place to call home	√√	√√√	√√	√√√	√√√

30. Distribution of Benefits

30.1 Council recognises that there are benefits for the greater community that flow from the extra capacity in community facilities that is provided in response to growth. These benefits flow to the existing community and the new growth community.

30.2 For each Activity including Projects that require capital expenditure, Council assesses whether the assets being created or modified will benefit, the existing community, the growth community, or both.

30.3 The benefits are assumed to have a value proportionate to the capital expenditure and similar to the benefits which flow from the underlying service activity, this being, that which the consumers of the services receive as value from the availability of the capital assets.

30.4 In summary, the capital expenditure and benefit allocation is analysed as follows:

Capital Expenditure	Explanation
Renewal expenditure	Benefits the existing community only and replaces the existing asset base.
Backlog expenditure	New asset capacity is of benefit to the existing community only, to meet the short fall in the current Level of Service.
Increased Levels of Service	Capital expenditure that benefits all the community including the growth community.
New service expenditure	Capital expenditure to provide benefits to both the existing and the growth community on a pro-rata basis.
Growth expenditure	That which benefits and is needed by the projected growth in the community, estimated over the next 10 years. Asset capacity which provides benefits beyond that period will be allocated to future growth communities and may form part of future development contributions.

30.5 The Level of Service supplied for most Activities generates a benefit that is enjoyed by the whole community, both existing and growth. There is no mechanism to exclude one group from the higher service level at which the activity is provided. Similarly, both existing and growth communities share proportionately in the benefits of excess capacity up to the point that it is consumed by the expanding community.

30.6 The existing community and the expanding existing community will fund any excess until future demand beyond 10 years occurs and the development contributions include recovery of that excess.

30.7 There is recognition of transitional benefits to the existing community and the incoming growth community that may occur in some circumstances because of excess capacity provided in anticipation of growth. This is often perceived as an improvement in Level of Service, but if there has been no change in the planned Level of Service this is an 'improvement' that will be eroded over time as growth takes up that additional capacity.

Council's Cost Allocation Methodology (Section 37) takes account of this transitional benefit where appropriate and allocates it between the growth community and the existing community.

30.8 It is recognised that there are components built into the existing network with excess capacity which will benefit the growth community. Some of these components are included in the development contributions calculations as past Projects with residual capacity for anticipated growth, some are not. Therefore, the growth community benefits from some significant past capital expenditure without incurring any additional charges.

30.9 The process of cost and benefit allocation uses a modelling tool, which calculates and records:

- The decisions made about the drivers of a Project, i.e., the reasons Council has undertaken the Project and who will benefit from the Project
- the allocation of costs between the beneficiaries
- the share of infrastructure cost that can be attributed to the existing and growth communities, through rates and development contributions respectively.

31. Benefits period

101(3)(a)(iii)

31.1 Council determines:

- within individual Asset/Activity Management Plans, the length of time over which an asset created will provide a benefit to the community, and
- the capacity of that asset and the amount of capacity that will be utilised by the growth community.

31.2 There are benefits that accrue to both existing and incoming growth communities over the lifetime of the assets, and both communities share proportionately in the benefits of excess capacity up to the point that it is consumed by the expanding community.

32. Contributions to the need for the Activity

101(3)(a)(iv),
Schedule 13

32.1 The development community is causing the need for the Activity, to the extent that the Activity is servicing growth. Council has estimated the extent of growth within the District, both residential and non- residential and has translated that to the expected household equivalents which constitute that growth (HUEs) in accordance with Schedule 13.

32.2 For each Activity, this then creates a profile of the demand that can be expected for that Activity, and the assets necessary to accommodate that demand over time.

32.3 Council has identified the capital expenditure necessary to provide the capacity to meet the needs of the growth community. This is identified in the Schedules of Assets in Part 12

32.4 Where the existing capacity of community facilities is insufficient to provide the Level of Service (as set out in the LTP) to new residential and non-residential users, those new users/ the growth community, are therefore principally the ones who create the need for new or expanded community facilities.

32.5 However, Council also recognises that there may be capital expenditure necessary to increase the Level of Service for all, due to:

- community demand for increased Levels of Service
- obligations on Council to raise the Levels of Service to meet resource consent or statutory obligations and conditions
- visitors to the District creating additional demand on facilities.

Examples of projects funded, in part, by development contributions

Lower Hātea River Crossing, Port Road improvements including

Funding for the proposed Lower Hātea River Crossing is provided in part by development contributions to the extent that this project is driven by growth. However, Council does not consider that growth (new development) is the sole driver for the project, nor that the new development is the sole beneficiary of the project. New development contributes to the requirement of the project directly and has exacerbated the current traffic congestion issues in the Town Basin and town centre. The new bridge benefits new development but also the existing community and will improve traffic conditions for the community, as a whole. Council, through workshops and meetings, has formally considered the extent to which these groups (new developments, and existing households and businesses) contribute to and are benefited by the project. These considerations are used in Council's cost allocation methodology when defining an appropriate level of funding to be allocated to the growth community through development contributions.

33. Transparency of funding

101(3)(a)(v), 197AB, 101(3)

33.1 To support transparency and legislative requirements, this section explains how the Activities (as identified in Part 2, Section 8) are separated and the catchments are established.

33.2 Activities

33.2.1 Funding at an Activity level allows:

- a greater level of transparency and efficiency can be achieved and this assists in defining the appropriate share of actual costs to be paid by the growth community
- the decision making as to why a Project is being undertaken is more transparent and accountable
- consideration of whether ratepayers are being asked to contribute to infrastructure capacity that they do not require. This contributes substantially to intergenerational equity.

33.2.2 Council has however, for the reasons of administrative and economic efficiency, allocated some potential-growth related expenditure over all Activities to the existing community. This is because the cost of determining the proportionate growth component would be greater than the costs likely to be recovered through development contributions.

33.3 Catchments

33.3.1 In determining catchments, Council has endeavoured to balance service delivery considerations, growth patterns, administrative efficiency, benefits, costs and wider considerations of public good and fairness.

33.3.2 The use of catchments assists in transparency and efficiency by identifying the variations in the cost of providing infrastructure according to the characteristics of a particular locality and the nature of the works required.

33.3.3 Council has modelled several catchment scenarios for each Activity and determined to use those catchments detailed in Part 13 having regard to ss101(3) and 197AB, and taking into account a range of considerations, including:

- the predicted growth within the catchments
- the Projects planned within the catchments and who creates the need for, and will benefit from, those Projects
- the administrative efficiency of managing assets at a practical level
- geographical and technical aspects of Projects
- Levels of Service
- matters of consistency
- balancing of practical and administrative efficiencies with fairness and equity
- the avoidance of district-wide catchments where practical.

33.3.4 In seeking to apportion development contribution charges in a fair and equitable manner Council has identified some specific capital Projects as being unique to certain areas of the district, and the growth in these areas as the primary driver behind Projects. Council has separated out these areas and the associated Projects as individual catchments (see Part 13). Capital Projects within the catchments will attract defined, catchment related development contribution charges.

33.3.5 After considering the distribution of benefits and impact on and from the local and district-wide community on these Projects, Council has decided that the development growth within the catchments should contribute proportionately towards funding the Catchment Projects, and in some cases the district-wide Projects also.

33.3.6 However, the use of particularly small catchments, together with varying market conditions and the decisions of individual developers and purchasers has the potential to create anomalies within the development contributions, and the funding of infrastructure. Council balances administrative efficiency and transparency in determining Catchment size and locality.

33.3.7 Should a development straddle more than one Catchment, the HUEs will be allocated on a pro-rata basis.

33.4 Capping

33.4.1 Council has, after deliberations and having regard to considerations of fairness and equity, and the overall impact to the community, if it were to charge the full costs of growth to the growth community, decided to place a cap on development contribution charges for

wastewater and water. The funding shortfall arising from these caps will be funded from other sources, predominantly general rates. The reasons for the capping are shown below.

The decision to take this action was made by Council in order to:

- provide reasonable consistency to the growth community of the level of charges (both across the district and over time)
- recognise the benefits of sustainable District-wide growth and Council's role in the development cycle that has longer timeframes than other parties.
- ensure optimal environmental outcomes
- protect public health
- encourage the use of communal water and wastewater systems to promote sustainable development.

Council was also cognisant that where contributions have increased under this Policy, these reflect the capital works that have been undertaken or are scheduled to be undertaken and that the growth community should bear its share of the costs of these projects.

The uncapped and capped charges are shown in Table 1.

34. Impact on community well-being

S101(3)(b)

34.1 General

34.1.1 This Policy will enable Council to provide appropriate levels of community facilities that are necessary to service the growing community.

34.1.2 Ensuring an appropriate balance between the various sources of funding for the provision of community facilities is central to Council being able to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

34.1.3 Funding part of the cost of providing increased capacity in Council's community facilities through development contributions, rather than rates and/or serviced debt, promotes inter-generational equity between the existing and incoming communities within the District.

34.1.4 By funding growth infrastructure from the appropriate sources, funds that might otherwise have come from the existing community are available to that community.

Part 9 – Capital expenditure

35. Expenditure expected & expenditure incurred

199(2), 201A(1)

35.1 S199(2) allows for Council to require a development contribution from a development for capital expenditure:

- expected to be incurred as a result of growth; or
- already incurred in anticipation of growth.

35.2 The total estimated capital expenditure Council expects to incur, as a result of growth, to meet increased demand for community facilities, is summarised in the Schedules of Assets in Part 12.

35.3 The growth element of the Projects selected by Council will be funded or part-funded by development contributions. This amount is arrived at after funding from other sources has been deducted. Backlog and renewal portions of capital expenditure will be funded from sources other than development contributions (e.g. depreciation funding - rates, user charges, etc.).

35.4 Where Council anticipates funding from a third party for any part of the growth component of the capital expenditure budget, then this proportion is excluded from the total estimated growth component to be funded by development contributions.

35.5 In the recent past Council has incurred significant expenditure in anticipation of growth. Council will recover the cost of the growth component of these Projects implemented to support the future community. Those 'Past Projects with Residual Capacity' are included in Schedule 1 and 2.

35.6 Included in Section 49 are those community infrastructure Projects that were within the definition prior to the commencement of s51 of the LGA 2002 Amendment Act 2014 and which are complete or have been substantially progressed. These library projects are within the revised LGA definition of community infrastructure in force since 2019.

Part 10 – Determination of development contribution charges

36. Calculation summary

202, 201(1)(a)

36.1 This section of the Policy sets out in summary form an explanation and justification of how the development contributions have been calculated for the Development Contributions Charges Schedule (Section 13).

36.2 From Council's capital expenditure Projects identified in the LTP, Council has:

- Determined the Activities for which development contributions will be required.

Determined the Levels of Service for each Activity.

Recorded the Catchment where the project provides capacity to meet demand (Part 13).

Summarised the capital Projects (with growth component identified) that are included in determining the development contributions charges. These include completed Projects that were constructed to provide capacity for future demand and that have a remaining surplus capacity (Part 12).

Deducted from the project costs all reasonably anticipated funding from third parties and allocated the costs between growth and non-growth.

Recorded the capacity and life of the Projects, the growth cost share that will be assigned to the demand reported in the Growth Model.

Allocated costs to each Household Unit Equivalent.

Assessed each Activity, (and Project where appropriate) that is to be funded wholly or in part by development contributions against the considerations in s101(3)(a).

36.3 To undertake a cost allocation analysis using the Cost Allocation Methodology (Section 37) to determine the share of cost to growth, Council has considered:

- the capacity and demand requirements of the current levels of service identified in the LTP, to determine the growth share of the Project cost as well as the renewal, backlog and unallocated portions.
- The outcomes of the Cost Allocation Methodology are summarised in this Policy stating the proportion of capital expenditure to be funded by development contributions and other sources of funding (Part 12).

36.4 The Growth Model (Section 41.1) shows the changes in household numbers and a similar level of growth is assumed for business floor areas. Based on this, Council has determined for each Activity and Activity Catchment:

- the changes in demand for service from the existing and growth communities over the capacity life of the Project
- the measures of household and business demand.

36.5 In undertaking a funding analysis of each Project to determine the total cost of growth for each unit of demand, Council has:

- Determined the project growth cost share funded by development contributions from each of the incoming growth demand units in the Catchments serviced by the Project over the capacity life of the Project.
- Aggregated the outcomes of the funding analysis for each project by Activity and Catchment to determine the development contributions charge for the Activity and Activity Catchment.

36.6 This process includes internal and external reviews of the Projects, cost allocation analysis and funding analysis to test and verify the assumptions and accuracy of the Project data.

37. Cost allocation methodology introduction 106(3), Schedule 13

37.1 The Cost Allocation Methodology (the CAM) used in this Policy is based on an ‘Outcomes/ Impacts Approach’. The CAM is applied to the programmes of capital expenditure delivering the levels of services defined in the LTP at an Activity level for:

- the 10 years of capital expenditure set out in the LTP
- expenditure on past projects with residual capacity for growth.

37.2 For the purpose of the above, ‘programmes’ are planned capital expenditure designed to deliver defined Levels of Service and ‘projects’ are planned or completed projects delivering the programme. These are described as Projects throughout this Policy. The analysis to determine the cost of growth has been undertaken at both programme and project level as appropriate for that Level of Service.

37.3 The CAM takes the planned costs of a proposed project and assigns them to the following categories:

- renewal
- backlog
- growth
- unallocated.

Only the growth component or part of the growth component of a Project is recovered through development contributions.

38. Summary of cost allocation methodology 197AB(g), 201(1)(a)

38.1 This section provides a summary of the CAM and a high-level description of the process used to determine the Development Contribution Charges Schedule (Section 13).

- The scope and gross cost of a qualifying Project is reviewed and any non-capital (operations and maintenance costs) are excluded.

Third party funding (e.g. Waka Kotahi) is identified and deducted.

Catchments are established after taking into account the principles in s197AB (Section 33.3).

A share for renewal is deducted taking into account the scope of assets being renewed and their remaining life at the time of renewal.

Capacity and demand information based on defined levels of service is used to allocate shares to 'backlog' and 'growth'.

Any remaining share is defined as 'unallocated' and is not funded by development contributions

Capacity, useful life information and funding periods are used to determine the period over which contributions are identified to be collected.

The Funding Model (Section 39) is then used to identify the appropriate portion of the cost of growth (that which is allocated to the growth community) after considering all the factors outlined in Part 8.

39. The Funding Model

Schedule 13

39.1 The purpose of the Funding Model is to ensure an equitable assessment of the funding requirements to support development contributions calculations and to provide a consistent and legislatively compliant methodology in accordance with Schedule 13. The Funding Model determines the development contribution charge necessary to fund the total cost of the capital expenditure supporting growth.

39.2 The Funding Model takes that portion of gross costs allocated to the growth community by Project and calculates costs in relationship to the Growth Model projections (Section 41.1) by Household Unit Equivalents.

39.3 The resulting development contribution charges are provided in the Development Contribution Charges Schedule in Section 13.

39.4 The Funding Model takes into account:

- The funding requirements to support the cost of growth infrastructure.
- Equitable application of those funding requirements to the incoming growth community.
- Recognition that the backlog components of the growth infrastructure are funded by the existing community. The rating charges applied to the existing community will also be applied to the incoming community as there is no differential rating process to exclude the incoming community from those rates charges. Therefore, the rating charge on the incoming community is to be offset against the development contribution charge.
- Interest on borrowing to implement growth infrastructure.
- Interest on contributions received in advance of provision of growth infrastructure.

Part 11 – Significant assumptions

40. Introduction

201(1)(b)

40.1 Section 201(1)(b) requires the Policy to state significant assumptions underlying the calculation of the schedule of development contributions. Throughout the process of determining the development contributions schedules of this Policy, Council has used the best available information at the time.

40.2 All relevant components of the assumptions provided in this section are reviewed and updated as part of each statutory review. Any significant change to these assumptions may trigger an out of cycle review.

41. Growth

41.1 Council adopted the Whangārei District Growth Strategy (Sustainable Futures 30|50) which sets out a vision for sustainable development within the District. This strategy informs Council’s decision-making about how the District will develop.

41.2 The Growth Model for the Whangārei District has been developed using Statistics New Zealand growth projections, with adjustments made where necessary to reflect known areas of higher growth within the District and was last reviewed in August 2023.

The Growth Model assumes:

- Whangārei is growing and is expected to do so for the next 30 years. Our population is anticipated to reach 117,300 in 2034 and 143,100 by 2054. Whangārei’s population is projected to grow 1.3% per year between 2024 and 2034 total dwellings will increase from 40,007 homes in 2024 to over 45,405 homes by 2034, and 54,000 by 2054.
- the total business floor area will increase at a similar rate to population growth

41.3 Growth projections are subject to uncertainties as to the quantum, timing and location of growth. Regular reviews will be undertaken as a key component of planning future network and community infrastructure requirements.

41.4 The Growth Model and Sustainable Futures 30|50 provide substantial long-term analysis of the anticipated growth, and guides Council’s spatial planning activities.

41.5 Council’s growth assumptions for the 10-year term of the LTP inform the Asset/Activity Management Plans and capital expenditure budgets in the LTP. These have been made based on the best information available.

41.6 Additionally, Council’s Infrastructure Strategy informs Council decision making in the short and long term and includes scenarios for the Long Term Plan period 2024-2034 and for the Asset Management period 2024-2054 (30 years).

41.7 The LTP details capital Projects to be undertaken over a 10-year timeframe. Development contributions also include some past Projects that have residual (growth) capacity as well as capital Projects (with a growth element) included within the LTP. A long-term horizon has been used to develop the Growth Model, and various timeframes have been used for the development of Asset and Activity Management Plans in line with the expected

life of the asset. Therefore, any single Project has a number of different variables that must be taken into account when calculating a development contribution.

41.8 The predicted rates of growth have been used to calculate growth in terms of HUEs. Predicted HUEs are shown per Activity and per Activity Catchment within the Funding Model. A HUE is defined as being equivalent to the demand generated by an average dwelling. It is recognised that household units vary throughout the District and the demands they generate have a broad range. Given the size of the Catchments used in calculating development contributions an implied averaging is used, this approach is considered appropriate in terms of the principles of development contributions and in accordance with Schedule 13.

42. Risks and growth-related assumptions

42.1 There is a risk that the Growth Model assumptions will not eventuate, resulting in a change to the assumed rate of development. However, modelling suggests that any difference between the actual growth and the assumed growth would only have minor impacts on the total development contribution charge for each HUE. While these assumptions are reviewed every three years due to statutory review requirements, Council can also choose to undertake a review earlier if circumstances require.

42.2 That the lag between expenditure incurred by Council and contributions received is different from that assumed in the Funding Model and that the costs of capital Projects are greater than expected. This would result in an increased debt servicing cost. Conversely growth at a faster rate would reduce debt servicing and thus incurring lower charges in future policies.

43. Capital Projects - assumptions

43.1 To support anticipated growth, Council has assumed the budgeted capital Projects programme of the LTP will be necessary. If the anticipated growth does not occur, it is most likely that the capital Projects programme will be re-sequenced or subtly accelerated or slowed rather than substantially changed.

43.2 Capital Projects may be substituted within an Activity group or programme of projects that will not necessarily have an effect on the development contributions calculated for that Activity.

44. Estimated cost of capital expenditure

44.1 It is likely that actual expenditure will differ from estimated expenditure due to factors beyond Council's control, including, but not limited to:

- changes in the price of raw materials and labour
- the timing of capital Projects occurring.

44.2 Council makes every effort to incorporate these variables into cost calculations and updates all relevant information to inform future reviews.

45. Interest rates

45.1 The interest rates used within the Funding Model are set at 5.83% for interest paid, to account for the borrowing Council has undertaken to complete capital projects in anticipation of growth requirements.

45.2 The interest rate for interest earned on funds received in advance of carrying out growth-related capital expenditure is set at 2.45%.

45.3 Interest will not be included as capital expenditure once an asset is built.

46. Level of Service

46.1 A Level of Service is the standard of a service that Council provides for each Activity.

46.2 The Activity/Asset Management Plans and their defined 'Level of Service' statements form the basis of identifying capital Projects required to meet projected growth.

46.3 Any requirement to increase the Level of Service for existing users will be funded by rates and other funding mechanisms and will not be funded by way of development contributions.

47. Financial assumptions

106(2B)(2C), 197

47.1 The following financial assumptions have been applied

- all future Project costs are based on current known infrastructure prices at present value
- income generated from rates and user charges will be sufficient to meet the operating costs of growth-related capital expenditure into the future
- all Waka Kotahi subsidies will continue at present levels (The Financial Assistance Rate being approx. 53% overall) and that eligibility criteria will remain unchanged.
- the methods of service delivery will remain substantially unchanged.

47.2 All figures in the Development Contribution Charges Schedule (Section 13) are expressed in 2024 dollars and these will be amended as appropriate in accordance with the Producer Price Index Outputs for Construction (PPI) on an annual basis

47.3 For clarity, and as stated in Section 4, Council may vary the Schedules of Assets from time to time in accordance with S201A(5).

Part 12 – Schedules of Assets

48. Introduction

106(2)(b), 201A

48.1 All projects included in the schedules of assets for both past and future capital expenditure have or are projects included in the relevant Long Term Plans

48.2 This part contains the three different Schedules of Assets for which development contributions will be used.

48.3 The calculations and documentation supporting the capital expenditure are available for examination at the offices of Whangarei District Council.

49. Schedule of Assets 1 – growth related expenditure for past Projects with residual capacity 201A(3), 106(2)(d)

49.1 Schedule of Assets 1 includes only Projects that have expenditure prior to the LTP period. All other Projects (current and future) in the LTP period appear in Schedule of Assets 3

Catchment	Programme/Project Name
Parks and Reserves	
Coastal Villages	Provision of new playgrounds*
Urban Villages	Provision of new playgrounds*
Whangarei City	Provision of new playgrounds*
Community Wide	Provision of new playgrounds*
Community Wide	Parihaka Look out
Community Wide	Ruakaka Cemetery development*
Community Wide	District reserves
Community Wide	Neighbourhood and Public Gardens Land purchase*
Community Wide	New Skateparks*
Community Wide	New Public Toilets*
Community Wide	SOP - William Fraser Memorial Park on Pohe Island
Community Wide	SOP - William Fraser Memorial Park on Pohe Island - Park Development
Community Wide	1 Upgrade - Existing pre 2008
Community Wide	3 Cobham Oval
Community Wide	Carparks Various*
Community Wide	Mountain Bike Trails NEW
Community Wide	Otaika Sportspark Development 4x
Community Wide	Otangarei Sportspark New Toilets

\$		
Expenditure Already Incurred	Expenditure to be Recovered from Development Contributions	Expenditure to be Recovered from Other Sources
155,665	111,306	44,360
229,401	164,029	65,371
196,630	140,597	56,033
237,594	169,888	67,706
444,627	113,313	331,314
46,572	15,381	31,191
3,150,791	2,002,009	1,148,782
42,693	30,159	12,534
601,003	80,671	520,332
436,769	33,948	402,821
10,869,660	1,795,772	9,073,888
1,457,657	241,777	1,215,880
2,680,117	533,841	2,146,276
4,398,994	617,702	3,781,292
1,398,624	662,383	736,241
92,011	9,841	82,170
2,497,935	1,486,271	1,011,664
138,159	2,807	135,352

Catchment	Programme/Project Name
Community Wide	Ruakaka Sportspark 2x*
Community Wide	Sportsfields Land Purchases*
Community Wide	Sportspark and Surface improvement
Community Wide	Whangarei Heads Development new Sportsfields 2x
Community Wide	Whangarei Heads Field Renovations
Community Wide	William Fraser Memorial Park on Pohe Island - ongoing Development
Parks and Reserves	Sub-Total
Transport and Roothing	
North Coastal	Seal Extension Programme*
North Coastal	Sealed Road Pavement Rehabilitation Programme*
North Coastal	LED streetlight Upgrade*
North Coastal	Unsealed Road Metalling Programme*
North Rural	Seal Extension Programme*
North Rural	Sealed Road Pavement Rehabilitation Programme*
North Rural	Unsealed Road Metalling Programme*
Ruakaka	Footpaths Programme
Ruakaka	Seal Extension Programme*
Ruakaka	Sealed Road Pavement Rehabilitation Programme*
Ruakaka	Unsealed Road Metalling Programme*
South	Footpaths Programme
South	Seal Extension Programme*
South	Sealed Road Pavement Rehabilitation Programme*
South	Unsealed Road Metalling Programme*

\$		
Expenditure Already Incurred	Expenditure to be Recovered from Development Contributions	Expenditure to be Recovered from Other Sources
655,192	474,092	181,100
140,999	103,317	37,682
2,273,700	552,829	1,720,871
844,473	503,552	340,921
87,651	26,680	60,971
586,582	64,804	521,778
33,663,499	9,936,968	23,726,531
6,094,947	1,062,163	5,032,785
13,042,533	819,660	12,222,873
57,517	2,703	54,814
3,714,092	234,955	3,479,136
8,002,881	1,519,584	6,483,298
8,650,872	618,309	8,032,563
5,199,728	328,938	4,870,790
619,376	148,247	471,129
317,989	76,238	241,751
6,129,330	384,742	5,744,589
742,817	46,991	695,826
309,687	74,121	235,566
8,871,735	1,715,795	7,155,940
8,008,655	584,796	7,423,859
5,199,728	328,938	4,870,790

Catchment	Programme/Project Name
Whangarei City	Bus Shelters*
Whangarei City	Cycleway - Raumanga to Onerahi 2012-15 (Unsub)
Whangarei City	Walking & Cycling Improvements 2012-2034 - Subsidised*
Whangarei City	Footpaths Programme
Whangarei City	SOP Lower James street
Whangarei City	Gillingham Road Bridge
Whangarei City	Amenity Lighting 2021-2034*
Whangarei City	CBD Refurbishment & Strategic Footpath Renewals
Whangarei City	Town Basin to CBD*
Whangarei City	Sealed Road Pavement Rehabilitation Programme*
Whangarei City	LED streetlight Upgrade
Community Wide	SOP Cycleways - Programmed Work 2012-2015- (Unsub)
Community Wide	Walking & Cycling Improvements 2006-2012
Community Wide	Minor Improvement Project Footpaths 2020-2034*
Community Wide	Minor Improvement Project Lighting 2020-2034
Community Wide	Minor Improvement Project Public Transport 2021-2030*
Community Wide	Minor Improvement Projects 2018-2021 programme
Community Wide	Minor Improvement Projects 2021-2034*
Community Wide	Minor Improvement Project Safety Improvements 2021-2034*
Community Wide	Minor Improvement Project Sub Seal Extensions 2021-2030
Community Wide	Minor Improvement Project Traffic Calming 2021-2034*
Community Wide	Minor Safety Projects Programme
Community Wide	Dent/ Quay St Realignment
Community Wide	Lower Harbour Crossing

\$		
Expenditure Already Incurred	Expenditure to be Recovered from Development Contributions	Expenditure to be Recovered from Other Sources
698,499	20,955	677,544
877,216	209,044	668,172
20,672,229	1,697,126	18,975,103
2,667,816	639,208	2,028,608
500,000	120,345	379,655
4,588,000	2,451,266	2,136,734
270,000	202,500	67,500
1,942,815	465,086	1,477,729
3,260,755	506,348	2,754,407
10,445,076	934,453	9,510,623
517,657	24,327	493,330
63,070	14,596	48,474
362,509	83,434	279,075
1,424,508	88,452	1,336,056
1,209,174	123,047	1,086,127
128,579	11,719	116,860
11,484,900	1,197,272	10,287,628
5,037,443	327,694	4,709,749
9,532,890	1,130,302	8,402,588
910,000	46,006	863,994
624,386	39,727	584,659
11,798,014	1,101,572	10,696,442
9,049,901	2,069,779	6,980,122
33,089,803	11,161,951	21,927,852

Catchment	Programme/Project Name
Community Wide	Maunu Road
Community Wide	Mill / Nixon / Kamo Intersection Upgrade
Community Wide	Onerahi Bypass Design
Community Wide	Porowini Ave -Maunu Rd - Central Ave Upgrade
Community Wide	Port Kioreroa Intersection & Bridge 4-laning
Community Wide	Speddings Road Link
Community Wide	Springs Flat Roundabout*
Community Wide	Urban Intersections Upgrade*
Community Wide	South End Ave Intersection Upgrade
Community Wide	Replacement of Bridges and Other Structures*
Community Wide	Road Reconstruction Programme
Community Wide	Sealed Road Widening Programme
Community Wide	Minor Road Seal Extension Programme
Community Wide	Sealed Road Pavement Rehabilitation Programme
Community Wide	Structures Component Renewals 2006-12
Community Wide	Subdivision Contributions*
Community Wide	Traffic Signals Upgrades
Community Wide	Transport Planning Studies and Strategies Programme*
Transport and Roding	Sub-Total
Water Services	
Bream Bay North	Water Meters
Bream Bay North	Takahiwai Rd
Bream Bay North	Wilsons Dam
Bream Bay North	Emergency Generators

\$		
Expenditure Already Incurred	Expenditure to be Recovered from Development Contributions	Expenditure to be Recovered from Other Sources
68,324	5,926	62,398
10,741,606	2,707,246	8,034,360
824,707	71,980	752,727
8,361,424	911,244	7,450,180
3,765,409	1,314,094	2,451,315
4,845,644	781,660	4,063,984
212,403	80,718	131,685
7,656,585	2,388,348	5,268,237
56,155	39,308	16,847
6,975,647	1,451,135	5,524,512
1,619,703	172,358	1,447,345
1,210,500	132,018	1,078,482
303,827	75,252	228,575
23,481,012	3,020,753	20,460,259
1,498,742	157,570	1,341,172
1,044,686	447,473	597,213
1,091,463	167,057	924,406
507,281	98,742	408,539
280,382,246	46,635,272	233,746,974
77,016	77,016	-
562,387	379,611	182,776
6,850,330	2,915,628	3,934,702
48,549	13,871	34,678

Catchment	Programme/Project Name
Bream Bay North	Ruakaka Treatment Plant Hydraulic Upgrade
Bream Bay North	Ruakaka Treatment Plant Quality Upgrade
Bream Bay South	Wilsons Dam
Bream Bay South	Ruakaka Treatment Plant Hydraulic Upgrade
Bream Bay South	Ruakaka Treatment Plant Quality Upgrade
Mangapai	Mangapai Plant Upgrade
Mangapai	Mangapai UV
Maungakaramea	Maungakaramea Reservoir - extra capacity*
Maungakaramea	Maungakaramea UV
Whangarei City	Water Meters
Whangarei City	Kamo Reservoir (Dip Rd) additional capacity and pipe work*
Whangarei City	Three Mile Bush Reservoir and pipework*
Whangarei City	Cemetery Rd Firemain
Whangarei City	Fairway Dr pump station upgrade*
Whangarei City	Kamo Rising Main
Whangarei City	Mains Extension General*
Whangarei City	Onerahi Trunk Main - Replacement and upgrade*
Whangarei City	Station Road trunk main - Extra capacity*
Whangarei City	Hatea River Main Upgrade
Whangarei City	Poroti WTP Upgrade*
Whangarei City	Emergency Generators
Whangarei City	Whau Valley Land Purchase
Whangarei City	Whau Valley New Water Treatment Plant
Whangarei City	Whau Valley UV

\$		
Expenditure Already Incurred	Expenditure to be Recovered from Development Contributions	Expenditure to be Recovered from Other Sources
4,487,416	1,938,591	2,548,825
3,917,353	2,807,436	1,109,917
2,283,443	971,876	1,311,567
1,495,806	646,197	849,609
1,305,784	935,812	369,972
191,110	48,727	142,383
142,856	73,015	69,841
185,000	115,767	69,233
55,830	12,884	42,946
279,730	279,730	-
1,272,045	547,544	724,501
2,073,041	546,659	1,526,382
188,122	89,358	98,764
187,807	48,180	139,627
1,230,021	726,260	503,761
82,813	82,813	-
127,246	52,260	74,986
246,198	95,351	150,848
1,205,958	361,787	844,171
802,128	504,774	297,354
194,196	55,485	138,711
647,054	323,527	323,527
18,113,303	6,832,201	11,281,102
493,045	225,979	267,066

Catchment	Programme/Project Name
Whangarei Heads	McLeods Bay Reservoir
Whangarei Heads	Parua Bay Reservoir
Whangarei Heads	Fairway Dr pump station upgrade*
Whangarei Heads	Onerahi Trunk Main - Replacement and upgrade*
Whangarei Heads	Parua Bay Rising Main
Whangarei Heads	Hatea River Main Upgrade
Whangarei Heads	Poroti WTP Upgrade*
Whangarei Heads	Whau Valley Land Purchase
Whangarei Heads	Whau Valley New Water Treatment Plant
Whangarei Heads	Whau Valley UV
Whangarei North	Kamo Reservoir (Dip Rd) additional capacity and pipe work*
Whangarei North	Fairway Dr pump station upgrade*
Whangarei North	Hikurangi Supply Link
Whangarei North	Station Road trunk main - Extra capacity*
Whangarei North	Hatea River Main Upgrade
Whangarei North	Poroti WTP Upgrade*
Whangarei North	Whau Valley Land Purchase
Whangarei North	Whau Valley New Water Treatment Plant
Whangarei North	Whau Valley UV
Water Services	Sub-Total
W&D Wastewater	
WW Hikurangi	Wastewater Pump Stations Upgrades
WW Hikurangi	WWTP PS Remote Monitoring
WW Marsden Point-Ruakaka	One Tree Point-Ruakaka Wastewater Network-Upgrades

\$		
Expenditure Already Incurred	Expenditure to be Recovered from Development Contributions	Expenditure to be Recovered from Other Sources
262,766	255,409	7,357
362,368	336,327	26,041
19,428	4,984	14,444
62,674	25,740	36,933
455,191	231,542	223,649
110,893	33,268	77,625
57,663	38,110	19,553
67,715	33,857	33,858
1,440,831	543,471	897,360
58,005	26,586	31,419
358,782	154,435	204,347
8,635	2,215	6,420
2,007,396	75,086	1,932,310
21,409	8,291	13,117
69,308	20,792	48,516
45,252	28,573	16,679
37,619	18,810	18,809
1,029,165	388,193	640,972
29,003	13,293	15,710
55,249,690	23,947,321	31,302,369
121,264	57,082	64,182
20,946	4,967	15,979
2,879,506	1,852,662	1,026,844

Catchment	Programme/Project Name
WW Marsden Point-Ruakaka	Ruakaka South reticulation extension
WW Marsden Point-Ruakaka	Ruakaka Trunk Sewerage System - Ruakaka Bridge PS & Main
WW Marsden Point-Ruakaka	Ruakaka Trunk Sewerage System - Sime Rd P/S & Main
WW Marsden Point-Ruakaka	Ruakaka WWTP - Ocean outfall Preliminary consenting
WW Marsden Point-Ruakaka	Pump Station and Rising Main for Rama Rd
WW Marsden Point-Ruakaka	Ruakaka - Rama Rd Irrigation Consents
WW Marsden Point-Ruakaka	Ruakaka - Rama Rd Irrigation Scheme Land Purchase
WW Marsden Point-Ruakaka	Ruakaka - Rama Rd Irrigation Scheme Stage 2
WW Marsden Point-Ruakaka	Ruakaka WWTP - Stage 3
WW Marsden Point-Ruakaka	Ruakaka WWTP - Stages 1&2 Consents
WW Marsden Point-Ruakaka	Ruakaka WWTP - Stages 1&2 Works
WW Ngunguru	Ngunguru Wastewater Treatment Plant - UV
WW Ngunguru	Ngunguru Wastewater Treatment Plant - Upgrades
WW Oakura	Oakura WW - Extend Reticulation
WW Oakura	Oakura- Disposal Area increase*
WW Oakura	Oakura Wastewater Treatment Plant-Upgrades
WW Oakura	Oakura WWTP
WW Portland	Wastewater Pump Stations Upgrades
WW Waiotira	Wastewater Pump Stations Upgrades
WW Waiotira	WWTP PS Remote Monitoring
WW Waiotira	Waiotira WWTP Upgrade
WW Waipu	Waipu Trunk Main Network Upgrade
WW Waipu	Waipu WWTP Upgrade
WW Waipu	Waipu WWTP Upgrade historic

\$		
Expenditure Already Incurred	Expenditure to be Recovered from Development Contributions	Expenditure to be Recovered from Other Sources
350,000	350,000	-
54,971	54,971	-
257,667	257,667	-
1,940,779	1,940,779	-
1,022,466	1,022,466	-
359,880	359,880	-
7,742,222	7,742,222	-
560,313	560,313	-
99,030	60,236	38,794
610,420	610,420	-
1,954,573	1,949,023	5,550
445,441	58,192	387,249
1,470,315	57,290	1,413,025
3,007,876	113,403	2,894,473
33,839	10,152	23,687
126,120	11,546	114,574
3,155,739	113,471	3,042,268
3,384	2,648	736
26,932	11,623	15,309
10,473	2,484	7,989
77,352	73,922	3,430
257,019	116,567	140,452
93,303	22,628	70,675
819,636	809,742	9,894

Catchment	Programme/Project Name
WW Waipu Cove_Langs Beach	Waipu Cove/Langs Beach Network Improvement*
WW Waipu Cove_Langs Beach	Waipu Cove-Langs Beach WW Network Improvements 2006-2008
WW Waipu Cove_Langs Beach	Waipu Trunk Main Network Upgrade
WW Waipu Cove_Langs Beach	Waipu Trunk Main Network Upgrade 2007
WW Waipu Cove_Langs Beach	Waipu WWTP Upgrade
WW Waipu Cove_Langs Beach	Waipu WWTP Upgrade historic
WW Whangarei	Wastewater Pump Stations Upgrades
WW Whangarei	Okara Pump Stn Upgrade
WW Whangarei	Okara Rising main duplication
WW Whangarei	Otaika Rising main
WW Whangarei	Sewer capacity increase - Growth areas*
WW Whangarei	Sewer capacity increase Kamo
WW Whangarei	Whangarei City Wastewater - Projects (System Upgrades)
WW Whangarei	Whangarei City Wastewater - Projects (System Upgrades) 2006-2009
WW Whangarei	Whangarei City Wastewater - Projects (System Upgrades) 2012-2014
WW Whangarei	WWTP PS Remote Monitoring
WW Whangarei	Historic Whangarei WWTP - Upgrades
WW Whangarei	Whangarei City Wastewater - Network projects(Hatea Tank & UV Treatment)

\$		
Expenditure Already Incurred	Expenditure to be Recovered from Development Contributions	Expenditure to be Recovered from Other Sources
803,700	363,524	440,176
41,839	22,090	19,749
1,699,041	770,228	928,813
21,006	9,869	11,137
21,886	5,308	16,578
167,877	165,851	2,026
2,880,005	1,355,683	1,524,322
1,416,440	287,072	1,129,368
2,863,763	690,063	2,173,700
150,321	125,140	25,181
275,246	89,485	185,761
850,000	440,096	409,904
7,438,343	1,778,805	5,659,538
113,119	30,358	82,761
4,458,039	1,101,641	3,356,398
1,015,894	240,892	775,002
1,669,582	443,988	1,225,594
5,195,274	1,862,081	3,333,193

Catchment	Programme/Project Name
WW Whangarei	Whangarei City Wastewater - Network projects- (WWTP Peak Flow Management)
WW Whangarei	Whangarei WWTP - Filtration System
WW Whangarei	Whangarei WWTP - Primary Screening & Degritting
WW Whangarei	Whangarei WWTP - Upgrades
WW Whangarei	Whangarei WWTP Upgrade- UV & AS plant
WW Whangarei Heads	Okara Pump Stn Upgrade
WW Whangarei Heads	Okara Rising main duplication
WW Whangarei Heads	Whangarei City Wastewater - Projects (System Upgrades)
WW Whangarei Heads	Whangarei City Wastewater - Projects (System Upgrades) 2006-2009
WW Whangarei Heads	Whangarei City Wastewater - Projects (System Upgrades) 2012-2014
WW Whangarei Heads	Whangarei Heads SS Stages I & II
WW Whangarei Heads	Whangarei Heads Wastewater Network - Upgrades*
WW Whangarei Heads	Whg Hds WW Scheme Stage III
WW Whangarei Heads	Whangarei City Wastewater - Network projects(Hatea Tank & UV Treatment)
WW Whangarei Heads	Whangarei City Wastewater - Network projects- (WWTP Peak Flow Management)
WW Whangarei Heads	Whangarei WWTP - Filtration System
WW Whangarei Heads	Whangarei WWTP - Primary Screening & Degritting
WW Whangarei Heads	Whangarei WWTP Upgrade- UV & AS plant
Community Wide	WW General - Odour Control programme*
W&D Wastewater	Sub-Total
GRAND TOTAL	

\$		
Expenditure Already Incurred	Expenditure to be Recovered from Development Contributions	Expenditure to be Recovered from Other Sources
4,374,179	1,996,706	2,377,473
1,500,621	345,908	1,154,713
2,743,377	502,567	2,240,810
1,057,543	310,360	747,183
3,693,014	431,779	3,261,235
28,907	5,859	23,048
58,444	14,083	44,361
151,803	36,302	115,501
2,309	620	1,689
90,980	22,482	68,498
5,736,867	1,945,922	3,790,945
571,873	34,069	537,804
18,922,994	4,179,869	14,743,125
708,447	253,920	454,527
833,177	380,325	452,852
204,630	47,169	157,461
409,930	75,096	334,834
601,188	70,290	530,898
20,000	2,008	17,992
100,293,124	38,663,864	61,629,260
469,588,559	119,183,425	350,405,134

50. Schedule of Assets 2 – growth related expenditure for past community infrastructure Projects with residual capacity

201A(3), 106(2)(d)

50.1 Schedule of Assets 2 includes only Projects that have expenditure prior to the LTP period. All other Projects (current and future) in the LTP period appear Schedule of Assets 3.

Catchment		Project Name
Libraries	Citywide	New Central Library Building
Libraries	Community Wide	New Central Library Building
Grand total		

\$				
Historic Capital Expenditure	Expenditure from Development Contributions	Expenditure from Other Sources	Expenditure still to be Recovered from Development Contributions	Recovery Expected to be Completed by End of Financial Year
2,089,716	550,854	1,538,862	37,377	2024/25
6,269,150	1,652,563	4,616,587	126,516	2024/25
8,358,866	2,203,417	6,155,449	163,893	

51. Schedule of Assets 3 – growth related expenditure for current and future Projects included in the LTP 201A(3), 106(2)(d)

51.1 Planned expenditure covers current and future expenditure on Projects in the LTP (including those costs beyond the LTP period). Charges are only calculated on those costs within the LTP period.

Catchment	Programme/Project Name
Parks and Reserves	
Coastal Villages	Provision of new playgrounds*
Urban Villages	Provision of new playgrounds*
Whangarei City	Provision of new playgrounds*
Community Wide	Provision of new playgrounds*
Community Wide	Kioreroa Cemetery Accessway
Community Wide	Maunu Cemetery Development For Burials
Community Wide	Maunu roading network
Community Wide	Ruakaka Cemetery development*
Community Wide	Neighbourhood and Public Gardens Land purchase*
Community Wide	Park amenity
Community Wide	New Skateparks*
Community Wide	Playground Amenity
Community Wide	New Public Toilets*
Community Wide	Other SOP Park upgrades redevt
Community Wide	Active Recreation marine access points
Community Wide	Carparks Various*
Community Wide	Cobham Oval broadcasting towers

\$		
Planned Capital Expenditure	Planned Capital Expenditure Funded from Development Contributions	Planned Capital Expenditure Funded from Other Sources
143,712	102,758	40,953
211,785	151,434	60,352
181,530	129,800	51,730
219,349	156,842	62,507
200,000	14,612	185,388
363,000	363,000	-
1,150,000	240,996	909,004
900,000	297,245	602,755
1,534,920	1,084,274	450,646
312,500	68,640	243,860
786,000	105,502	680,498
695,800	148,828	546,972
3,540,000	275,143	3,264,857
400,000	78,943	321,057
20,000	3,666	16,334
900,000	426,237	473,763
1,000,000	213,894	786,106

Catchment	Programme/Project Name
Community Wide	Community Sportsfields Lighting
Community Wide	Drainage
Community Wide	Hikurangi Sports Hub
Community Wide	Mangakahia drainage upgrade
Community Wide	Maungakaramaea Sportspark development
Community Wide	New indoor court facility
Community Wide	Ngunguru upgrades
Community Wide	Oakura Sportspark car park development
Community Wide	Onerahi Field Drainage upgrade
Community Wide	Otaika Sportspark 3 and Building upgrade
Community Wide	Portland Field upgrade 1x
Community Wide	Ruakaka Sportspark 2x*
Community Wide	Sportsfields Land Purchases*
Community Wide	Takahiwai purchase Field expansions
Community Wide	Tikipunga Sportspark field upgrades
Parks and Reserves	Sub-Total
Transport and Roothing	
North Coastal	Sealed Road Pavement Rehabilitation Programme*
North Coastal	Seal Extension Programme*
North Coastal	Unsealed Road Metalling Programme*
North Rural	Sealed Road Pavement Rehabilitation Programme*
North Rural	Seal Extension Programme*
North Rural	Unsealed Road Metalling Programme*

\$		
Planned Capital Expenditure	Planned Capital Expenditure Funded from Development Contributions	Planned Capital Expenditure Funded from Other Sources
762,000	545,118	216,882
1,817,700	387,668	1,430,032
105,000	63,494	41,506
189,900	149,250	40,650
400,000	31,291	368,709
150,000	42,874	107,126
602,000	458,341	143,659
80,000	11,371	68,629
189,900	50,041	139,859
1,680,000	736,040	943,960
501,900	73,279	428,621
865,000	625,908	239,092
5,550,000	4,066,750	1,483,250
530,000	160,625	369,375
654,000	126,810	527,190
26,635,996	11,390,675	15,245,321
7,440,134	875,210	6,564,924
1,320,000	100,397	1,219,602
8,167,663	513,856	7,653,807
8,928,161	1,050,253	7,877,908
1,320,000	100,397	1,219,602
11,434,728	719,397	10,715,331

Catchment	Programme/Project Name
Ruakaka	Sealed Road Pavement Rehabilitation Programme*
Ruakaka	Unsealed Road Metalling Programme*
Ruakaka	Marsden Point Road
Ruakaka	McEwan Road
Ruakaka	One Tree Point Road Upgrades
Ruakaka	Ruakaka Beach Road Upgrades
South	Sealed Road Pavement Rehabilitation Programme*
South	Seal Extension Programme*
South	Unsealed Road Metalling Programme*
Whangarei City	Sealed Road Pavement Rehabilitation Programme*
Whangarei City	New Bus shelters and renewals 2020-2034*
Whangarei City	Walking & Cycling Improvements 2012-2034 - Subsidised*
Whangarei City	Amenity Lighting 2021-2034*
Whangarei City	Town Basin to CBD*
Community Wide	Minor Improvement Project Footpaths 2020-2034*
Community Wide	Minor Improvement Project Public Transport 2021-2030*
Community Wide	Minor Improvement Projects 2021-2034*
Community Wide	Minor Improvement Project Safety Improvements 2021-2034*
Community Wide	Minor Improvement Project Traffic Calming 2021-2034*
Community Wide	Park N Ride Facilities
Community Wide	Port Road Corridor Improvements
Community Wide	Riverside Drive/Onerahi Road
Community Wide	Springs Flat Roundabout*

\$		
Planned Capital Expenditure	Planned Capital Expenditure Funded from Development Contributions	Planned Capital Expenditure Funded from Other Sources
3,472,063	408,431	3,063,631
1,633,533	102,771	1,530,762
5,913,600	396,848	5,516,752
1,064,000	74,737	989,263
840,000	63,617	
1,960,000	324,033	1,635,967
8,928,161	1,050,253	7,877,908
1,360,000	103,440	1,256,560
11,434,728	719,397	10,715,331
20,832,375	2,450,589	18,381,786
2,000,000	60,000	1,940,000
16,875,000	1,385,385	15,489,615
765,000	573,750	191,250
12,502,915	1,941,522	10,561,393
10,000,000	620,934	9,379,066
30,000	2,734	
26,190,000	1,703,703	24,486,297
33,497,641	3,971,772	29,525,869
3,441,000	218,939	3,222,061
4,050,000	915,938	3,134,062
6,000,000	1,575,908	4,424,092
18,950,000	5,717,438	13,232,562
20,183,393	7,670,169	12,513,224

Catchment	Programme/Project Name
Community Wide	Urban Intersections Upgrade 2020-2034*
Community Wide	CBD Car Park Building
Community Wide	Replacement of Bridges and Other Structures 2021-34*
Community Wide	Subdivision Contributions 2020-2034*
Transport and Roothing	Sub-Total
Water Services	
Bream Bay North	Bulk Meters and Pressure Management - 30 yrs
Bream Bay North	Pyle Rd East Fire Main and Capacity Upgrade
Bream Bay North	Ruakaka & Sergeants Pipe Upgrade - 30 yrs
Bream Bay North	Ruakaka Treatment Plant Algal Upgrade
Bream Bay South	Waipu Reservoir - additional capacity
Bream Bay South	Waipu water supply system - Extra capacity
Bream Bay South	Ruakaka Treatment Plant Algal Upgrade
Maungakaramaea	Maungakaramaea Reservoir - extra capacity*
Whangarei City	Kamo Reservoir (Dip Rd) additional capacity and pipe work*
Whangarei City	Reservoir Land Purchase SH14
Whangarei City	Three Mile Bush Reservoir and pipework*
Whangarei City	Bulk Meters and Pressure Management - 30 yrs
Whangarei City	Duplicate across Manganese Point
Whangarei City	Fairway Dr pump station upgrade*
Whangarei City	Mains Extension General*
Whangarei City	Mains Extension Glenberview Sands/Clapham - 30 yrs
Whangarei City	Onerahi Trunk Main - Replacement and upgrade*

\$		
Planned Capital Expenditure	Planned Capital Expenditure Funded from Development Contributions	Planned Capital Expenditure Funded from Other Sources
14,331,800	5,109,276	9,222,524
10,100,000	5,500,000	4,600,000
35,245,000	5,168,327	30,076,673
500,000	117,500	382,500
310,710,893	51,306,920	258,600,324
12,000	12,000	-
1,400,000	365,070	1,034,930
500,000	375,000	125,000
1,125,000	806,250	318,750
1,300,000	625,040	674,960
1,507,690	1,042,219	465,471
375,000	268,750	106,250
800,000	500,613	299,387
3,057,600	1,316,124	1,741,476
600,000	600,000	-
2,847,988	751,011	2,096,977
28,000	28,000	-
750,000	241,571	508,429
2,610,000	669,570	1,940,430
250,000	250,000	-
1,900,000	1,900,000	-
3,685,000	1,513,435	2,171,565

Catchment	Programme/Project Name
Whangarei City	Station Road trunk main - Extra capacity*
Whangarei City	Vinegar Hill trunk main
Whangarei City	Poroti WTP Upgrade*
Whangarei Heads	Fairway Dr pump station upgrade*
Whangarei Heads	Onerahi Trunk Main - Replacement and upgrade*
Whangarei Heads	Poroti WTP Upgrade*
Whangarei North	Kamo Reservoir (Dip Rd) additional capacity and pipe work
Whangarei North	Fairway Dr pump station upgrade
Whangarei North	Hikurangi Booster Pump Station
Whangarei North	Station Road trunk main - Extra capacity
Whangarei North	Poroti WTP Upgrade
Community Wide	Renewals of Assets Triggered by Growth/Development
Water Services	Sub-Total
W&D Wastewater	
WW Marsden Point-Ruakaka	Ruakaka WWTP - Upgrade PhaseII funding
WW Marsden Point-Ruakaka	Ruakaka WWTP-Disposal
WW Oakura	Oakura- Disposal Area increase*
WW Waipu Cove_Langs Beach	Waipu Cove/Langs Beach Network Improvement*
WW Whangarei	Sewer capacity increase - Growth areas*
WW Whangarei	Te Hape sewer extension
WW Whangarei Heads	Whangarei Heads Wastewater Network - Upgrades*
WW Whangarei Heads	Pressure WW system connections - Onerahi area

\$		
Planned Capital Expenditure	Planned Capital Expenditure Funded from Development Contributions	Planned Capital Expenditure Funded from Other Sources
1,416,800	548,715	868,084
2,000,000	1,128,696	871,304
46,125,000	15,343,402	30,781,598
270,000	69,266	200,734
1,815,000	745,423	1,069,578
2,562,500	852,411	1,710,089
862,400	371,215	491,185
120,000	30,785	89,215
300,000	150,000	150,000
123,200	47,715	75,486
2,562,500	852,411	1,710,089
2,000,000	1,000,000	1,000,000
82,905,678	32,404,692	50,500,986
24,800,000	20,416,721	4,383,279
60,000,000	59,996,221	3,779
260,000	78,000	182,000
2,905,000	1,313,968	1,591,032
13,700,001	4,453,990	9,246,011
2,500,000	805,085	1,694,915
597,785	35,613	562,172
2,000,000	217,857	1,782,143

Catchment	Programme/Project Name
Community Wide	Laboratory Facilities Upgrade
Community Wide	Laboratory Software upgrade
Community Wide	SCADA upgrade - replacement
Community Wide	WW General - Odour Control programme*
W&D Wastewater	Sub-Total
GRAND TOTAL	

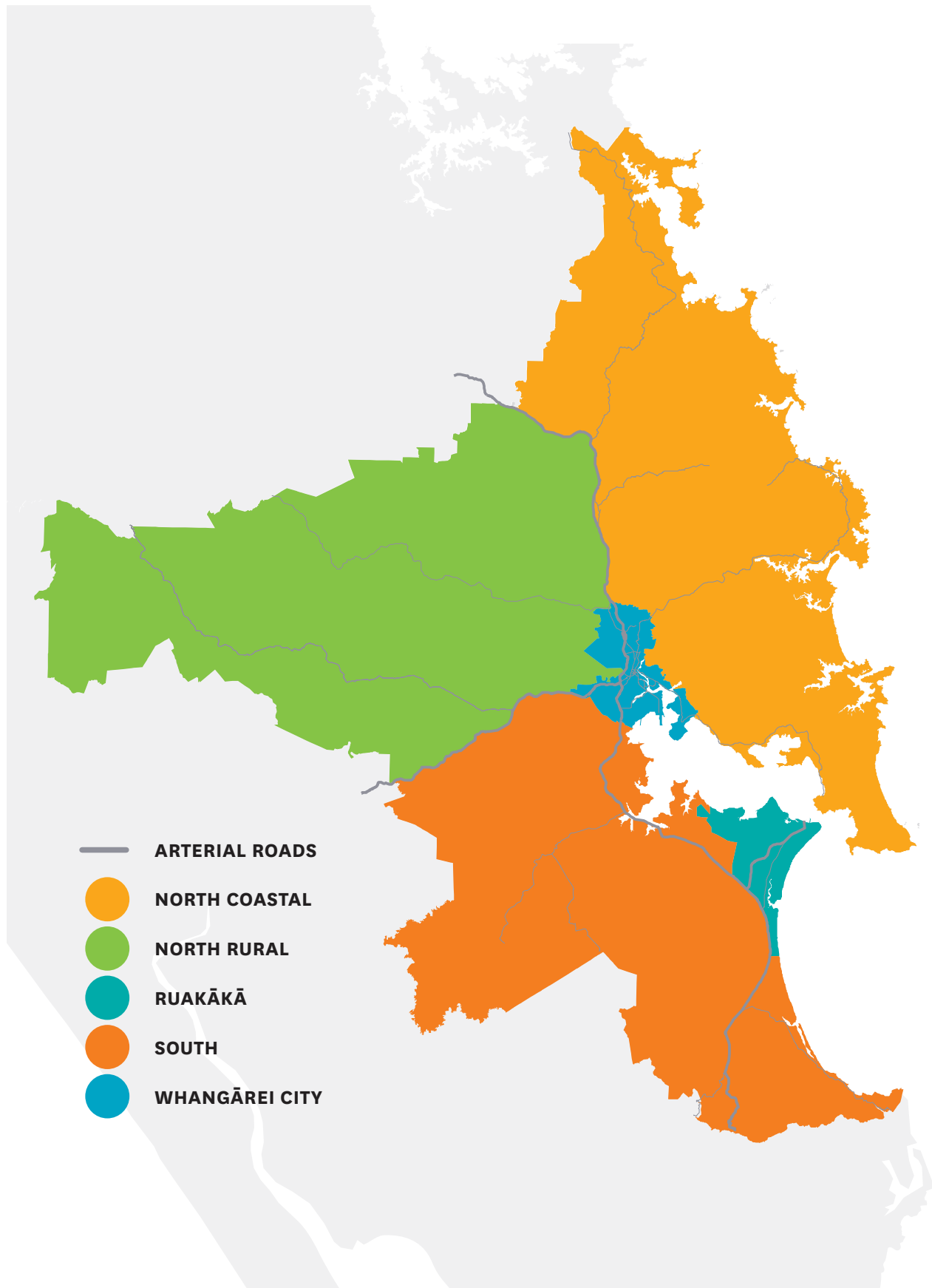
* also past project

51.2 Financial contributions as a funding source are expected to be so minimal as not to be material to Council's funding of infrastructure.

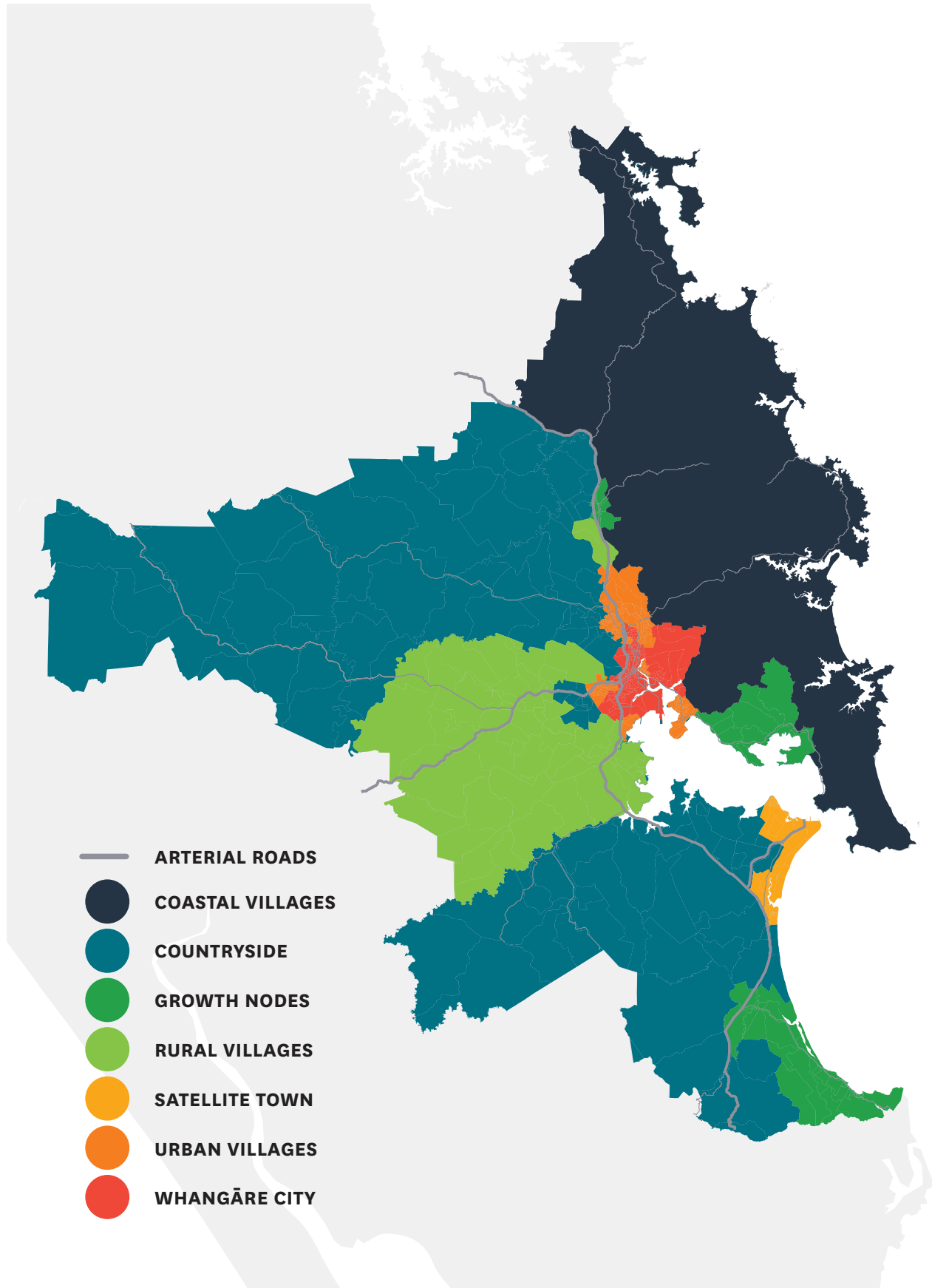
\$		
Planned Capital Expenditure	Planned Capital Expenditure Funded from Development Contributions	Planned Capital Expenditure Funded from Other Sources
365,000	104,016	260,984
200,000	56,995	143,005
1,350,000	836,943	513,057
200,000	20,085	179,915
108,877,786	88,335,494	20,542,292
529,130,353	183,437,781	344,888,923

Part 13 – Catchments

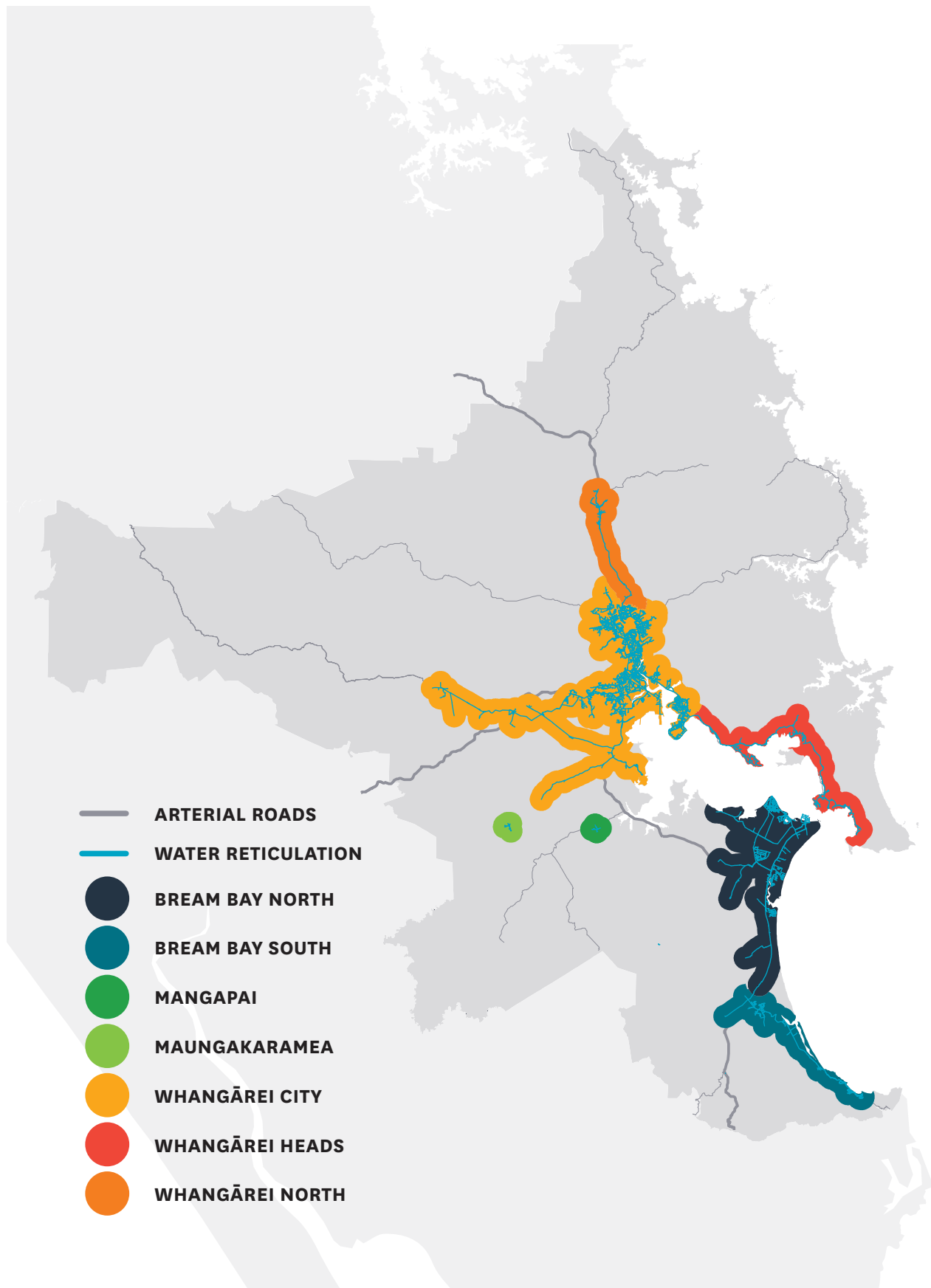
52. Transport and Roading Catchments



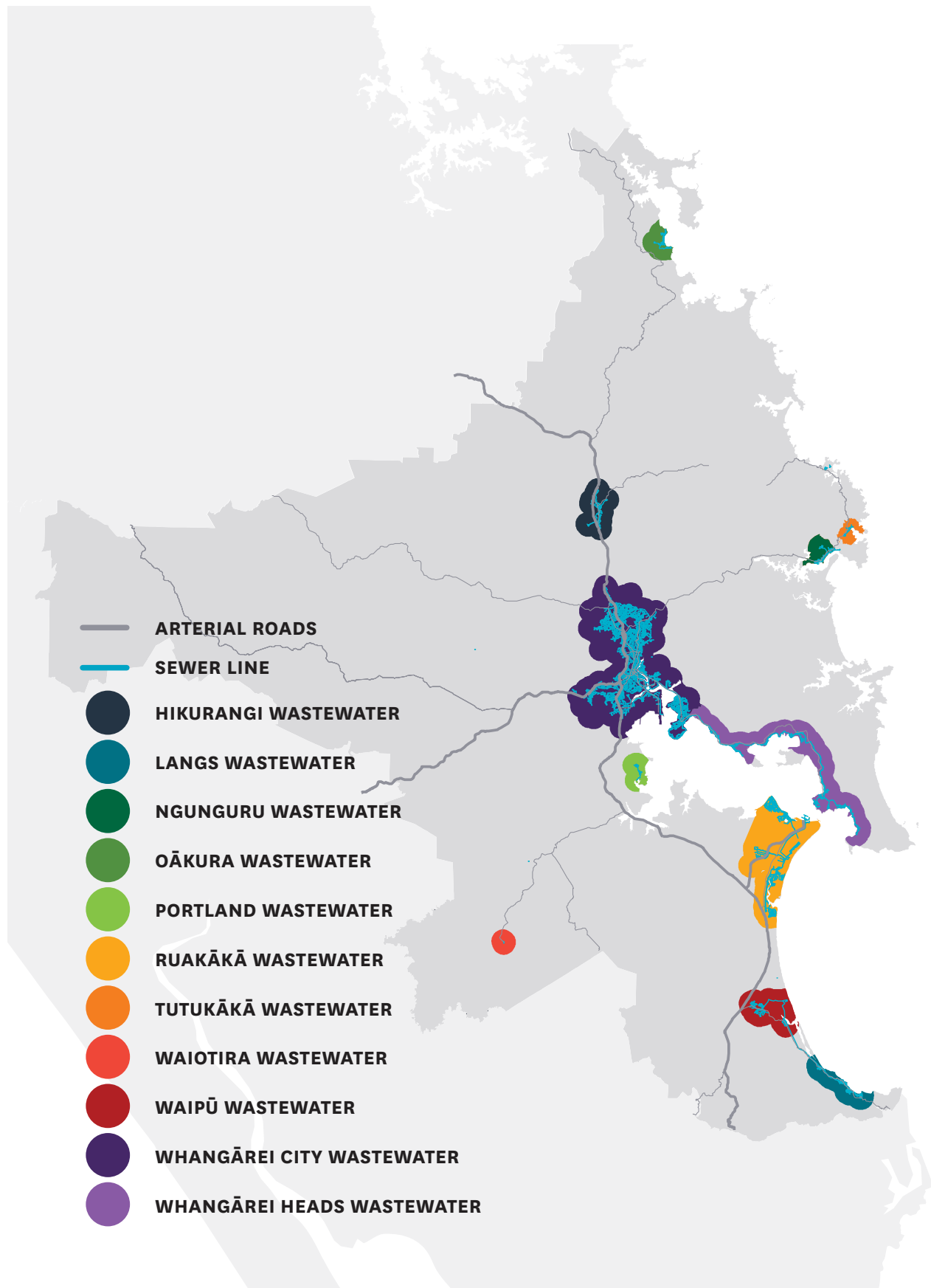
54. Parks and Reserves Catchments



55. Water



56. Wastewater



57. Library Catchments

57.1 These Catchments only apply to past Projects in accordance with section 50.1 of this Policy.



Appendix 1

Meaning of words

Activity

Means services provided by, or on behalf of, a local authority or Council controlled organisation; and includes the provision of facilities and amenities group within the following capital programmes:

- reserves
- network infrastructure
- community infrastructure

Allotment

As defined in the Whangārei District Plan and the S218 (2) of the RMA.

Backlog (Cost allocated to)

The portion of a planned or completed capital project that is required to rectify a shortfall in service capacity to meet existing community demand at the current agreed levels of service. Cost allocated to Backlog may include a share of transitional excess capacity where that has been identified for consideration (as defined in the Methodology for determining development contributions)

Average dwelling means a dwelling with an occupancy rate of 2.5 people.

Base Units

The demand of an average dwelling for each activity

Catchment

A separately defined area of the district, defined by activity and location for funding purposes

Commercial

Means any activity trading in goods, equipment or services. It includes any ancillary activity to the commercial activity (for example administrative or head offices).

Commercial Accommodation

Units, apartments, rooms in 1 or more buildings, or cabins or sites in camping grounds and holiday parks, for the purpose of providing overnight, temporary, or rental accommodation

Community Facilities

Means reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with S199 of the LGA

Community Infrastructure

Means land, or development assets on land, owned or controlled by the Council for the purpose of providing public amenities, and includes land that the Council will acquire for that purpose.

Cost Allocation

The allocation of the capital costs of a project to the various drivers for the project, such as renewal, catch-up (backlog), and additional capacity to meet growth.

Council

‘Council’ means the Whangarei District Council and includes staff acting in accordance with delegated authority.

Credits

Where development contributions or financial contributions for a particular property have previously been paid, or where properties have pre-existing status, credit to that amount will be given for the particular activity.

Developer

An individual, firm or company who is an applicant for a consent where a development contribution may be assessed under this policy.

Development Agreement

Means a voluntary contractual agreement made under Ss 207A to 207F between 1 or more developers and 1 or more territorial authorities for the provision, supply, or exchange of infrastructure, land, or money to provide network infrastructure, community infrastructure, or reserves in 1 or more districts or a part of a district

Development Contribution

Means a contribution-

- a) provided for in a development contribution policy of a territorial authority; and
- b) calculated in accordance with the methodology; and
- c) comprising—
 - i) money; or
 - ii) land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Māori land within the meaning of Te Ture Whenua Māori Act 1993, unless that Act provides otherwise; or
 - iii) both

Development

- a) any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but
- b) does not include the pipes or lines of a network utility operator

Development Contributions Objection

An objection lodged under clause 1 of Schedule 13A of the LGA against a requirement to make a development contribution

Development Contributions Commissioner

Means a person appointed in accordance section 199F of the LGA

Depreciation

The wearing out, – consumption or other loss of value of an asset whether arising from use, passing of time or obsolescence through technological and market changes. It is accounted for by the allocation of the cost (or re-valued amount) of the asset less its residual value over its useful life.

Dwelling Unit

See residential unit

Financial Contributions

Financial contributions are provided for by the Resource Management Act 1991 (RMA). A financial contribution is a contribution from developers of cash, land, works, services or a combination of these. Financial contributions are used to offset or mitigate the adverse impacts on the natural and physical environment including utility services, of a new development.

First Principle Basis

The basis on which non-residential development contribution assessments can be made when the average usage tables within the Policy are not sufficiently accurate. Where possible the actual (potential) demand a commercial development will place on infrastructure will be established using reports from suitably qualified persons.

Funding Model

The funding model ensures an equitable assessment of the funding requirements to support the development contributions regime. The primary output of the funding model is a set of development contribution charges.

GFA

Gross Floor Area being the sum total area of all floors of a building. GFA is measured from the exterior of walls and the centre line of a wall adjoining two or more buildings.

Growth (cost allocated to)

The portion of a planned (or completed) capital project providing capacity in excess of existing community demand at the current agreed levels of service. Cost allocated to growth may include a share of transitional excess capacity where that has been identified for consideration (as defined in the Methodology for determining Development Contributions)

Growth Model

Council has estimated population and business growth within the district over time. This growth is transformed into 'Household Unit Equivalents' (HUEs) to allow development contribution calculations to be made.

GST

Goods and Services Tax, as per the Goods and Services Act 1985

HUE

Household Unit Equivalent (HUE) Is a measured ‘unit of demand’ relating to a development and means the demand for Council services, equivalent to that produced by an average dwelling.

Industrial

Means an activity that manufactures, fabricates, processes, packages, distributes, repairs, stores, or disposes of materials (including raw, processed, or partly processed materials) or good. It includes any ancillary activity to the industrial activity.

Infrastructure

See Community infrastructure and network infrastructure.

Level of Service (LOS)

Describes in measurable terms the standard of services that Council will provide for each activity undertaken.

LGA

Local Government Act 2002

LGCI

Local Government Cost Index

Lot (or allotment)

Is deemed to have the same meaning as ‘Allotment’ under both the Local Government Act 2002, and the Resource Management Act 1991.

LTP

Long Term Plan

Methodology

The methodology for calculating development contributions set out in Schedule 13 of the LGA

Network Infrastructure

Network infrastructure means the provision of roads and other transport, water, wastewater, and stormwater collection and management as defined by the LGA.

New Growth/New Expenditure

Relates to the growth demand and planned costs for the period covered ten years defined in the main LTP document.

Non-residential

Any development or part of a development including land and/or buildings that do not fall under the definition of residential.

Papakāinga Developments

As defined in the District Plan

Parks/Reserves

See Reserves

Past Growth/Past Expenditure

Relates to growth capacity and cost that has been provided by past expenditure. In terms of cost it relates to actual costs incurred in past years - including the current year.

In terms of demand this relates to the provided capacity for the period between implementation and the current year.

RMA

Resource Management Act 1991

Remissions

A remission is an adjustment to the scheduled charged for a particular activity and catchment as a percentage or in dollar terms. Remissions will only be invoked as a resolution of Council.

Renewal (cost allocated to)

The cost of replacing an existing asset with a modern equivalent asset to the same nature, function and capacity at the end of its life.

Note: renewal is about the “money put aside” in anticipation of the cost for replacing the asset at some future time. This should not be confused with the asset replacement activity. The asset replacement activity (or rehabilitation work) draws on the knowledge that an asset is reaching the end of its life and is the work planned to ensure that the integrity of the service is maintained. The rehabilitation work may also include elements of backlog and growth to ensure the integrity of the service for some time into the future (as defined in the Methodology for determining Development Contributions)

Reserves

Land acquired or purchased for a reserve or park, including the cost of providing improvement necessary to enable that land to function for its intended purpose including its purpose under the Reserves Act 1977

Residential

Means the use of land and building(s) for people’s living accommodation, including residential units, serviced apartments and unit/strata title developments.

Residential Unit

For the purposes of development contributions and this policy means any building, part of a building, room or group of rooms, designed, used, or capable of being used or, rented, leased, let or, hired to be occupied, or which is occupied, as a residence for One household (including one person, or two or more people as an individual group) with or without a common right to the use of entrances, passages, stairways, or open spaces; and where necessary, includes a combination of parts of a building or two or more buildings or parts thereof. This includes batches or other similar private holiday accommodation but excludes temporary activities.

Retail

This means activities selling, exposing, displaying or offering: of goods, merchandise or equipment for sale or direct hire to the public. It includes any ancillary activity to the commercial activity (for example administrative or head offices)

Rural

Means the area of the District comprising the Rural Zones in the Whangārei District Plan.

Site

Has the same meaning as in the District Plan being:

- a) an area of land comprised in a single record of title under the Land Transfer Act 2017; or
- b) an area of land which comprises two or more adjoining legally defined allotments in such a way that the allotments cannot be dealt with separately without the prior consent of the Council; or
- c) the land comprised in a single allotment or balance area on an approved survey plan of subdivision for which a separate record of title under the Land Transfer Act 2017 could be issued without further consent of the Council; or
- d) despite paragraphs (a) to (c), in the case of land subdivided under the Unit Title Act 1972 or the Unit Titles Act 2010 or a cross lease system, is the whole of the land subject to the unit development or cross lease.

Subdivision

Has the same meaning as contained in the Whangārei District Plan

- a) the division of an allotment:
 - i) by an application to the Registrar-General of Land for the issue of a separate certificate of title for any part of the allotment; or
 - ii) by the disposition by way of sale or offer for sale of the fee simple to part of the allotment; or
 - iii) by a lease of part of the allotment which, including renewals, is or could be for a term of more than 35 years; or
 - iv) by the grant of a company lease or cross lease in respect to any part of the allotment; or
 - v) by (the deposit of a unit plan or) an application to the Registrar-General of Land for the issue of a separate certificate of title for any part of a unit on a unit plan; or
- b) an application to the Registrar-General of Land for the issue of a separate certificate of title in circumstances where the issue of that certificate of title is prohibited by section 226.

Unallocated (Cost allocated to)

In any analysis process, there is the need to recognise that some cost share outcomes may not readily be allocated to a funding source.

VMPD

Vehicles Movements Per Day

WDC

Whangarei District Council





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New Zealand

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Ruakākā Service Centre Takutai Place, Ruakākā

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4.2 Revenue and Financing Policy – 2024-34

Meeting: Whangarei District Council
Date of meeting: 16 July 2024
Reporting officer: Alan Adcock (General Manager – Corporate / CFO)

1 Purpose / Te Kaupapa

To adopt the 2024-34 Revenue and Financing Policy.

2 Recommendation/s / Whakataunga

That Council:

1. Receive the information.
2. Adopt the Revenue and Financing Policy (having undertaken the Special Consultative Procedure, in accordance with sections 82, 82A and 102 of the Local Government Act 2002).
3. Authorise the Chief Executive to make minor amendments, drafting, typographical or presentation corrections necessary to the Revenue and Financing Policy.

3 Background / Horopaki

Under Section 102 of the Local Government Act 2002 Council must adopt a number of funding and financial policies. These include a Revenue and Financing Policy.

4 Discussion / Whakawhiti kōrero

The Revenue and Financing Policy was consulted on alongside the 2023-24 Long Term Plan. Of the eight submissions received on the Revenue and Financing Policy, the main themes included rates funding and affordability, land versus capital value for valuations, and smoothing of a targeted rate for water. No significant changes to the draft policy were made as a result of deliberations.

Minor changes and corrections have been made to the final Revenue and Financing Policy, the funding sources and banding, as well as the Funding Needs Analysis. These changes were made as part of the final review, to more accurately reflect the funding sources and potential funding streams for the various activities. None of these changes have resulted in any change to the underlying budget assumptions.

Council applies careful consideration to ensure spend is appropriate and delivers value for money.

Following adoption, the Revenue and Financing Policy will be made publicly available and is included within the 2024-34 Long Term Plan document.

5 Significance and engagement / Te Hira me te Arawhiti

The Revenue and Financing Policy has been established as part of the LTP process which has included consultation with the public who have had the opportunity to fully consider the issues and present their views to Council which have in turn been taken into consideration.

Similarly impact on criteria such as levels of service, Council's direction, capability and financial implications were consulted on as part of the options in and supporting materials to the consultation document. Consequently, this resolution is required to enact the previous decisions of Council through the LTP process and is not significant.

The public were engaged fully in the LTP process and will have access to the final LTP and Revenue and Financing Policy through Council's website.

6 Attachment / Ngā Tāpiritanga

1. Revenue and Financing Policy (including Funding Needs Analysis)

Revenue and Financing Policy

Purpose

The Revenue and Financing Policy is a requirement of the Local Government Act 2002. It outlines Council's funding sources for operating and capital expenditure, and the rationale behind the funding decisions. The policy is supported by the Activity Funding Review for each activity group and recognises that the funding policy is more than just a device for raising revenue but is also one of the instruments that can be used to promote community wellbeing.

The Revenue and Financing Policy must demonstrate how Council has complied with the funding policy process under section 101(3) of the Local Government Act 2002. To achieve this, Council needs to review each individual activity and its funding in developing its Revenue and Financing Policy.

As part of that process, Council needs to consider the nature of the activity provided and the benefits and beneficiaries of the activity. Five key considerations must be taken into account when undertaking a fund needs analysis including:

- Community outcomes
- Who benefits
- When the benefits occur
- Exacerbator pays
- Costs and benefits of separate funding.

The overall impact of these factors on current and future social, economic, environmental, and cultural well-being then need to be considered before final funding needs are set. A comprehensive analysis of how Council has complied with section 101(3) and considered the above requirements is included in the Funding Needs Analysis, included as an appendix to this policy.

Activity groups

Council's work has been grouped into eleven key activities in which we provide a service to the community. These are:

- Transportation
- Solid waste
- Parks and recreation
- Community facilities and services
- Water
- Planning and regulatory services
- Wastewater
- Governance and strategy
- Stormwater
- Coastal systems and flood management
- Flood protection

Funding Sources

Section 103 of the Local Government Act (2002) requires a local authority to state the sources of funding for its operating expenses and its capital expenditure. The sources of funding for each category are set out below.

Funding Sources for Operating Expenses

Operating expenses are the day-to-day spending by Council for delivering ongoing services and for the maintenance of Council's assets. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and corporate overheads.

Council must consider the funding for each activity in a way that relates exclusively to that activity. For example, some activities may be best funded using user charges, others with targeted rates and others from general rates, or a combination of these. Distinct funding enables ratepayers or payers of user charges to assess more readily whether 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 different mechanisms available for funding operating expenses are:

General rates are used to fund those services where there is a benefit to the whole community (public benefit) or where there is no practical method for charging individual users. General rates fund a range of activities which are used by individual ratepayers to varying extents.

Rates are regarded as a property tax, as there is no direct link between the activity or service provided and the individual ratepayer.

To maintain as simple rating as possible this council currently uses general rates to fund a broad range of activities, rather than a number of targeted rates. This makes it easier for ratepayers to understand how they are being rated, is more cost effective to administer, and provides a greater degree of flexibility with regards to the application of our funding.

General rates are currently assessed based on a property's land value and as a uniform annual general charge.

Value-based general rates are assessed on land value and are differentiated by the category of land use or land zoning. The rating categories to be applied are:

- residential
- rural
- multi-unit
- commercial and industrial
- miscellaneous

Full details of the rating categories and differentials used may be found in the Funding Impact Statement.

A uniform annual general charge (UAGC) is applied to each separately used or inhabited part of each rating unit (SUIP). The UAGC is to be assessed by Council annually and set at a level

considered to be reasonable. The UAGC is used to fund the same activities as the general rate and ensures every ratepayer contributes a base level of rates irrespective of property value or services used.

Targeted rates are used where an activity benefits an easily identifiable group of ratepayers and where it is appropriate that only this group be targeted to pay for some or all of a particular service. The funds collected are used for the purpose for which they are rated. Targeted rates are only used where Council considers it is an appropriate mechanism to fund that activity or where Council wishes to make clear the purpose for which the rate is collected. The revenue collected in any one year may result in a surplus, which is used to repay debt or to fund capital expenditure in future. A reserve is maintained to ensure any surplus or deficit is separately identified. This ensures targeted rates are used for the purpose for which they are collected.

User fees and charges are used where the beneficiaries can be identified and charged. They include consent fees, building fees, regulatory charges, parking revenue, licence fees, sales of goods, hire fees and service charges. When setting fees and charges, Council will consider any indirect benefit to the community, the distribution of those benefits and ability to pay. Where there is an identified 'public good' element in an activity we would fund this portion through general rates. Some fees may be limited by legislation, meaning full recovery of costs is not possible.

Grants and subsidies apply to some activities when income from external agencies is received to support that activity. Each year Council receives funding from Waka Kotahi (NZTA) as part of the overall roading programme for the city's roading infrastructure. Operational subsidies fund maintenance of roading infrastructure. Council recognises the funding as income in accordance with Generally Accepted Accounting Practices. Council expects to continue to receive substantial subsidies for road maintenance from government or its agencies. In the event that the availability of external funding is reduced, Council would consider alternative funding sources, and/or review its maintenance programme. Refer to Council's Financial Strategy for further information.

Additional subsidies and grants may be received to contribute towards the costs involved in recovering from extreme weather events and other natural disasters.

Other Income Various other revenue streams are received by Council and are used to reduce the requirement from general revenue, and to fund activities in the same way that rates do. Some items are unexpected and therefore unbudgeted (eg insurance proceeds, legal settlements, other reimbursements).

Borrowing is not generally used to fund operating expenses, but is used to smooth the inter-generational benefits of the capital expenditure programme. Council may use borrowing to provide a capital grant to a community organisation to fund a community facility, or for addressing unexpected external events such as storm damage, pandemics, and changes in the availability of external funding (see below). In specific circumstances, borrowing may be used to fund operating expenses when Council considers it is prudent to do so.

Interest from investments is used to reduce the requirement from general revenue and is used to fund activities in the same way that rates do.

Distributions and dividends

- Council receives distributions from its joint venture investment in Northland Regional Landfill Limited Partnership. These are directed to reduce the requirement from general revenue and is used to fund activities in the same way that rates do.
- Council currently receives dividends from the Local Government Funding Agency which are used to reduce the requirement from general revenue and is used to fund activities in the same way that rates do. Any other dividends would be treated in the same way.

Rental income is generated from Council's various property types. Rental income from Council's:

- pensioner housing stock is used to fund the expenses of operations and maintenance. It can also be used to fund capital expenditure on pensioner housing. Pensioner housing is a ringfenced activity so if pensioner rental property income is not fully spent in a given year then it will be reserved and carried forward to the next year.
- investment properties is used to fund associated ownership and maintenance costs and to create a return on investment. Any excess income is used to fund the Governance and Strategy Activity to reduce the requirement from general revenue.
- community properties is used to fund the expenses of operating and maintaining these properties and any excess income is used to fund Council's other community operating expenses.

In the event that Council forms a CCO/CCTO to manage commercial property, it is envisaged that rental income associated with those properties transferred to the new entity, will become revenue of the CCO/CCTO.

Enforcement fees are charged where possible. They are used to promote compliance rather than to raise revenue and may not recover the full cost depending on the level of compliance and the extent to which charges are limited by statute or the court. Any excess income from enforcement fees is used to reduce the requirement from general revenue and is used to fund activities in the same way that rates do. If legislation under which enforcement fees are charged specifies the application and use of that revenue, this is adhered to.

Other sources of operating expense funding

Council also funds operating expenditure from other sources including:

Reserves:

Other reserves and ring-fenced funds

Restricted funds or special funds are those reserves within Council's equity that are subject to special conditions of use, whether under statute or accepted as binding by Council, that may not be revised without reference to the courts, a third party, or by Council resolution where appropriate.

Subject to meeting any specified conditions associated with these reserves Council may expend money, of an operating or capital nature, from these reserves.

Specific reserving of operational funding

Where expenditure has been funded in a year for a specified purpose e.g. a grant to fund an external group's project and because of timing issues the conditions of the grant are not met in that year, then the grant will be reserved at the end of the year to provide funding for the project in a future year once the conditions are met, unless Council resolves not to.

Use of general surpluses from previous financial periods

Generally operating surpluses will be used to reduce debt.

Trusts and bequests

Council is the recipient/holder of several trusts and bequests. These funds can only be used for the express purposes for which they were provided to Council. Each year, Council may expend money, of an operating or capital nature, from its trusts and bequests in accordance with the specified conditions of those funds.

If Council receives bequests in the future, then it will treat those in the same manner.

Overheads

There are some activities within council that provide support to specific cost centres or to the entire council but do not provide a direct benefit to the community. The costs of these activities are treated as overheads and are reallocated against activities that do provide a direct benefit to the community.

This concept is particularly important when analysing the costs of delivering services and arriving at the appropriate fees and charges for those services.

Storm damage

If because of storm damage, infrastructure assets need repair, an option for funding this (so as not to impact on the capital works programme for the year), is utilising debt, if there is projected headroom under the net debt cap for the year. Unbudgeted remedial works may lead to an unbalanced budget benchmark result in any given year. If it is determined that there is no headroom under the net debt cap, then council will look to defer operational and capital expenditure planned in the year to accommodate funding the repairs and/or renewals required. The use of debt would only occur after exhausting all other avenues of funding including Waka Kotahi subsidies, insurance claims and reprioritizing existing operational budgets.












Summary of funding sources of operating costs by activity


























The Funding Needs Analysis applies the funding sources above to each of Council's activities. The table below indicates the proportion of each revenue stream used to fund the operating expense of providing each activity. The proportion is displayed as a range and are indicative only. Actual percentages may vary due to changes in expenditure requirements and external factors such as the availability of external funding and the volume of services provided.

Council may modify the allocation of funding when it considers the overall impact of any allocation of liability for revenue needs on the community under s101(3)(b).

















Example of Funding Sources and Banding

Range name		% Range	Range name		% Range
-	Unlikely	0%	<div>D</div>	High	60%-80%
<div>A</div>	Minimal	0%-20%	<div>E</div>	Most	80%-100%
<div>B</div>	Low	20%-40%	<div>F</div>	Potential to be used	
<div>C</div>	Moderate	40%-60%			

Activity groups		
 Governance and Strategy	 Wastewater	 Solid Waste
 Transportation	 Stormwater	 Planning and Regulatory Services
 Water	 Flood Protection	 Community Facilities and Services
 Parks and Recreation	 Coastal Systems and Flood Management	

		Operational expenditure funding sources					
Activity/department		User Fees	Subsidies/ grants etc.	Other	Rental Income	Targeted Rates	General Rates
	Iwi Liaison	-	-	-	-	-	
	Strategy & Governance	-	-		-	-	
	Economic growth – District Development	-	-	-	-	-	
	Economic growth – Property *	-	-	-		-	-
	Economic growth – Marina Facilities	-	-	-		-	
	Economic growth – Airport Facilities	-	-	-	-	-	
	Roading Network	-				-	
	Carparking		-	-		-	-
	Footpaths	-		-	-	-	

		Operational expenditure funding sources					
Activity/department		User Fees	Subsidies/ grants etc.	Other	Rental Income	Targeted Rates	General Rates
	Water	A	F	-	-	E	-
	Wastewater	A	F	A	-	E	-
	Stormwater	-	F	F	-	E	F
	Flood Control (Hikurangi Swamp)	-	-	-	-	E	-
	Rubbish/Recycling Collection and Disposal	B	F	B	-	-	D
	Litter Control	-	F	A	-	-	E
	Resource Consents	C	-	-	-	-	C
	RMA Compliance	A	-	A	-	-	D
	Building Consents/Swimming Pool Inspections	D	-	A	-	-	B
	Building and Environmental Monitoring	-	-	-	-	-	E
	Food Premises	C	-	-	-	-	C
	Health Act Registered Premises	A	-	-	-	-	E
	Alcohol licensing	E	-	-	-	-	A
	District Plan Development	A	-	-	-	-	E
	Private Plan Changes	E	-	-	-	-	-
	Noise Management	-	-	A	-	-	E
	Animal Management	D	-	A	-	-	B
	Parking Enforcement	-	-	E	-	-	-
	Warrant of Fitness Enforcement	-	-	E	-	-	-
	Gambling Act	E	-	-	-	-	-
	Bylaws	-	-	A	-	-	E

		Operational expenditure funding sources					
Activity/department		User Fees	Subsidies/ grants etc.	Other	Rental Income	Targeted Rates	General Rates
	Sport and Recreation Facilities	A	-	-	-	-	E
	Parks Reserves and Natural Areas	-	-	A	-	-	E
	Play areas, walking Trails, Coastal	-	-	A	-	-	E
	Cemeteries and Crematorium	C	-	-	A	-	C
	Libraries	A	-	A	A	-	E
	Pensioner Housing	-	-	-	E	-	A
	Community Safety	-	-	-	-	-	E
	Community Development, Community buildings & spaces and Residential Strategic property	-	-	-	D	-	B
	Community Funding	-	F	A	-	-	E
	Venues and Events	A	-	A	-	-	E
	Village Planning	-	-	-	-	-	E
	Civil Defence	-	F	-	-	-	E
	Visitor Information Services	A	-	A	-	-	E
	Public Toilets	-	-	-	-	-	E
	Customer Services	A	-	-	-	-	E
	Coastal System and Flood Management		F	-	-	F	E

* Investment property generates surplus revenue after allowing for investment property operating expenses. This investment property surplus is used to fund the Strategy & Governance Activity. If there is any residual surplus it is used to fund overall operating expenses.

Note: Support Services are not shown as a separate activity because any expenses incurred providing support to the wider organisation are allocated over the activities and departments delivering Council's external services.

Funding Sources of Capital Expenditure

For the purpose of this Policy capital expenditure represents costs associated with the purchase and improvement of property, plant and equipment, and intangible assets, and for the repayment of debt.

Property, plant and equipment are tangible assets that are held by Council for use in the provision of its goods and services (for example: infrastructure assets such as land, roads, bridges, parks, and non-infrastructure assets such as computer hardware and libraries), or for rental to others, or for administrative purposes.

Intangible assets are assets such as software that Council purchases or creates as part of a project with an economic benefit longer than a year.

Property includes Council's pensioner housing, Council's investment properties and Council's community properties. It can also include property purchased for strategic reasons, for instance where a future road is planned to be constructed.

As described in the Financial Strategy 2024-34, Council while managing its existing assets, also has a challenge to manage growth, affordable rates increases and debt and deliver as many of the communities desired projects as possible. To achieve the appropriate balance between these variables Council takes the following approach:

- Council sets the annual rates requirement based on the funding needed to deliver the activities in the current Long Term Plan
- the activity operating revenue and expenditure budgets are determined, within this constraint
- the net cash operating costs are determined
- this leaves a cash surplus that is available for capital costs and/or debt repayment. This largely represents rate funded depreciation but may include operating surpluses from some activities and accounting provisions not held in reserve funds – this is funding not held by activity and available to fund any capital costs
- Council also sets the limit on debt, which determines the debt funding available for capital expenditure.

Consequently, despite the potential availability of the funding sources, this process results in the following funding available for capital costs:

General rates

Rates are primarily used to fund our everyday operating expenses, including depreciation and interest costs on debt, however general rates may be used to fund a portion of capital expenditure when it is considered appropriate to do so. This will be balanced against affordability for current ratepayers and the current and future needs of the community.

Targeted rates

Targeted rates are used to fund operating expenditure but can be used to fund a particular capital project benefiting a discrete and identifiable group of beneficiary ratepayers.

User contributions

These are typically paid in the form of a targeted rate by an identified group of direct beneficiaries. In many cases this group would have lobbied for the inclusion of the project (such as local road sealing) during a consultation process.

Borrowing

This is an appropriate funding mechanism to enable the effect of peaks and troughs in capital expenditure to be smoothed and to ensure the costs of major developments are borne by those who ultimately benefit from the expenditure. However, it is not appropriate or sustainable for all capital expenditure to be funded from borrowings. In periods of low capital expenditure, or increased funding, borrowing will be reduced. This is achieved by applying operating surpluses to reduce debt.

Proceeds from investment property sales

These will be invested in the property reinvestment reserve and the funds may be used to purchase other commercial properties in the future. Any funds in the reserve may be used to fund capital expenditure in other activities, via internal borrowing, to smooth Council's overall cashflow requirements.

Proceeds from other asset sales

These may be used to fund capital works or to repay debt.

Depreciation

Depreciation is an indirect source of funding as depreciation reserves are not created. However, Council's intention is to set rates at a level that offsets the calculated non-cash depreciation cost. This funding is then used to fund renewal of capital expenditure. In the event that Council sets a budget where operating revenue doesn't meet operating expenses, depreciation will not be fully funded, resulting in a portion of asset renewals being funded by borrowings. Further information about Councils Everyday Funding benchmark is included within the Financial Strategy.

Development contributions

These are used to fund the growth component of capital expenditure. The growth in our District drives a portion of our capital work requirement to maintain Levels of Service to a larger community. As the costs of growth are driven by development, Council considers it equitable that a development should contribute to the costs that are being imposed.

Council has a development contributions policy which sets out the level of contributions required to fund infrastructure requirements.

Financial contributions

These may be used to fund capital expenditure in accordance with the Resource Management Act 1991. Council does not currently receive any Financial contributions.

Lump sum contributions

When undertaking a major project Council has the option to seek lump sum contributions to the capital cost of the project. Lump sum contributions are provided for in the Local Government (Rating) Act 2020 and have requirements placed on how they are used. Where

a lump sum payment option is proposed ratepayers can elect to pay the lump sum or not. If not, the rating unit will be liable to pay targeted rates.

Council does not presently plan to seek lump sum contributions.

Grants and subsidies

Grants and subsidies are used when Council is successful in making an application to various funding packages available. Council receives funding from Waka Kotahi (NZTA) as well as other central government funding packages. Waka Kotahi (NZTA) provide capital subsidies (accounted for as operating revenue) to fund agreed transportation capital projects. Other central government funding is available for various other capital projects.

Reserves

Reserves including retained earnings from operating surpluses from previous years may be used to fund capital expenditure. Reserves for specific activities can be created through the collection of targeted rates, or through a commitment made to fund a future obligation.

Capital Expenditure Funding

The table below shows the primary funding sources for the different types of capital expenditure and each of the activity groups.

By expenditure type:	General rates*	Targeted rates*	Borrowings	Development Contributions	Subsidies and Grants	Reserves	Property sales
Renewals	✓	✓	✓		✓	✓	
Level of service	✓	✓	✓		✓	✓	
Growth	✓	✓	✓	✓	✓	✓	
By activity group:							
Transportation	✓	✓	✓	✓	✓		
Water		✓	✓	✓	✓	✓	
Solid waste	✓		✓		✓	✓	
Wastewater		✓	✓	✓	✓	✓	
Stormwater	✓	✓	✓		✓	✓	
Flood protection		✓	✓		✓	✓	

By expenditure type:	General rates*	Targeted rates*	Borrowings	Development Contributions	Subsidies and Grants	Reserves	Property sales
Parks and recreation	✓		✓	✓	✓	✓	✓
Community facilities and services	✓		✓	✓	✓	✓	
Coastal systems and flood management	✓	✓	✓		✓		
Governance and strategy	✓		✓		✓		✓
Planning and regulatory services	✓		✓				
Support Services	✓		✓				

*General and targeted rates create cash surpluses by funding depreciation, which is non-cash. These surpluses are then used to fund renewal projects and future capital requirements

Council generally uses the following hierarchy when considering the funding of capital projects:

1. Grants, subsidy or other income, which are budgeted as operating revenue;
2. Development Contributions for growth related projects in accordance with the Development Contributions Policy
3. Reserve funds such as Council's Property Reinvestment Reserve
4. Targeted rates; and finally
5. General rates and/or debt.

Several of the above funding sources could be applied to a single project. The funding of a project is usually set as part of the Annual Plan or Long Term Plan, however this can be subject to change depending on the availability of external funding.

Te Ture Whenua Māori Act 1993

Section 102 (3A) of the Local Government Act 2002 requires that Council's revenue and financing policy supports the principles set out in the Preamble to Te Ture Whenua Māori Act 1993:

Nā te mea i riro nā te Tiriti o Waitangi i motuhake ai te noho a te iwi me te Karauna: ā, nā te mea e tika ana kia whakaūtia anō te wairua o te wā i riro atu ai te kāwanatanga kia riro mai ai te mau tonu o te rangatiratanga e takoto nei i roto i te Tiriti o Waitangi: ā, nā te mea e tika ana kia mārama ko te whenua he taonga tuku iho e tino whakaaro nuitia ana e te iwi Māori, ā, nā tērā he whakahau kia mau tonu taua whenua ki te iwi nōna, ki ō rātou whānau,

hapū hoki, a, a ki te whakangungu i ngā wāhi tapu hei whakamāmā i te nohotanga, i te whakahaeretanga, i te whakamahitanga o taua whenua hei painga mō te hunga nōna, mō ō rātou whānau, hapū hoki: ā, nā te mea e tika ana kia tū tonu he Kooti, ā, kia whakatakototia he tikanga hei āwhina i te iwi Māori kia taea ai ēnei kaupapa te whakatinana.

Whereas the Treaty of Waitangi established the special relationship between the Māori people and the Crown: And whereas it is desirable that the spirit of the exchange of kawanatanga for the protection of rangatiratanga embodied in the Treaty of Waitangi be reaffirmed: And whereas it is desirable to recognise that land is a taonga tuku iho of special significance to Māori people and, for that reason, to promote the retention of that land in the hands of its owners, their whānau, and their hapū, and to protect wahi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whānau, and their hapū: And whereas it is desirable to maintain a court and to establish mechanisms to assist the Māori people to achieve the implementation of these principles.

Council supports the principles of the Te Ture Whenua Māori Act 1993 Preamble:

- recognising that land is a taonga tuku iho of special significance to Māori people
- to promote the retention of that land in the hands of its owners, their whānau, and their hapū
- to protect wahi tapu
- to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whānau, and their hapū

Council funds the Māori Outcomes team that supports the organisation to build cultural capability within Council and undertake Māori engagement through general rates. Council's rating and development contribution policies specify relief for the revenue sought on whenua Māori.

Overall funding consideration

Section 101(3)(b) requires Council to consider the overall impact of the allocation of liability for revenue needs on the current and future social, economic, cultural and well-being of the community. This allows Council, as a final measure, to modify the overall funding mix that would otherwise apply after detailed analysis undertaken as part of the Funding Needs Analysis required by s101(3)(a).

After considering the overall funding mix, the following adjustments have been made:

- Council recognises the importance of achieving the Everyday Funding Benchmark (referred to in more detail within the Financial Strategy), but also recognises that it will take time to address the current funding gap.
- Council may review the level of the Uniform Annual General Charge (UAGC). This is a regressive tax by nature and may be used as a tool to help to address affordability concerns. Refer to the Rates Funding Impact Statement for further detail.
- Debt will be used to fund the Stormwater Activity for year one. Council has considered the impact on the community of the large general rates increase in year one. While additional funding is required to fund the Stormwater Activity, to avoid further rates increases this

activity will be funded by debt in the short-term. Council considers this to be prudent in the short-term only, to ensure future ratepayers are not burdened. Targeted rates have been budgeted to fund this activity from year two of the Plan.

- The existing Water Reserve will be used to provide additional funding for the Water Activity in years one and two of the Long Term Plan. This is a short-term approach to reduce the impact of further rates increases in the early years of the Plan. Council recognises that large water rates increases will be required for years three and four in order to ensure the activity has adequate funding to avoid significant debt accumulating by year ten, and has factored these increases into the Long Term Plan.

Funding needs analysis

Purpose and scope

The Funding Needs Analysis provides the background and analysis to explain the funding decisions made by the Council during the preparation of the Revenue and Financing Policy.

To comply with section 101(3) Council must determine the appropriate sources of funding for each activity. In determining this, Council must take into consideration the matters listed in s101(3)(a):

a) The community outcomes s.101(3)(a)(i) to which the activity primarily contributes.

- A thriving local identity:
 - Thriving and safe communities.
 - Welcoming – respect, generosity and care.
 - Recognised as the best place to live work and play.
 - Protection of our natural environment balancing access with conservation.
- A diverse and inclusive culture:
 - Inclusiveness. Working together with shared visions.
 - People feel safe.
 - Celebrate our diverse heritage and cultures.
 - Community events – sports, arts and cultural.
- A great place to call home:
 - Roading that is durable and safe.
 - Housing and infrastructure to sustain and improve existing communities.
 - Diversity of transport options to improve connectivity.
 - Top class facilities to host arts, cultural and sporting events.
- A sustainable and resilient future:
 - Economic development and job creation.
 - Built in resilience and climate adaptation readiness.
 - Planned and balanced growth aligned with culture and values.

- Innovative and collaborative.

b) User/beneficiary pays principles.101(3)(a)(ii)

- Distribution of benefits between the community as a whole, identifiable groups within the community, and individuals i.e. private or public good principle.

c) Inter-generational principle s.101(3)(a)(iii)

- the period over which the benefits are expected to occur.

d) Exacerbator pays principle s.101(3)(a)(iv)

- the extent to which actions or inactions of individuals or groups contribute to the need to undertake the activity and the costs that occur as a result.

e) Costs and benefits of funding the activity s.101(3)(a)(v)

- costs and benefits including consequences for transparency and accountability, of funding the activity distinctly from other activities. i.e. user pays or targeted rates.

Under section 101(3)(b), Consideration then needs to be given to the overall impact of any allocation of liability for revenue needs on current and future social, economic, environmental, and cultural well-being of the community. This may result in an alteration of the results of the first step, with the funding option or the level of funding from any source altered to ensure that there are no barriers or disincentives and that an inequitable burden is not placed on any particular community sector or group.

This document supports the Revenue and Financing Policy and helps to illustrate the analysis Council has undertaken to determine the funding needs of an activity, and how that translates into Council's decision on the appropriate funding sources to be used.

Operating Expenditure

Operating expenses are for the day-to-day spending by Council delivering ongoing services and for the maintenance of Council's assets. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and corporate overheads.

Council must consider the funding for each activity in a way that relates exclusively to that activity. Various funding sources used to fund operating costs are detailed within the Revenue and Financing Policy.

The attached Funding Needs Analysis analyses each activity against the requirements of section 101(3)(a). This information is then used to create the Funding Bands included with the Revenue and Financing Policy.

Capital Expenditure

Capital costs are those costs associated with the purchase, construction and improvement of property, plant and equipment, and intangible assets, and for the repayment of debt.

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

Whenever Council resolves to consider capital spend, it will consider the sources of funds available, the Revenue and Financing Policy, Funding Needs Analysis and section 101(3) to determine the appropriate funding sources for the project. Generally, Council will resolve the

funding in setting the budget for the project at the time the project is proposed in an Annual Plan or Long-term Plan.

Funding sources and rationale

The Revenue and Financing Policy identifies which of the funding sources Council plans to use in budgeting to fund the operating costs of each activity. It is determined by Council after consideration of each clause of section 101(3)(a) as part of the Funding Needs Analysis.

The funding source for an activity may be modified by Council when it considers the requirements of section 101(3)(b). If this has occurred, it is considered as part of the overall funding considerations set out in the Revenue and Financing Policy.

This policy is intended to be in place for the next three years before it is reviewed and because things change over time, it is not possible to precisely determine the percentage allocated. For this reason, Council uses a percentage range or band for the funding allocation included within the Revenue and Financing Policy.

Budgets will normally be set within these ranges. These ranges are expressed as a percentage of the cost of the activity and are indicative only. They may change over time because of changes in expenditure and new funding sources.

Funding needs analysis by activity

2024-34 Long Term Plan Activity	Department / Service	Description	Community Outcomes / Wellbeings	Why do we do it?	Who benefits?	Period of benefit	Who's action or inactions contribute?
Community Facilities and Services	Customer Services	Customer Services Contact Centre Customer Services Management Ruakākā Service Centre Clapham Clocks I-Site	A growing, resilient economy	Support the community with advice and information to live and grow in the district.	Residents, ratepayers and visitors.	Short to long term	Building industry, professional developers and property owners doing development. Council as a whole.
Community Facilities and Services	Venues and Events	Event Operations Major Event Planning & Admin Venues and Events Dept Operations V&C Marketing and Events	A growing, resilient economy	Provide suitable facilities and attract events which contribute to the vibrancy and economic wellbeing of the District.	Attendees; Businesses; Whole community	Short to long term	District growth increases the need for facilities. Community groups have limited access to suitable facilities at an affordable cost.
Community Facilities and Services	Community Led Projects	Community Led Projects	Vibrant and healthy Communities living in clean, healthy and valued environments	Encourage capacity and capability within communities to foster community led development themselves on a sustainable basis	Individual district communities	Medium to Long term	Council, external agencies and community groups themselves
Community Facilities and Services	Civil Defence	Civil Defence Operations Fire Plan Civil Defence Event	Building resilient communities.	To save lives and empower our communities to get through CD emergencies effectively	The whole community, councils and the whole of New Zealand	Long term, decades / a lifetime	District and regional councils direct involvement under CDEM Act 2002. Council policies, employment contracts, performance agreements and rewards. Recognising and understanding legislative responsibilities. Emergency services, Lifelines utilities, welfare agencies and the community.

	Public/Private Benefit Split (Guidelines Only)		Operational Expenditure Funding Sources					
	Public	Private	User Fees	Subsidies/ grants etc.	Other	Rental Income	Targeted Rates	General Rates
Assessment of overall impacts of allocation of revenue needs								
	100%		0-20%					80-100%
The users of facilities should meet the costs on a user pays basis. Any shortfall due to the facilities not being fully utilised should be met from rates.	60-100%	20-40%	0-20%		0-20%			80-100%
Community development funds are set aside to provide funding for projects initiated by community groups as well as for the development of the community's capability itself. The aim is to support the capacity and capability of communities to become more self determining and self reliant in achieving positive outcomes they, as a community, identify and prioritise as important.	100%		0-20%		0-20%			80-100%
The contribution to CDEM should be from a regionally set rate to adequately fund the extensive CDEM professional services required across all councils and across the community. If this cannot be achieved then individual councils should be paying a set rate per head of population for professional emergency management services across its area. Population growth across the region and particularly the Whangārei District requires a much greater emergency management contribution.	100%			Potential				100%

2024-34 Long Term Plan Activity	Department / Service	Description	Community Outcomes / Wellbeings	Why do we do it?	Who benefits?	Period of benefit	Who's action or inactions contribute?
Community Facilities and Services	Community Funding	Grants and Funding	Vibrant and healthy communities	Support for community groups encourages a sense of place or community belonging. It also allows for diversity and the promotion of heritage, cultural, and artistic activities and enables specific needs of community groups and their communities, across the district, to be addressed.	All users; whole community; visitors	Short to long term	Funds from this activity range from services Council may otherwise need to pay for through to 100% voluntary community events.
Community Facilities and Services	Community Safety	Community Safety and Protection	Vibrant and healthy communities	Creates an environment where all community members, residents and visitors' right to feel safe and secure in their lives is maintained	Whole community	Short to long term	Community City Safe Ambassadors, Local Police, Volunteers and other agencies assist Council with being responsive to community issues as appropriate.
Community Facilities and Services	Community Development	Community Development Overheads Community Development Programmes	Vibrant and healthy communities	Creates an environment where all community members, residents and visitors' right to feel safe and secure in their lives is maintained	Whole community	Short to long term	Community City Safe Ambassadors, Local Police, Volunteers and other agencies assist Council with being responsive to community issues as appropriate.
Community Facilities and Services	Pensioner Housing	Pensioner Housing	Vibrant and healthy communities	Provision of subsidised, affordable housing, supports eligible elderly people to be healthy, active and independent.	Elderly; whole community	Short and long term	An increase in eligible elderly people may increase need, or reduce availability.
Community Facilities and Services	Libraries	Outreach Collection & Technical Services Community Libraries Central Library Rental Services Branch Libraries Mobile Library Library Overheads	Vibrant and healthy communities	Facilitates community access to literacy resources regardless of age, income, or ability and encourages life long learning.	There are three main activities: - Recreational, Educational, Informational. Users of the library gain a private benefit in that, with membership, they are able to access reading material. There is a wider community benefit in the provision of reading material, the availability of reference material and protection of heritage documents.	Library users; Whole community;	Facilities provide both short and long term benefits. Facilities such as library buildings accrue benefits to be enjoyed by future ratepayers as well
Community Facilities and services	Community Buildings	"Community Buildings and Spaces Residential/Other"	Vibrant and healthy communities	Support for community groups encourages a sense of place or community belonging and allows improved access to facilities and increased participation in activities. It also assists Council with developing a district that is inclusive of all residents and visitors.	Whole community	Short and long term	Various community groups that assist Council with being responsive to community issues.

Assessment of overall impacts of allocation of revenue needs	Public/Private Benefit Split (Guidelines Only)		Operational Expenditure Funding Sources					
	Public	Private	User Fees	Subsidies/ grants etc.	Other	Rental Income	Targeted Rates	General Rates
There is a whole community benefit to encourage community involvement.	100%			0-20%	0-20%			80-100%
The safety and protection of all stakeholders is impacted by all members of society. Therefore this is a Whole of Community responsibility.	100%							80-100%
The safety and protection of all stakeholders is impacted by all members of society. Therefore this is a Whole of Community responsibility.	100%							80-100%
Those living in the facilities should pay rent to cover costs. Government assistance may be available for improvement projects.		100%				80-100%		0-20%
Books not returned mean others are disadvantaged. If lost, then replacements should be paid for. Follow recommended items per capita means population growth leads to increase in need.	80-95%	5-20%	0-20%		0-20%	0-20%		80-100%
Rent concessions or subsidised rent is provided for various community leases. This appears as rental income within this activity, but is funded with general rates as part of community development. Liaison with advisory groups ensures Council responds to a diversity of community needs through other levels of service (costs met by other activities of Council e.g. disabled car parks are provided by roading)	80%	20%				80-100%		0-20%

2024-34 Long Term Plan Activity	Department / Service	Description	Community Outcomes / Wellbeings	Why do we do it?	Who benefits?	Period of benefit	Who's action or inactions contribute?
Parks and Recreation	Sport and Recreation Facilities	Sports Grounds Swimming Pools Overheads Sports Fields Overheads	Vibrant and healthy communities	Provision of good quality leisure facilities enables community participation and contributes to the health and wellbeing of residents.	Users of the sports and recreation facilities gain a private benefit. There is a wider community benefit in the provision of good quality facilities which encourage a more activity lifestyle.	Users of facilities ; whole community; visitors	Facilities provide both short and long term benefits. Facilities accrue benefits to be enjoyed by future ratepayers as well
Parks and Recreation	Parks Reserves and Natural Areas	Tracks & Walkways Play Equipment & Skate Park Weeds and Noxious Control Sundry Leases Reserves General South Management Reserves Overheads City Parks and Gardens	Clean, healthy and valued environment	Helps preserve our natural and cultural heritage and provides opportunities for enjoyment of the outdoors.	Parks, Reserves and Natural areas provide open spaces which benefit all in the community. They encourage outdoor activities and protect the environment and biodiversity.	Whole community; Visitors	Facilities provide both short and long term benefits. Facilities accrue benefits to be enjoyed by future ratepayers as well
Parks and Recreation	Play areas, Walking Trails, Coastal	Parks & Recreation Projects Major Grants - Parks Parks & Recreation Overhead Expenses Conservatory Street Trees Town Basin Gardens	Vibrant and healthy communities	Encourages active participation in outdoor activities and provides access to our marine environment.	All users; Whole community; Visitors	Facilities provide both short and long term benefits. Facilities accrue benefits to be enjoyed by future ratepayers as well	Population growth leading to increase in need
Parks and Recreation	Cemeteries and Crematorium	Parks Cemetery Services Parks Crematorium Services Cemeteries & Crematorium overheads	Clean, healthy and valued environment	Ensuring suitable facilities for burials and cremations which allow families to celebrate life and mark death in accordance with their cultural beliefs.	Relatives and Friends of deceased; Whole community	Facilities provide both short and long term benefits. Facilities provide future generations knowledge of their heritage - a place of permanent memorialisation.	Legislation control burial/cremation requirements. Population growth leading to increase in need.
Parks and Recreation	Public Toilets	Public Toilets	Clean, healthy and valued environment	Provision of facilities for residents, visitors and tourists contributes to health and safety, and encourages and enhances tourism and outdoor activities	Whole community; visitors;	Short and long term	Increased visitor numbers increases need; Our communities demand for improved environmental outcomes
Planning and Regulatory Services	District Plan Development	District Plan	Well managed growth	To meet statutory obligations under the Resource Management Act 1991 (RMA) whilst delivering appropriate planning outcomes and environmental regulations to meet the needs and aspirations of our District.	Whole community, including residents, businesses, stakeholders, iwi/hapū;	Short and long term	This work allows Council to encourage sustainable development by stimulating growth in certain areas and limiting growth in others.
		Private Plan Changes		Under the RMA we responsible for considering developer led applications for private plan changes.	Developers and in some cases the wider community, including residents, businesses, stakeholders, iwi/hapū;	Short and long term	This work allow Council to encourage sustainable development by stimulating growth in certain areas and limiting growth in others.

Assessment of overall impacts of allocation of revenue needs	Public/Private Benefit Split (Guidelines Only)		Operational Expenditure Funding Sources					
	Public	Private	User Fees	Subsidies/ grants etc.	Other	Rental Income	Targeted Rates	General Rates
Population growth leading to increase in need. Space used for sports parks is no longer available for residential or commercial development	80%	20%	0-20%					80-100%
Population growth leading to increase in need	100%				0-20%			80-100%
Users of these facilities could be charged to use them, although the costs of collection may be in excess of the revenue gained. The benefits of provision of free facilities encourage their use. Some coastal structures in high demand areas may control the use.	100%				0-20%			80-100%
Cost of funerals should be met by the families of the deceased. Ratepayers pay for the upkeep of closed or historic facilities. There is a wider community benefit in the provision of facilities both now and in the future.	20-40%	60-80%	40-60%			0-20%		40-60%
The ability to recover costs via a user charge are limited. The facilities are freely available and provide a benefit to the whole community and should be funded by rates	100%							80-100%
As Whangārei continues to grow it is important that we appropriately manage the District's resources. Council's District planning function delivers planning outcomes and environmental regulation through the Resource management Act 1991 (RMA). Our District Plan manages how and where our District develops. It is therefore essential to ensuring our District is inclusive, resilient and sustainable through good design and protecting our valuable natural environment. This also enables us to be compliant with RMA.	100%		0-20%					80-100%
Where we accept applications for private plan change, we are required to process them in accordance with the RMA. The actual and reasonable cost of processing these applications is funded by the Applicant to the decision point. Where an approved plan change is appealed, the council costs of defending the plan change or mediating an agreed outcome as required by the RMA may need to be covered by rates revenue.		100%	100%					

2024-34 Long Term Plan Activity	Department / Service	Description	Community Outcomes / Wellbeings	Why do we do it?	Who benefits?	Period of benefit	Who's action or inactions contribute?
Planning and Regulatory Services	Health and Bylaws	Food Premises	Vibrant and healthy communities	Protect, promote and ensure public health and safety by the issue and monitoring of licences of food and other premises, testing and health of bathing water and notification of infectious diseases	Licensed premises primarily; Whole community; Visitors;	Short term	No legal sanction to recover some costs (e.g. infectious diseases).
Planning and Regulatory Services	Health and Bylaws	Water Quality Other Premises	Vibrant and healthy communities	Protect, promote and ensure public health and safety by the issue and monitoring of licences of food and other premises, testing and health of bathing water and notification of infectious diseases.	Licensed premises primarily; Whole community; Visitors;	Short term	No legal sanction to recover some costs (e.g. infectious diseases).
Planning and Regulatory Services	Alcohol licensing	Liquor Applications Operating	Vibrant and healthy communities	Promoting responsible consumption of alcohol and ensure public health and safety by the issue and monitoring of licences.	Licensed premises primarily; Whole community; Visitors;	Short and long term	Requirements and negative effects controlled by Sale of Liquor Act. Charges controlled by the Sale of Liquor Act. Without licenses premises cannot operate.
Planning and Regulatory Services	Noise Management	Noise Control	Vibrant and healthy communities	Providing our communities enhanced wellbeing by controlling excessive noise	Whole community, Visitors;	Short term	Offenders determine need to undertake enforcement actions
Planning and Regulatory Services	Animal Management	Dog Control Operating Stock Control	Well managed growth	Providing our communities a safe and desirable place to live by controlling the impact of animals.	Animal owners; Whole community, Visitors;	Short term	Dog owners create need and legislation requires registration. Owners of dogs not registered should be penalised
Planning and Regulatory Services	Parking Enforcement	Parking Enforcement Operating	Well managed growth	Supporting business by ensuring parking resources are managed efficiently, traffic flows smoothly during peak periods and accessibility is enhanced to disadvantaged groups.	Parking users; Whole community, Visitors;	Short term	Offenders increase costs, car park overstayers prevent use by others.
Planning and Regulatory Services	Warrant of Fitness Enforcement	WOF/REGO Infringements	Easy and Safe to move around	Supporting police enforcement by ensuring compliance with legislative requirements for warranting and registration of vehicles. Done in conjunction with parking activity as an efficient method of inspection	Whole community,	Short term	Offenders may drive vehicles which are a safety risk to themselves or to others. Registration costs contribute to insurance and ACC activities

Assessment of overall impacts of allocation of revenue needs	Public/Private Benefit Split (Guidelines Only)		Operational Expenditure Funding Sources					
	Public	Private	User Fees	Subsidies/ grants etc.	Other	Rental Income	Targeted Rates	General Rates
There is a benefit to those running eating establishments and the costs of licences should mostly be met by them. There is also a health benefit to whole community to know which premises meet standards, and in the prevention of illness. Bathing water monitoring ensures safety of beach goers, and notification of infectious diseases minimises the negative effects on the community.	50%	50%	40-60%					40-60%
There is a benefit to those running eating establishments and the costs of licences should mostly be met by them. There is also a health benefit to whole community to know which premises meet standards, and in the prevention of illness. Bathing water monitoring ensures safety of beach goers, and notification of infectious diseases minimises the negative effects on the community.			0-20%	Potential to be used				80-100%
There is a benefit to licensed premises in ensuring controls are met. Managers need to be trained as well as premises licensed. There is also a benefit to users of those premises in knowing responsible consumption of alcohol will be promoted. There is also a wider community benefit in controlling the negative aspects of alcohol consumption.	20%	80%	80-100%					0-20%
Noise creates a nuisance and the costs of monitoring and investigation should be met by the offenders. There is a benefit to the community by controlling noise.	100%				0-20%			80-100%
Animal owners create the need and should pay the costs. There is a benefit to the community by controlling animals and their negative impact. Improves safety by ensuring dangerous dogs are controlled. Where animals are unregistered they should be impounded, destroyed if not claimed and owners penalised where identified	20%	80%	60-80%		0-20%			20-40%
Aligns with the provision of car parking activity. Users pay for parking for a limited time and to ensure adequate availability should be penalised for staying longer than allowed or paid for. Ensures bus stops, taxi stops and road access are kept clear and minimises congestion at peak times by policing clear ways. Ensures convenient short term parking for delivery of goods to businesses is used appropriately. Offenders are fined for non-compliance with bylaws, and costs may be recoverable from third parties (e.g. towing firms).		100%			80-100%			
Aligns with the enforcement of car parking activity. Marginal costs of inspection in addition to enforcement of parking are minimal.		100%			80-100%			

2024-34 Long Term Plan Activity	Department / Service	Description	Community Outcomes / Wellbeings	Why do we do it?	Who benefits?	Period of benefit	Who's action or inactions contribute?
Planning and Regulatory Services	Bylaws	Bylaws	Well managed growth	Providing our communities a desirable place to live by setting and monitoring standards which either control negative impacts of activities on others or provide benefits to disadvantaged groups.	Whole community	Short term	
Planning and Regulatory Services	Building Consent	Building Approvals & Compliance OH Inspections PIMS & LIMS Consenting Building Support Leaky Buildings Swimming Pool Inspections	Well managed growth	Ensures all buildings constructed are fit for their purpose over the long term. This is achieved by processing of building consents in accordance with legislation and plan rules and by ensuring public safety of commercial buildings.	Applicants primarily; Property purchasers (LIM); Whole community	Short and long term benefit to the applicant. Long term benefit to the whole community in the control of negative effects.	Individuals and groups wanting building consents. Negative effects controlled by the Building Act
Planning and Regulatory Services	Building and Environmental Monitoring	Building Complaints - Regulatory	Well managed growth	Providing our communities a desirable place to live by setting rules and monitoring standards which control negative impacts of activities on others	Home owners and buyers; Consent holders; neighbours; whole community	Short term	Need to ensure consent conditions complied with. Offenders increase costs.
Planning and Regulatory Services	RMA Compliance	RMA Compliance	Well managed growth	Promotes and implements the objectives of the District Plan. This is achieved by processing of subdivision and land use consents, and granting of permissions in accordance with legislation and plan rules.	Applicants primarily; Whole community. Includes non-coverable RMA activity	Short and potentially long term benefit to the applicant and future owners. Long term benefit to the whole community through sustainably managing the districts resources	Individuals and groups wanting resource consents create the need for the activity.
Solid waste	Rubbish/Recycling Collection and Disposal	Transfer Station Income Refuse Revenue Collection Transfer Station Operations Recycling Land Fill Care Expenses Solid Waste Overheads	Vibrant and healthy communities	Refuse collection and disposal minimises the negative impact of people on the environment and contributes to the health and safety of our communities.	Properties serviced; Whole communities	Short and long term	Negative impacts on environment from operation of landfills, noise and heavy traffic from movement of waste
Solid waste	Clean District and Waste Minimisation	Clean District and Waste Minimisation	Clean, healthy and valued environment	Encouraging waste minimisation reduces the cost of collection and disposal and the negative impact of waste on our environment	Whole community;	Short and long term	Growth in population increases amount of waste; landfills have limited life. Changing Government requirements contribute to the need.
Solid waste	Litter Control	Litter Control	Clean, healthy and valued environment	Provision and collection of public rubbish bins encourages the appropriate disposal of litter protecting the natural environment.	Whole community; visitors;	Short and long term	Offenders increase costs and negative impacts on the environment.

Assessment of overall impacts of allocation of revenue needs	Public/Private Benefit Split (Guidelines Only)		Operational Expenditure Funding Sources					
	Public	Private	User Fees	Subsidies/ grants etc.	Other	Rental Income	Targeted Rates	General Rates
Bylaws are used to control and manage a wide range of activities. They are used to provide benefits to particular sectors or to ensure equal access to all. Examples include provision of free parking for elderly to prevention of selling cars in public car parks. The option of cost recovery from user pays would negate the benefits envisaged. However there may be charges or costs for non-compliance (e.g. cars towed). The costs of bylaws should be met from general rate funding	100%				0-20%			80-100%
The total costs of the applications should be met from applicants. The availability of property and building information can be charged to those who wish to access it. There is a benefit to community in ensuring buildings are built in accordance with regulations. Provision of advice as to building requirements is difficult to charge and has an educational benefit.	0-20%	80-100%	60-80%					20-40%
Consents have conditions which minimise the impact on others so the costs of ensuring compliance should be met by the applicants. Offenders should meet the costs of investigation into compliance.		100%						80-100%
The total cost of processing applications should be met by applicants on a users pays basis. Any appeals to decisions are not usually recoverable (at the current time). Providing advice and guidance to ratepayers and developers about land development and district plan matters is a public good and should not be charged on a user pays basis.	35%	65%	0-20%		0-20%			60-80%
<p>Serviced properties pay via a user charge for each rubbish bag collected.</p> <p>To encourage recycling, a bin is provided at no cost as there is a wider benefit in reducing the amount of waste sent to landfills.</p> <p>Use of transfer stations is chargeable to the user based on the volume of waste disposed.</p>	60-80%	20-40%	20-40%	Potential to be used	0-20%			60-80%
Waste minimisation levies collected from the disposal of waste are available from central government. Funding received from the Northland Regional Landfill Limited Partnership is also used to fund the Solid Waste activity	100%				80-100%			
There is no viable method of charging for litter control. The costs of this activity benefit the whole community and costs should be paid from rates. Offenders caught littering should be fined to discourage negative behaviours.	100%			Potential to be used	0-20%			80-100%

2024-34 Long Term Plan Activity	Department / Service	Description	Community Outcomes / Wellbeings	Why do we do it?	Who benefits?	Period of benefit	Who's action or inactions contribute?
Transportation	Roading Network (transport)	Sealed Pavements Unsealed Pavements Routine Drainage Road Environment Traffic Services Roading Structures Emergency Works Network and Asset Management Community Road Safety SSBU Business Unit Roading Department Operations	Efficient and resilient core services	Allows for easy movement of people and goods which is essential to the enjoyment and economic growth of our community. This is achieved by the provision of an integrated, safe, responsive and sustainable roading network which is provided in conjunction with the NZ Transport Agency	All road users; whole community; visitors	Roads provide both short and long term benefits.	Developers provide new roads as part of subdivision process thus increasing demand on existing roads; Negative impacts from noise, air and stormwater pollution; Loss of amenity value and biodiversity. Heavy vehicles impose greater impact on wear and tear
		Private Works					
Transportation	Car Parking	Parking	Efficient and resilient core services	Provision of Car parking supports the local business community and encourages economic growth. The provision and control of parking close to destinations provides access and mobility to the disabled and elderly.	Residents; businesses; disabled and elderly	Parking provides both short and long term benefits.	Businesses may be required to provide own parking facilities; Parking is controlled by time limits and fines
Transportation	Footpaths	Footpaths	Efficient and resilient core services	Good footpaths improve safety and movement within our communities by providing a separation between vehicles and people. It encourages walking and provides safe and enhanced mobility for disabled and elderly	Residents; Individual property owners; disabled and elderly; youth; whole community	Footpaths provide both short and long term benefits	Developers provide new footpaths as part of subdivision process; Demand from schools for safe access to and from school
Governance and Strategy	District Development	Economic Development Promotions Initiatives District Development	A growing, resilient economy	Encourage economic growth and awareness of our District	Businesses; Whole community	Short to long term	Destination Northland promotions/events in neighbouring districts. Economic development activities by other District Council and the Regional Council
Governance and Strategy	Property	Commercial Leases Ground Leases Commercial Property Operations Forestry Ruatangata Properties Property Portfolio Operations	A growing, resilient economy	Invest in assets which provide strategic growth opportunities or suitable investment returns	Tenants; Whole community	Short and long term	
		Marinas	Well managed growth	Asset management of a resource benefiting the community	Locals and visitors.	Long term.	Marina trusts.
		Airport	Well managed growth	Asset management of a resource connecting to the rest of New Zealand for the region. Collaboration with Central Government	Locals and visitors.	Long term.	Ministry of transport and Airport Authority.

Assessment of overall impacts of allocation of revenue needs	Public/Private Benefit Split (Guidelines Only)		Operational Expenditure Funding Sources					
	Public	Private	User Fees	Subsidies/ grants etc.	Other	Rental Income	Targeted Rates	General Rates
Government maintains State Highways and provides about 50%-60% funding from taxes via Subsidies for both operational maintenance and capital expenditure. This portion represents the benefit the whole Country gets from roading. The balance is payable by ratepayers. Where there is a greater impact on roads from a particular sector, they should pay for the added costs (for example - Forestry). Where a road is improved, there is a benefit to all users, whether they have paid for the improvement or not.	40-60%	40-60%		20-40%	0-20%	0-20%		40-60%
		100%	100%					
The availability of car parking enables concentration of business activities. It is relatively easy to charge users and maximises the use of resources.	0-20%	80-100%	80-100%			0-20%		
Footpaths provide safe access where provided but there is no mechanism to charge for use. The cost of new footpaths should be met by the developer (and ultimately the purchasers of the sections). The ongoing maintenance should be met by ratepayers	100%			Potential				80-100%
It is not always possible to on charge the costs to those the benefit directly, and it may not be desirable to do so. The activities undertaken may have a short term benefit, but overall, and in combination with each other should contribute to the long term economic resilience of the district.	100%							80-100%
Returns on properties (rents) should make the activity self funding. Any surplus can be used to reduce the rating burden.		80-100%				80-100%		
Minimal expenses are incurred						0-20%		80-100%
Airport funds itself through the reserve but capital requirements may need funding from the joint venture partners.	80-100%	0-20%						80-100%

2024-34 Long Term Plan Activity	Department / Service	Description	Community Outcomes / Wellbeings	Why do we do it?	Who benefits?	Period of benefit	Who's action or inactions contribute?
Governance and Strategy	Strategy, Democracy & Assurance	Strategy Strategy & Democracy Overheads EM Expenses, Meetings & Hearings Elections AP/LTP Engagement and Audit Democracy and Assurance Overheads Mayorality Overheads	A growing, resilient economy and well managed growth	Provide direction to council.	Whole community	Short and long term	Councils and the community.
Governance and Strategy	Iwi Liaison	Māori Outcomes Te Kārearea Standing Committee Te Huinga Hapū Forum	Proud to be local/ Cultural wellbeing	Form partnerships with Māori to enhance and recognise the cultural heritage of local Iwi.	Whole community	Short and long term	
Flood Control	Flood Control (Hikurangi Swamp)	Hikurangi Swamp - Major Scheme Maintenance Hikurangi Swamp - Drainage Maintenance Hikurangi District Overheads	A growing resilient economy	Specific scheme which protects defined property from flood events and enables economic use of the land.	Properties in defined area of benefit	Short and long term	Resource consent conditions. Legislated rating structure
Stormwater	Stormwater	Stormwater Overheads Stormwater Rates Revenue Stormwater Operations Piped systems - Maintenance	Well managed growth	Provides flood protection for public and private assets and enables urban population growth. Minimises the environmental impact of storm events	Whole community	Short and long term	Intensive development such as CBD. Pollution effects from runoff (traps etc) Urban is reticulated Rural utilises drains - Requires weed clearance
Coastal Systems and Flood Management	Coastal Systems and Flood Management	Coastal Systems Flood Management Stormwater	Well managed growth	Provides flood protection for public and private assets and enables urban population growth. Minimises the environmental impact of storm events	Whole community	Short and long term	Intensive development such as CBD. Pollution effects from runoff (traps etc) Urban is reticulated Rural utilises drains - Requires weed clearance
Water	Potable Water	Operations Pumps and Flow Control Dam Maintenance Management Services Maintenance Distribution Flow Measurement Reservoirs Distribution Water Services Overhead Expenses	Efficient and resilient core services	Supports good health and living standards by providing clean and safe water delivered directly to residents and businesses in our serviced communities. Adequate water is available to meet fire fighting requirements	Users of the public water supply system	Short and long term	Developments with a large need for water; Rural properties during periods of drought; Provision provided but no connection

Assessment of overall impacts of allocation of revenue needs	Public/Private Benefit Split (Guidelines Only)		Operational Expenditure Funding Sources					
	Public	Private	User Fees	Subsidies/ grants etc.	Other	Rental Income	Targeted Rates	General Rates
	100%				0-20%			80-100%
Long term relationships with Iwi benefit the whole community. As treaty negotiations are settled in the North, they will become a large economic force in the district. The promotion of Māori culture has the potential to provide employment opportunities. As the benefit will be to the whole community it should be funded from general rates.	100%							80-100%
Properties that benefit from the scheme pay the costs. Those that have the greatest benefit should pay the most.		100%					80-100%	
There are no easily identifiable parties from which costs can be recovered via a user charge. The control of negative impacts from stormwater such as flooding benefit those in low lying areas such as the CBD. Development in the surrounding areas contributes to the impact in those areas and there is a wider community benefit in stormwater control. The costs of adequate stormwater control in new subdivisions is met by the developer and assets vested in Council	80%	20%		Potential	Potential		80-100%	Potential
There are no easily identifiable parties from which costs can be recovered via a user charge. The control of negative impacts from stormwater such as flooding benefit those in low lying areas such as the CBD. Development in the surrounding areas contributes to the impact in those areas and there is a wider community benefit in stormwater control. The costs of adequate stormwater control in new subdivisions is met by the developer and assets vested in Council	80%	20%		Potential			Potential	100%
Water users should pay on a user pays basis via water metering. A fixed fee charged for the provision of a connection so the costs of supplying and reading meters is met whether there is any water consumption or not. Those using water without a meter should pay an average consumption rate. Facilities to collect water for delivery to unconnected properties should be provided.	90-100%	0-10%	0-20%	Potential			80-100%	

2024-34 Long Term Plan Activity	Department / Service	Description	Community Outcomes / Wellbeings	Why do we do it?	Who benefits?	Period of benefit	Who's action or inactions contribute?
Wastewater	Waste and Drainage	Plant Operation Laboratory Reticulation Operations Rehabilitation Pump Stations Wastewater Management Overheads	Vibrant and healthy communities	The efficient collection, treatment and disposal of wastewater are essential to the health and safety of serviced communities. This is achieved by the provision of a reliable wastewater network which protects our natural environment, and enables population growth.	Users connected to wastewater system; Whole community	Short and long term	Population growth increases need. Our communities demand for improved environmental outcomes

Assessment of overall impacts of allocation of revenue needs	Public/Private Benefit Split (Guidelines Only)		Operational Expenditure Funding Sources					
	Public	Private	User Fees	Subsidies/ grants etc.	Other	Rental Income	Targeted Rates	General Rates
Connected users should pay for their use of the system. However there is a wider benefit in ensuring the system is not causing negative environmental effects. Systems are required where there is intensive housing and/or the environment is sensitive to impacts of on site disposal (e.g. coastal communities)	90-100%	0-10%	0-20%	Potential	0-20%		80-100%	

4.3 Adoption of the 2024-34 Long Term Plan

Meeting: Whangarei District Council
Date of meeting: 16 July 2024
Reporting officer: Aaron Taikato, General Manager Strategy and Democracy

1 Purpose / Te Kaupapa

For Council to formally adopt the 2024-34 Long Term Plan (LTP).

2 Recommendations / Whakataunga

That the Council:

1. Adopt the 2024-34 Long Term Plan.
2. Resolve to carry forward unspent capital project budgets (where applicable) as at 30 June 2024 (in addition to those already forecast) into the 2024-25 year. These subsequent carry forwards will be part of a revised budget, which will be reported back to Council.
3. Notes Council's decisions made during Deliberations as outlined in the minutes of the Extra ordinary Council meeting 29 May 2024 (Attachment 1 to the agenda report).
4. Notes that the NZ Transport Agency Waka Kotahi Subsidy for Transport Activities will not be finalised until later this year. Once this has been finalised, Council will be able to provide direction on how local share will be deployed to address any gaps in funding while further noting it is likely further changes to Central Government Transport subsidy will require a review of revenue/rates and/or service delivery through a future Annual Plan or Long Term Plan Amendment process.
5. Authorises the Chief Executive to make any necessary drafting, typographical or presentation changes to the 2024-34 Long Term Plan document.

3 Background / Horopaki

Long Term Plans are a typically challenging process and the 2024-34 Long Term Plan (LTP) has been particularly so. It was overshadowed by uncertainty and legislative change resulting in a significantly compressed timeframe. This has been exacerbated by external factors that have created a big gap between our income and expenses including:

- inflation,
- rising construction, insurance and interest costs,
- the need to fund infrastructure for growth,
- higher expectations from the community,

- more complex legislative environment and higher environmental standards,
- the ongoing catchup required from the effects of covid and extreme weather events.

Throughout this, Council have remained steadfast in their determination to provide the District with the best possible LTP and to do so in a timely manner with minimal impact on ongoing business as usual.

After more than twenty formal briefings, workshops and meetings, along with many additional informal meetings and discussions, consultation and hearings, Council is now at the point of achieving their goal.

4 Discussion / Whakawhiti kōrero

4.1 The Process

Some earlier, preparatory work was done particularly in relation to the vision, key priorities and community outcomes desired. However, work in earnest commenced on 13 July 2023 with a presentation on the key issues and themes. Since then, there have been more than 50 reports and/or presentations for Council to consider and provide direction or make decisions on.

4.2 Key Junctures and Decisions

Activity Profiles

Activity managers were asked to prepare presentations for their activity to take to Council. A series of briefings were held on 30 August 2023, 19 September 2023, 26 September 2023, 17 October 2023 and 22 February 2024 at which 23 presentations were made to Council highlighting for each activity the purpose and strategic fit, contributions to the four well-beings and the four community outcomes along with the levels of service and performance measures.

Feedback from Council at that early stage was uniform in their desire that there be no changes to levels of service as it was believed that this is what the community expected.

Financial Principles and Initial Targets

A briefing on 15 August 2023 presented the forecasted financial landscape for 2024-34 and allowed Council to settle on their 12 financial principles for the LTP and for prudent and sustainable financial management. These were presented back in the briefing on 30 August and comprised:

1. Council should focus on achieving a balanced budget beyond Year 1.
2. Everyday operating expenses should be covered by everyday funding from Year 4 onward.
3. Intergenerational funding is only to be used for major assets.
4. Depreciation is to be fully funded.
5. Debt is to be controlled.
6. Capital expenses should focus on renewals first unless levels of service improvements and growth is legislated.
7. The renewals programme must be completed.
8. Council's credit rating should be actively managed with no further drops during the LTP term.
9. Some levels of service may need to drop to manage affordability.
10. Council should position itself as mid-pack with regards to rating.

11. Year 1 of the LTP should focus on clearing the capital expenses backlog.
12. There should be a strong focus on efficiency, effectiveness and reducing waste through careful management of operational costs.

Direction was also provided on 15 August 2023 for the workshop held on 23 August 2023 to model scenarios and determine initial anticipated rates increases that would best achieve Council's financial principles. Council requested that staff attempt to achieve the following scenario:

Year 1	Year 2	Year 3	Year 4	Year 5
10%	10%	10%	5%	5%

All scenarios were based on what was known at the time and the following assumptions:

- Council would receive an estimated \$100m No Worse Off Funding in relation to the transfer of three waters (noting that this did not eventuate).
- The removal of three waters revenue, expenses and assets
- 1.3% annual growth following the adoption of the high growth projections.
- \$3m additional operating expenses added for contract escalations.
- Stormwater funding retained.
- No extra capital expenses.

Council held a workshop on 6 November 2023 to consider potential savings highlighted by members of the Senior Leadership Team (SLT).

Staff highlighted various austerity measures taken in previous years, where most operating budgets were re-set each year without any inflation adjustments as part of an efficiency drive. This had allowed any inflation or growth adjustments in rating income to be applied to costs that were effectively outside WDC's budget managers' control.

These included:

- Depreciation (driven by the replacement cost and remaining useful lives of our fixed assets).
- Interest (driven by net debt and global economic conditions).
- Insurance (driven by the impact of global and national events such as flooding and earthquakes).
- Contract commitments above inflation (driven by contract and/or market conditions).

At the same time, gaps were absorbed between budgeted and actual inflationary impacts, as shown in the table below:

	LGCI Forecast	Actual LGCI	Difference
2021-22	2.5%	7.6%	5.1%
2022-23	2.4%	5.9%	3.5%
TOTAL			8.6%

This impacted the increases applied to rates, as well as Council's expenses budgets, with an impact of approximately \$15 million of 'forced' efficiencies in the years shown in the table above.

In setting the 2023-24 Annual Plan, as well as absorbing these impacts, Council re-allocated an extra \$2 million to roading. This placed further downwards pressure on operating budgets for the rest of the organisation, which had already set budgets with no inflation movement (i.e.) they had already foregone 5.9% of the previous year's buying power.

At Council's request, SLT then identified a further \$635k of efficiencies/savings.

The cumulative effect of these budget adjustments meant that the organisation has effectively found savings of around \$25 million over the last three years. As such it was acknowledged that any further significant budget reductions would mean reductions in service delivery.

Staff also presented potential additional savings to the 6 November 2023 workshop. Council noted the potential service level effects of these savings and elected to take up three of the options presented, totalling \$3.295m:

1. \$150k per annum reduction through Years 1 – 10 in Events funding (CC 80033) for Bernina, International Rally, Pasifika and half the Christmas budget. Total \$1.5m.
2. \$185k per annum reduction through Years 4 – 10 in the City Safe contract (CC 80032). Total \$1.295m.
3. \$50k per annum reduction through Years 1 – 10 in District Development and removal of the remaining commercial property professional fees (CC 47103). Totalling \$500k.

4.3 Investment Decision Making

In order to try and achieve the net funding targets outlined in the preferred scenario, budget managers were asked to prepare 2024-25 budgets based on:

- The 2024 Annual Plan budget as the start point;
- Increases only for committed or legislative changes.

Finance staff modelled a "start line" budget based on Council direction. This included budget managers absorbing cost escalations over and above the Local Government Cost Index increase provided for. The result was a potential 10.2% increase in rates for Year 1 as requested. However, there were impacts of setting budgets at this level:

- There were operating expenses outside that budget envelope identified as high risk insufficient budget (HRIB) activities totalling \$5.7m in year one (estimated as a 6.5% rates increase).
- The initial 10 year capital expenses programme was considered to be too high in terms of the associated debt, additional interest and consequential operating expenses, and the need to focus resources on core infrastructure. \$300m was taken out of the 10 year programme with a particular focus on any Level of Service projects which could be removed without affecting legislative requirements.

An estimated 2% general rates increase would be required to achieve a balanced budget from Year 2 onwards and everyday funding from Year 4 onwards as per the financial principles met and refined the HRIB operating expenses and the capital expenses programme over October 2023 (the 9th, 10th, 16th and 24th). The result was:

- HRIB operating expenses reduced to just over \$4m (estimated as a 4.66% rates increase).
- HRIB operating expenses ranked as either level 1, 2 or 3 with:
 - Level 1 = Critical due to safety and/or legislative requirements.
 - Level 2 = Required to maintain level of service.
 - Level 3 = Discretionary.
- The 10 year capital expenses programme reduced by around \$285m.

On 31 October 2023 this was presented to Council along with the 10.2% rates increase and collated lists of Elected Member operating expenses and capital expenses requests.

During briefings on 31 October and 6 November 2023 Council provided further direction to staff through a formal prioritisation process to remodel the budgets based on the following:

- 10.2% initial staff budgeted rates increase.
- 2% to achieve Council's balanced budget and everyday funding objectives.
- Approximately \$4.3m HRIB operating expenses to be added including Elected Member requests.
- A revised capital expenses programme including Elected Member requests.

The remodelled rates increases resulting from proposed Council changes are:

Year 1	Year 2	Year 3	Year 4	Year 5
17.2%	9.5%	9.7%	4.7%	4.6%

4.4 Three Waters

The future of three waters (waters) and the October 2023 general election created considerable uncertainty for the LTP with the policy of one major party removing waters from Council oversight while the other party promised to leave them with Councils. Council was initially required by legislation to progress the LTP with the understanding that waters would be going to the new entity.

Work done to this point was prepared under this understanding.

A change in government resulted in a reversal in the waters policy and an undertaking by the Government that existing legislation would be repealed with their first 100 days in office. In the meantime, councils were still bound by legislation and details of the implications of the repeal for the LTP were vague.

The waters legislation was repealed and direction was received in February 2024. This allowed for an unaudited consultation document (CD) and a three month extension for adoption of the LTP to 30 September 2024.

Some Councils were provided with an option to undertake an three year LTP that was unaudited to acknowledge the damage done during Cyclone Gabrielle.

At a Council meeting on 22 February 2024, Council decided to accept the three month extension and proceed with an unaudited CD, but not an unaudited LTP. Council confirmed that an audited 10 year LTP was the right direction.

It was noted that the extension does create challenges for Council in terms of being able to invoice for 2024-25 rates instalment 1 which typically goes out in July. A number of risks were highlighted if that invoicing date was to be deferred, including affordability for some ratepayers and complications with our internal systems and co-rating relationship with Northland Regional Council.

With this in mind a plan was agreed to for reaching adoption of the LTP on 16 July 2024, the latest date to ensure the issues above could be avoided, and that ratepayers were not adversely affected by a changed rating schedule.

Funding Impacts of Three Waters

Modelling determined that the inclusion of waters back into the LTP could be absorbed with no impact to the rates increase. This was because:

- Water and wastewater are rated separately and these rates along with development contributions mean Council holds enough reserves to fund necessary investment in the short term. Also, the new legislation for water services delivery was unknown at this point.
- Stormwater has historically been funded out of general rates but Council is waiting on Government direction on how this will be funded in the future as Council responds to climate change.
- Council agreed to the funding of stormwater through debt in Year 1 to allow more time to receive this direction before working through the best and fairest way to fund this. This also allowed time- to work through proposed options with the community as part of the 2025-26 Annual Plan consultation.

4.5 Consultation

Council considered the draft consultation document (CD) and provided their feedback on this at briefings on the 5th and 12th of March 2024. The CD was adopted on 21 March 2024 along with the supporting documents, draft policies for consultation alongside and the Statement of Proposal for fees and charges for concurrent consultation.

Councillors elected to not consult on alternative rates increases and instead inform the community of the reasons why a proposed 17.2% rates increase was necessary. The three consultation topics were:

- Becoming a Northland Inc shareholder.
- Freedom camping monitoring and compliance.
- Commercial property options.

Consultation on the LTP was conducted between 25 March and 25 April 2024 with formal submissions closing at 5.30pm on Thursday the 25 April.

Public meetings were held during the period of 25 March 2024 – 25 April 2024, which included a total of 325 people attending at least one public meeting.

419 Submissions were received prior to the deadline with six late submissions added. A total of 425 formal submissions were received.

4.6 Issues and Options

A high-level summary and analysis of submissions (the draft Issues and Options Report) was worked through with Council in meetings on 10 and 14 May 2024.

Subsequent discussions led to a full Issues and Options briefing held on 21 May 2024.

Council was clear that they did not want to move higher than a 17.2%.

Amendments were made to the draft LTP.

4.7 Deliberations and subsequent changes to the 2024-34 LTP

The direction provided by Council on 10 and 21 May 2024 highlighted:

- Staff recommendations that were supported.
- Staff recommendations that were not supported.

- The issues and funding changes that were missing from the staff analysis/recommendations.

This feedback enabled staff to finalise the draft Issues and Options Report for formal consideration and debate. Minutes of the Deliberations meeting of Council held on 29 May 2024 are appended as Attachment 1.

On 29 May 2024, Council deliberated on the feedback from consultation. In doing so Council confirmed a number of changes to the LTP as a result of submissions received. These broadly included:

- Support for becoming a Northland Inc. shareholder and the importance of having a strong regional body to drive better economic outcomes for the District;
- Not to further increase rates to fund its freedom camping service going forward, instead agreeing to investigate other funding options, including seeking central government funding and to reconsider whether this service can be provided once all other funding options have been explored;
- Identifying a Council-Controlled Organisation (CCO) or a Council-Controlled Trading Organisation (CCTO) as a preferred option for the development of commercial properties, committing to further investigation of a lower cost CCO/CCTO than was initially proposed through consultation;
- Including funding for several local projects, including cycle trails at Waipu and One Tree Point, footpaths in Hikurangi and Ngunguru and public toilets in Maungatapere and Pīpiwai;
- Including additional funding for several Council-controlled and community organisations, including Whangārei Art Trust and the Whangarei Aquatic Centre, as well as new funding to strengthen and improve engagement with hapū.

4.8 General Rates

Deliberations involved difficult decisions which were unable to be accommodated within the financial envelope consulted on without a pro-rata budget reduction across the organisation in Years 1 and 3 of the LTP to ensure that the decisions made in Deliberations did not give rise to any changes to the proposed general rates increases:

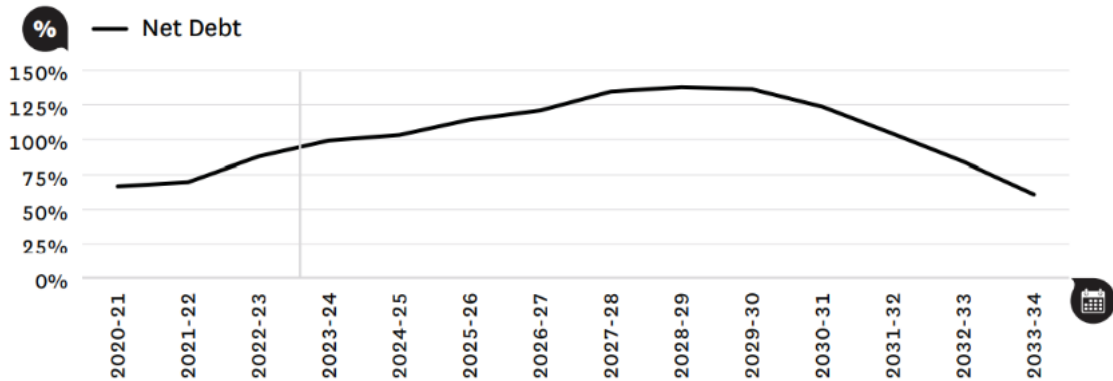
Year 1	Year 2	Year 3	Years 4 - 10
17.2%	7.5%	7.5%	2.5%
(incl LGCI)	(plus LGCI)	(plus LGCI)	(plus LGCI)

Council notes that the increases will present challenges to some ratepayers. It notes its responsibility to continue to provide the necessary services to the community within its financial benchmarks and instructs staff to continue to work with ratepayers struggling to make rates payments.

4.9 Spending and Debt

The changes made during Deliberations have required changes to both debt and expenses.

Net debt as a % of revenue



The Financial Strategy 2024-34 sees total net debt increase from an estimated \$213.0 million on 1 July 2024 to \$433.9 million by Year 6 (2029-30) and then reducing back down to \$225.9 million by Year 10 (2033-34). The main drivers of this peak are higher interest expenses and updated information from CCOs/CCTOs. Details on how Council's debt is managed are set out in the Treasury and Risk Management Policy.

Council's forecast surplus is lower, mainly due to the above factors and increased depreciation of \$46m following the draft infrastructure asset revaluation movement.

In order to accommodate additional operational expenses arising from Deliberations, Council has instructed officers to make a pro-rata budget reduction across all existing Council activity, excluding Transportation. This pro-rata budget reduction would be to a maximum of \$642,000 in Year 1 and \$1,686,000 in Year 3. Management have achieved this and will provide additional information as to the allocation of these cuts at a separate briefing.

Council continues to explore opportunities to reduce costs and improve efficiencies where practicable.

4.10 Financial Position

- Council achieves a balanced budget benchmark across all ten years
- The everyday funding benchmark achieved from Year 4 onwards in line with Financial Strategy (CD version achieved this in Year 3)
- Debt continues to decrease in later years of the plan and is now higher than the draft as a result of the changes made.
- All other principles outlined in Financial Strategy are achieved.

4.11 Risks

Waka Kotahi/NZ Transport Agency Funding

A key risk that remains is the availability of central government subsidy. Waka Kotahi (NZTA) has advised interim funding levels which are lower than the LTP planned budget for this category.

This reduced funding, should it transpire in the confirmed allocation, may impact on some levels of service and on the speed of service delivery. As the reduction is not likely to be material at this point accounts have not been adjusted.

Should Waka Kotahi/ NZ Transport Agency also have insufficient funds to subsidise the proposed capital expenses programme going forward Council may not be able to meet its balanced budget benchmark. In this scenario Council would need to look at other funding sources if it wishes to continue with these projects (i.e. debt). Decreases to the Central Government Transport subsidy may also require a review of revenue/rates and/or service delivery through a future Annual Plan or Long Term Plan Amendment process. This is being closely monitored and will be reported back to Council for direction when levels of subsidy are known for capital projects.

Deliverability

On the 29th May 2024 a paper was presented on how Council will manage carry forwards going forward and improve deliverability of the approved projects . A ten-point plan was developed with the Infrastructure Chair:

1. Streamline the approval process.
2. Get the scope right early.
3. Multi-year forecasting.
4. Engage early.
5. One team.
6. Pipeline visibility.
7. Effective procurement – investigating new and improved procurement options.
8. Budget accommodation.
9. Flexible programme.
10. Early contractor delivery model.

The paper recognised that:

- While Council does have carry forwards, the bulk of projects carried forward into this financial year were or are in the process of being completed.
- The majority of the predicted carry forwards are already in progress:
 - a. \$26.8m is currently in delivery with contracts awarded.
 - b. \$22.4m is being or has been procured and implementation is imminent.

To reduce carry forwards in this LTP period:

- Carry forwards have been phased so that the budgets go into the right year.
- Multi-year forecasting is being developed and expected to go live later this year.
- Budgets and forecasts will be phased more accurately to reflect the different stages.
- Staff will allow sufficient time to get the appropriate approval before moving onto the next phase.
- More detailed multi-year reporting will be provided to Elected Members through the year.

Procurement

We have and will continue to make improvements to how we procure. This will include where appropriate three year programmes or work and packages to assist suppliers with managing workload, reduce costs and improve delivery timeframes. The most appropriate procurement process will be evaluated and executed so that we get work to market quickly and keep our economy vibrant.

In this Long Term Plan we will be executing new procurement activities including:

- New Road Maintenance Contracts which are likely to include a new urban contract and encourage a greater share of work in the district.

- A Regional Resilience Construction Framework that will support the development of Contractors so that they can undertake increasingly complex slip repairs.
- Renewals and improvement packages that provide strong work packages for local contractors and suppliers.

Overall, despite the challenging local government environment, Council has provided a strong sustainable LTP.

5 Significance and engagement / Te Hira me te Arawhiti

The Local Government Act 2002 requires special consultation procedures to be undertaken when developing a Long Term Plan.

An engagement plan was outlined in the agenda for adoption of the Consultation Document on 21 March 2024. As outlined in the body of this Agenda consultation was undertaken from 25 March – 25 April 2024.

Significant matters for consultation with the community were identified within the Consultation Document and Supporting Documents.

At the Deliberations meeting, Council approved the path for the 2024-34 Long Term Plan (LTP) determining the District's direction for the next 10 years. Decisions were made as to where best to invest in the community's future, how to fund the activities and services Council provides and how to ensure financial security. Following those decisions, the final LTP has been prepared, submitted to the auditors for review and is now being considered for adoption.

The impacts of not adopting the LTP at this meeting are:

1. Further delay to development in the District, as the development contribution policy cannot be adopted.
2. Rates resolution for 2024-25 will likely be delayed past the 30 September 2024 statutory deadline. Once the new path is determined, financial modelling, further consultation, hearings, deliberations, final financial modelling, audit, LTP adoption and rates setting may be necessary.

6 Attachments / Ngā Tāpiritanga

1. Minutes of Extraordinary Whangarei District Council Meeting, 29 May 2024.

Under separate cover (available on Council's website)

2. Whangarei District Council 2024-34 Long Term Plan

Extraordinary Whangarei District Council Meeting Minutes

Date: Wednesday, 29 May, 2024

Time: 9:00 a.m.

Location: Civic Centre, Te Iwitahi, 9 Rust Avenue

In Attendance

His Worship the Mayor Vince Cocurullo
 Cr Gavin Benney (Teams/In person)
 Cr Nicholas Connop
 Cr Ken Couper
 Cr Phil Halse
 Cr Deborah Harding
 Cr Patrick Holmes
 Cr Scott McKenzie
 Cr Marie Olsen (Teams)
 Cr Carol Peters
 Cr Simon Reid
 Cr Phoenix Ruka
 Cr Paul Yovich (Teams/In person)

Not in Attendance

Cr Jayne Golightly

Scribe

C Brindle (Senior Democracy Adviser)

Administrative matters

- Meeting recorded
- Supplementary reports:
 - Item 4.2 – Supplementary report LTP Deliberations
 - Item 5.3 – Submission on Local Government (Electoral Legislation and Maori Wards and Maori Constituencies) Amendment Bill

1. Karakia/Prayer

Cr Ruka opened the meeting with a karakia/prayer.

2. Declarations of Interest / Take Whaipānga

Item 5.2 LTP Deliberations – refer Becoming a Northland Inc Shareholder and Community Facilities and Services – Whangarei Art Trust.

3. Apology / Kore Tae Mai

Cr Jayne Golightly

Moved By Cr Carol Peters

Seconded By Cr Deborah Harding

That the apology be sustained.

Carried

Crs Olsen and Reid requested their votes against be recorded.

4. Information Reports / Ngā Pūrongo Kōrero

4.1 Managing Carry Forwards

Moved By Cr Phil Halse

Seconded By Cr Simon Reid

That Council notes the Managing Carry Forwards Report.

Carried

4.2 Supplementary Report to the LTP 2024-34 Deliberations

Item 4.2 provided supporting information to Item 5.2 Long Term Plan 2024-34 Deliberations.

5. Decision Reports / Whakatau Rīpoata

5.1 Fees and Charges and Consultations Alongside the 2024-34 LTP - Deliberations

Moved By Cr Simon Reid

Seconded By His Worship the Mayor

That Council:

1. Notes the total of 422 formal submissions were received on the LTP and Concurrent Consultations:
 - 8 of the total submissions related directly to the Draft Rates Remissions and Postponement Policy and Early Repayment of Rates Policy
 - 8 of the total submissions related directly to the Draft Revenue and Financing Policy
 - 8 of the total submissions related directly to the Draft 2024 Development Contributions Policy
 - 4 of the total submissions related directly to the Draft 2024 Significance and Engagement Policy
 - 5 of the total submissions related directly to the Draft Fees and Charges 2024-2025.
2. Confirms the responses as recommended in Attachment 1 Deliberations on Fees and Charges and Consultations Alongside the 2024-2034 Long Term Plan

3. Note that submitters will be informed of the outcome of their submissions.

Draft Revenue and Financing Policy

That Council:

1. Acknowledges the feedback received on the Draft Revenue and Financing Policy.
2. Notes that there is no requirement, following the public consultation, to amend, revise or change any part of either policy.
3. Approves the preparation of the final Revenue and Financing Policy and present to the July 2024 meeting of Council, for adoption.

Draft Rates, Remissions and Postponement Policy and the Early Payment of Rates Policy

That the Council:

1. Acknowledges the feedback received on the Draft Rates, Remissions and Postponement Policy and the Early Payment of Rates Policy.
2. Notes that the policy 24/102 Remission of Excess Water Rates will be amended to reflect an improved method for calculating the remission on excess water consumption due to a leak.
3. Approves the preparation of the final Rates, Remissions and Postponement Policy and the Early Payment of Rates Policy for presentation to the June 2024 meeting of Council, for adoption.

Draft Development Contributions Policy

That Council

1. Acknowledges the feedback received on the Draft 2024 Development Contributions Policy.
2. Notes that the policy will be amended to include a category identifying retirement villages and the assessment criteria as discussed in Attachment 1 Deliberations on Fees and Charges and Consultations Alongside the 2024-2034 Long Term Plan.
3. Approves the preparation of the final revised Draft 2024 Development Contributions Policy for presentation to the July 2024 meeting of Council, for adoption.

Draft 2024 Significance and Engagement Policy

That Council:

1. Acknowledges the feedback received on the Draft 2024 Significance and Engagement Policy.
2. Notes that the policy will be amended with minor wording changes to clarify significant assets.
3. Approves the preparation of the final revised 2024 Significance and Engagement Policy for presentation to the June 2024 meeting of Council, for adoption.

Fees and Charges

That Council:

1. Acknowledges the feedback received in relations to the Fees and Charges Statement of Proposal.
2. Notes that there is no requirement, following the public consultation, to amend, revise or change any part of either policy.
3. Approves the preparation of the final 2024-2025 Fees and Charges schedule and present to the June 2024 meeting of Council, for adoption.

Carried

5.2 Long Term Plan 2024-34 Deliberations

Moved By His Worship the Mayor

Seconded By Cr Scott McKenzie

That the Council

1. Notes and considers the 425 formal submissions received on the 2024-2034 Long Term Plan and Concurrent Consultations.
2. Confirms the non financial responses as recommended in the attached report, including changes in the timing of some projects.

Carried

LTP Question 1 – Becoming a Northland Inc Shareholder

Moved By Cr Peters

Seconded By Cr Couper

That the Council:

1. Acknowledges the feedback received on the topic.
2. Becomes a shareholder in Northland Inc with effect from 01 July 2024 and approves the additional investment funding of \$370,000 in the 2024-25 year and \$482,000 in the 2025-26 year as set out in the Draft 2024-34 Long Term Plan Consultation Document.

3. Notes the funding required has already been included within the Draft 2024-34 Long Term Plan budget.
4. Reviews the benefits of Council's involvement in Northland Inc before committing further funding beyond Year 2 (2025 – 26).

Carried

*Cr Yovich requested his vote against be recorded.
Cr Reid abstained from voting.*

Declaration of Interest:

Cr Harding declared an interest in regards to this item. Cr Harding has a contractual connection with an independent trust partnered with Northland Inc.

LTP Question 2 - Freedom Camping Monitoring and Compliance

Moved By His Worship the Mayor

Seconded By Cr Paul Yovich

That the Council:

1. Acknowledges the feedback received on the topic.
2. Resolves not to fund Freedom Camping Monitoring and Compliance enforcement services going forward.
3. Notes that unless funding can be secured from external parties, and/or increased revenue can be secured, this will result in Council not responding to Freedom Camping enquiries and complaints going forward.
4. Directs staff to continue to investigate options for external funding of a reduced Freedom Camping Monitoring and Compliance enforcement service, along with any unbudgeted revenue streams that could be used to fund this service.

On the motion being put Cr Holmes called for a division:

	For	Against	Abstain
His Worship the Mayor			X
Cr Gavin Benney		X	
Cr Nicholas Connop	X		
Cr Ken Couper	X		
Cr Phil Halse	X		
Cr Deborah Harding	X		
Cr Patrick Holmes		X	
Cr Scott McKenzie		X	

Cr Marie Olsen	X		
Cr Carol Peters	X		
Cr Simon Reid		X	
Cr Phoenix Ruka	X		
Cr Paul Yovich	X		
Results	8	4	1

The Motion was Carried (8 to 4)

LTP Question 3 - Commercial Property Options

Moved By Cr Ken Couper

Seconded By Cr Paul Yovich

1. Notes that while revenue generation can be incentivised, current modelling indicates that there is insufficient scale and commercial opportunities to generate a profit from properties within the identified portfolio in the life of this plan.
2. Focuses on commercial property/opportunities to deliver strategic outcomes, including outcomes that could be delivered in partnership.
3. Does more detailed analysis of specific development opportunities within the commercial property portfolio (including defining the outcomes that Council is seeking from the portfolio / the trade-offs that it is willing to accept) before progressing to any preferred option, allocating \$150k in year 1 of the LTP for this work.
4. Establishes mechanisms for the governance and oversight of commercial property, with hapu involvement and external expertise being provided for, and clear delegations.
5. Notes that sufficient budget will be required to attract appropriate skills and expertise and undertake work necessary to progress development proposals, reviewing budgets and funding mechanisms through the detailed investigation stages.
6. Excludes the ex-Balance Site from development opportunities at this time in order to enable further discussion with hapu.
7. Having considered the matters above determines its preferred option as a CCO/CCTO with a more modest budget (\$500k per annum from year 2 of the LTP), noting further work to be undertaken in year 1 of the LTP.
8. Directs staff to bring the terms of reference for a Transition Advisory Board to the July 2024 Council meeting.

Carried

Cr Connop requested his vote against be recorded.

Transportation

Moved By Cr Gavin Benney

Seconded By Cr Simon Reid

That the Council:

1. Acknowledges the feedback received on the topic and the issues they raise and, where possible, will include these in Council's business as usual work.
2. Allocates an additional \$250,000 capital expenditure per annum across years 1 to 10 of the Long Term Plan unsubsidised specifically for new footpath projects in rural and coastal areas and notes this will be funded by additional debt.
3. Allocates programme funding to the following footpaths raised through consultation in rural and coastal areas subject to budget and feasibility:
 - a. Hikurangi – King St
 - b. Ruakaka /One Tree Point– Marsh Road, Slako Crescent, Albany Road
 - c. Ngunguru Kopipi Crescent.

Amendment

Moved By Cr Carol Peters

Seconded By Cr Patrick Holmes

Include 'd.' Whangarei Heads Road (Waikaraka).

**The amendment was Carried
and subsequently Carried
as the substantive Motion**

Parks and Recreation

Moved By Cr Gavin Benney

Seconded By Cr Nicholas Connop

That the Council:

1. Acknowledges the feedback received on the topic and the issues they raise and, where possible, will include these in Council's business as usual work.
2. Considers undertaking a Reserve Management Plan prioritisation in year 3 and allocates \$50,000 additional operating expenses in year 3 of the Long Term Plan to undertake the priority Reserve Management Plan.
3. That an additional \$100k capital expenditure (debt funded) be added to year 3 of the Long Term Plan to enable the

development of the Recreation Hub design. The design and construction is currently signalled in year 11-13 (\$35 Million) of the Infrastructure Strategy.

4. Progress the development of the Tikipunga Sports Park Turf Development by:
 - a. Supporting the business case for artificial sports turf surface; and
 - b. Including an additional \$50,000 operating expenditure in year 1 of the Long Term Plan for producing a business case; and
 - c. Including an additional total of \$2.5m capital expenditure, to be split \$2m in year 2 and \$500,000 in year 3 of the Long Term Plan for the development of an artificial sports turf; and;
 - d. Including \$30,000 operating expenditure for the maintenance and operation of the artificial sports turf in years 3-10.
5. Approves operating expenditure funding for the Ruakaka Recreation Centre of \$70,000 in year 1 and \$35,000 in years two and \$35,000 in year three of the Long Term Plan.
6. Approves amalgamating the funding of existing projects associated with the Hikurangi Sports Hub so that it can be delivered earlier without increasing the overall budget:
 - a. \$50,000 operating expenditure in year 2 to complete the masterplan
 - b. \$1m capital expenditure in year 3
 - c. \$500,000 capital expenditure in year 4
7. Notes that the amalgamation of the funding for Hikurangi Sports Hub includes the replacement of the Lake Waro skatepark with a new skatepark at the Hikurangi Sports Hub.
8. Notes that the amalgamation of the funding for Hikurangi Sports Hub, as shown above in recommendation 6, includes existing projects included in the Long Term Plan as below:
 - a. Skatepark (\$343,000)
 - b. Playground (\$226,000)
 - c. Sports Hub (\$124,000)
 - d. Car Parking (\$298,000)
 - e. Drainage (\$323,000); and
 - f. Floodlights (\$373,000)

Totalling \$1,686,000 in the Long Term Plan.
9. Removes funding for existing conveniences investigation of \$100,000 from year 1 as this will be undertaken internally and the budget used to offset other increases.

Carried

Cr Yovich left the meeting at 10.17am during the discussion On Parks and Recreation. Cr Yovich rejoined the meeting via Teams at 10.20am.

Water

Moved By His Worship the Mayor
Seconded By Cr Simon Reid

That Council:

1. Acknowledges the feedback received on the topic.
2. Notes there are no recommended changes to this activity as set out in the Draft 2024-34 Long Term Plan Consultation Document.
3. Notes that most of the actions requested by submitters can be accommodated in Council's planned activities.
4. Notes that central government's Local Waters Done Well programme will provide greater certainty for future options for this activity.

Carried

Wastewater

Moved By His Worship the Mayor
Seconded By Cr Simon Reid

That Council:

1. Acknowledges the feedback received on the topic.
2. Notes there are no recommended changes to this activity as set out in the Draft 2024-34 Long Term Plan Consultation Document.
3. Notes that most of the actions requested by submitters are accommodated in Council's planned activities.
4. Notes that central government's Local Waters Done Well programme will provide greater certainty for future options for this activity.

Carried

Stormwater**Moved By** His Worship the Mayor**Seconded By** Cr Phoenix Ruka

That Council:

1. Acknowledges the feedback received on the topic.
2. Notes there are no recommended changes to this activity as set out in the Draft 2024-34 Long Term Plan Consultation Document.
3. Notes that most of the actions requested by submitters are accommodated in Council's planned activities.

Carried**Coastal System and Flood Management****Moved By** Scott McKenzie**Seconded By** Cr Nicholas Connop

That Council:

1. Acknowledges the feedback received on the topic.
2. Notes there are no recommended changes to this activity as set out in the Draft 2024-34 Long Term Plan Consultation Document.
3. Notes that most of the actions requested by submitters are accommodated in Council's planned activities.
4. Notes that funding of \$100,000 will be allocated to the Tutukaka boat ramp project.
5. Continues using the Coastal Protection Policy for assessing coastal protection.
6. Directs staff to undertake a review of targeted rates for specific coastal protection projects.

Carried

A short break was taken from 10.36am to 10.48am following discussions on Coastal System and Flood Management.

Flood Protection**Moved By** Cr Carol Peters**Seconded By** Cr Deborah Harding

That Council

1. Acknowledges the feedback received on the topic.
2. Notes there are no recommended changes to this activity as set out in the Draft 2024-34 Long Term Plan Consultation Document.

Carried

Solid Waste

Moved By His Worship the Mayor
Seconded By Cr Nicholas Connop

That Council

1. Acknowledges the feedback received on the topic.
2. Discontinues the twice weekly collection of waste from the coastal settlements in January in order that service levels across the district are consistent.

Carried

Community Facilities and Services / Strategy and Planning: Knowledge Precinct Plan, including new Theatre and the Redevelopment of Forum North

Moved By Cr Ken Couper
Seconded By Cr Carol Peters

That Council:

1. Acknowledges the feedback received on the topics.
2. Approves moving operating expenses and capital expenses funding currently allocated for the renovations of Forum North from years 1 and 2 of the Long Term Plan to years 1-4 of the Long Term Plan as follows:
 - a. Move \$400,000 operating expenses to year 1, divided between progressing the Knowledge Hub Precinct Plan and carrying out remedial works to keep the current Forum North venue spaces fit for purpose.
 - b. Move \$500,000 operating expenses to year 2 providing \$375,000 to fund potential Knowledge Precinct technical reports for any application to central government, and \$125,000 to bring forward the commitment by Council for design costs and a sustainable operating model for a new theatre in support of the Forum North Trust.
 - c. Move \$375,000 operating expenses to year 3 to fund potential Knowledge Precinct technical reports for any application to central government.

- d. Move \$750,000 capital expenses for Forum North Renovations from year 1 to year 3, and remove year 2 capital budget of \$2,500,000.
3. Notes the capital expenses funding allocated to the new theatre is unchanged between years 4-7 of the Long Term Plan.

Carried

Community Facilities and Services – Whangarei Art Trust (WAT)

Moved By Cr Carol Peters

Seconded By Cr Gavin Benney

That Council:

1. Acknowledges the feedback received on the topics.
2. Approves \$90,000 operating expenses funding in year 1 of the Long Term Plan to the Whangarei Art Trust, split between \$29,600 to the Hundertwasser Art Centre and \$60,400 to the Whangarei Art Museum to enable Whangarei Art Museum to deliver education programmes and top up the guarantee funding available for the Hundertwasser Art Centre.
3. Approves \$480,000 operating expenses funding in year 2 and \$480,000 operating expenses in year 3 of the Long Term Plan to the Whangarei Art Trust, which is additional funding to the existing operating grant.

On the motion being put Cr Yovich called for a division:

	For	Against	Abstain
His Worship the Mayor		X	
Cr Gavin Benney	X		
Cr Nicholas Connop	X		
Cr Phil Halse	X		
Cr Deborah Harding	X		

Cr Patrick Holmes	X	
Cr Scott McKenzie	X	
Cr Marie Olsen		X
Cr Carol Peters	X	
Cr Simon Reid		X
Cr Phoenix Ruka	X	
Cr Paul Yovich		X
Results	8	4

The Motion was Carried (8 to 4)

Declaration of Interest:

Cr Couper declared a conflict of interest as council's appointed representative to the Whangarei Art Trust. Cr Couper withdrew from the table and took no part in discussions on this matter.

Community Facilities and Services – Community Safety and CitySafe

Moved By Cr Gavin Benney

Seconded By His Worship the Mayor

That Council:

1. Acknowledges the feedback received on the topics.
2. Approves operating expenses funding of \$54,405 in years 1-3 of the Long Term Plan to maintain the CitySafe contract and provide the living wage until the right of renewal in 2027.

Carried

Community Facilities and Services – (Libraries, Community Property, Community Development, Community Funding, Pensioner Housing, Venues and Events, Customer Services, Civil Defence Emergency Management/CDEM)

Moved By Cr Carol Peters

Seconded By Cr Deborah Harding

That Council:

1. Acknowledges the submissions received and the issues raised, and that staff will address as many of the issues through their work programmes where possible where funding is not available.

2. Approves operating expenses funding of \$50,000 in years 1-4 of the Long Term Plan to progress the implementation of the Council Housing Strategy with a focus initially on new pensioner housing.
3. Approves operating expenses funding of \$60,000 in years 1-10 of the Long Term Plan to the Mayoral budget in support of large or major events for the Whangarei District.
4. Approves a reduction in operating expenses funding of \$48,000 across years 1-10 from the Venues and Events flags and decorations budget.

Amendment

Moved By Cr Ken Couper

Seconded By Cr Nicholas Connop

Recommendation 4 to be replaced with:

‘4. Request further investigation be done in relation to flags maintenance.’

**The amendment was Carried
and subsequently Carried
as the substantive Motion**

Support Services

Moved By Cr Deborah Harding

Seconded By Cr Nicholas Connop

That Council:

1. Acknowledges the feedback received on the topics.
2. Notes that no changes to the activities are proposed from that set out in the Draft 2024-34 Long Term Plan Consultation Document.

Carried

Planning and Development

Moved By Cr Ken Couper

Seconded By Cr Scott McKenzie

That Council:

1. Acknowledges the feedback received on the topics.

2. Notes the operational initiatives already in place relating to these submissions with no changes to the activity as set out in the Draft 2024-34 Long Term Plan Consultation Document.

Carried

Governance and Strategy Services

Moved By His Worship the Mayor

Seconded By Cr Carol Peters

That Council:

1. Acknowledges the feedback received on the topics.
2. Notes that no changes to the activity are proposed from that set out in the Draft 2024-34 Long Term Plan Consultation Document.

Carried

Māori Outcomes

Moved By Cr Deborah Harding

Seconded By Cr Phil Halse

That Council:

1. Prioritises investment to the development of a Māori Engagement framework including:
 - a) Designing and implementing a system for Māori Engagement.
 - b) Establishing Hapū consenting capability and capacity to expediate consenting processes.
 - c) Establishing Hapū positions in Council's project framework for Steering and Control Groups.
2. Approves operating expenses funding of \$115,000 operating expenses per annum through years 1 to 10 of the Long Term Plan to support this work.

Carried

Crs Olsen and Yovich requested their votes against be recorded.

Aquatic Centre Repairs

Moved By Cr Patrick Holmes

Seconded By Cr Carol Peters

That Council:

1. Approves a capital grant of \$2.2m (funded by debt) in year 1 of the Long Term Plan to Sport Northland for critical plant repairs and replacements.
2. Allocates an additional \$650,000 capital grant (funded by debt) in year 2 of the Long Term Plan to address the most urgent non critical renewals.
3. Allocates \$20,000 operating expenses in year one for a business case to evaluate the long term investment path for the Aquatic Centre.
4. Directs staff to commence planning for future aquatic facilities that is aligned to the planning of a Sports/Recreation Hub.
5. Notes that indications are that Council may need to bring the Aquatic Centre 'in house' and that this option may trigger a future consultation process.
6. Notes that \$1.6m operating expenses funding may be required for remaining renewal items over year 3-10 of the Long Term Plan but that this requirement will be considered in more depth for the next Long Term Plan once the business case has been completed.

Amendment

Moved By Cr Phil Halse

Seconded By Cr Simon Reid

That Council:

1. Approves a capital grant of \$2.2m (funded by debt) in year 1 of the Long Term Plan to Sport Northland for critical plant repairs and replacements.
2. Allocates an additional \$650,000 capital grant (funded by debt) in year 2 of the Long Term Plan to address the most urgent non critical renewals.
3. Allocates \$20,000 operating expenses in year one for a business case to evaluate the long term investment path for the Aquatic Centre.
4. Notes that \$1.6m operating expenses funding may be required for remaining renewal items over year 3-10 of the Long Term Plan but that this requirement will be considered in more depth for the next Long Term Plan once the business case has been completed.
5. Request Sport Northland and/or their management company review the admission price to help cover costs.

On the motion being put His Worship called for a division:

	For	Against	Abstain
His Worship the Mayor		X	
Cr Gavin Benney	X		
Cr Nicholas Connop		X	
Cr Ken Couper	X		
Cr Phil Halse	X		
Cr Deborah Harding	X		
Cr Patrick Holmes	X		
Cr Scott McKenzie		X	
Cr Marie Olsen	X		
Cr Carol Peters	X		
Cr Simon Reid	X		
Cr Phoenix Ruka	X		
Cr Paul Yovich	X		
Results	10	3	

The Motion was Carried (10 to 3)

Hikurangi and Oakura Wastewater Treatment Plan Consents and Renewals

Moved By Cr Gavin Benney

Seconded By Cr Simon Reid

That Council:

1. Acknowledges the requirement to apply for Resource Consents Renewals for the Hikurangi and Oakura Wastewater treatment plants.
2. Approves bringing forward \$320,000 from years 6 and 7 to years 1 and 2 of the Long Term Plan for wastewater treatment plant consents.

Carried

Large Event Funding

Moved By Cr Gavin Benney

Seconded By Cr Simon Reid

That Council:

1. Approves operating expenses funding of \$350,000 in year 1 and \$215,000 in year 2 of the Long Term Plan to provide an opportunity for Council to exclusively host an NRL game featuring the NZ Warriors in 2025 at the Northland Events Centre.
2. Encourages staff to seek alternative funding through external funding agencies.
3. Resolves that alternative funding will mean that any surplus from the Large Event Fund will be available for other events.

Carried

Cr Holmes requested his vote against be recorded.

Cr Connop abstained from voting on this item.

Northland Events Centre Trust 2021 Annual Operating Grant

Moved By Cr Gavin Benney

Seconded By Cr Phil Halse

That Council:

1. Acknowledges the concerns of the Northland Events Centre Trust 2021 regarding the expenses of the lease.
2. Retains the current annual operating grant of \$662,784 for Northland Events Centre Trust 2021 in the Long Term Plan.
3. Continues to pay commercial rates on behalf of Northland Events Centre Trust 2021.
4. Reviews the annual operating grant amount for Northland Events Centre Trust 2021 once the Stadium Asset Management and Maintenance Plan is complete and future costs are known.

Carried

AH Reed Canopy Walkway

Moved By Cr Nicholas Connop

Seconded By Cr Carol Peters

That Council approve additional operating expenses funding of \$50,000 in year 1 of the Long Term Plan for the detailed investigation of the AH Reed canopy walkway.

Carried

Cr Benney left the meeting following this item. Cr Benney rejoined the meeting for the Rates Increases item via Teams.

Rating Policy

Moved By His Worship the Mayor

Seconded By Cr Carol Peters

That Council:

1. Acknowledges the feedback received on the topic.
2. Notes that the issues raised will be considered at the next review of the rating policy.
3. Notes that the rating policy review is conducted after the completion of the 2024 General Rating Revaluation so that the impacts on all ratepayers from any changes can be fully understood.

Carried

Changes to the Capital Programme including Elected Member proposed Changes (page 22 of the minutes) was taken after the Rating Policy.

Rates Increases

Procedural Motion

Moved By Cr Halse

Seconded By Cr Simon Reid

That this item does lie on the table and not be discussed at this meeting.

On the procedural motion being put Cr Halse called for a division:

	For	Against	Abstain
His Worship the Mayor	X		
Cr Nicholas Connop		X	
Cr Ken Couper		X	
Cr Phil Halse	X		
Cr Deborah Harding			X
Cr Patrick Holmes		X	
Cr Scott McKenzie		X	
Cr Marie Olsen	X		

Cr Carol Peters		X
Cr Simon Reid	X	
Cr Phoenix Ruka		X
Cr Paul Yovich	X	
Results	5	6

The Procedural Motion was Lost (5 to 6)

Motion

Moved By His Worship the Mayor
Seconded By Cr Scott McKenzie

That Council:

1. Acknowledges the feedback received on the topic.
2. Approves increasing general rates by 17.2% for 2024-25.
3. Approves increasing the targeted rates for 2024-25:
 - a. wastewater rates by 2.9%;
 - b. water rates by 5.4%;
 - c. flood protection rates by 4.9%.
4. Notes Council's responsibility to continue to provide the necessary services to the community within its financial benchmarks.
5. Instructs staff to continue to work with ratepayers struggling to make rates payments.

On the motion being put Cr Reid called for a division:

	For	Against	Abstain
His Worship the Mayor	X		
Cr Gavin Benney	X		
Cr Nicholas Connop	X		
Cr Ken Couper	X		
Cr Phil Halse		X	
Cr Deborah Harding	X		
Cr Patrick Holmes	X		
Cr Scott McKenzie	X		
Cr Marie Olsen		X	

Cr Carol Peters	X	
Cr Simon Reid		X
Cr Phoenix Ruka		X
Cr Paul Yovich		X
Results	8	5

The Motion was Carried (8 to 5)

Cr Benney was absent for the vote on the procedural motion.

Cr Benney re-joined the meeting via Teams at 2.10pm, during discussions on this item.

Cr Yovich left the meeting at 2.45pm following voting on the rates increases. Cr Yovich rejoined the meeting during Item 5.3.

Spending and Debt

Moved By His Worship the Mayor

Seconded By Cr Simon Reid

That Council:

1. Acknowledges the feedback received on the topic.
2. Notes that changes to both debt and expenses will be required as a result of other decisions made through the deliberations process.
3. Notes that in order to incorporate additional operational expenses arising from deliberations, as contained within recommendations above, a pro-rata budget reduction will be applied to existing budgets across Council activities, excluding Transportation. Management will provide additional information as to the allocation of these cuts in a separate briefing.
4. Continues to explore opportunities to reduce costs and improve efficiencies where practicable.

Carried

Consultation and Engagement

Moved By His Worship the Mayor

Seconded By Cr Nicholas Connop

That Council:

1. Acknowledges the feedback received on the topic.
2. Instructs officers to investigate options for engagement tools.

Carried

Crs Halse and Reid requested their votes against be recorded.

Item 5.3 was taken after Consultation and Engagement.

Changes to the Capital Programme including Elected Member Proposed Changes

The meeting adjourned to enable the potential impacts of a motion proposed by Cr McKenzie to be analysed. Following the break a revised motion was proposed for discussion.

Moved By Cr Scott McKenzie

Seconded By Cr Phoenix Ruka

That the Council:

1. Brings forward \$300,000 in year 1 of capital expenditure on community led cycle projects from year 4 and \$600,000 from year 5 (a total of \$900,000) into years 1,2 & 3 to allow delivery of the Waipu and One Tree Point community led cycle projects in the first three years of the Long Term Plan (refer recommendation 3)(Elected Member Proposed Change). Years 4, 5 and 6 have no funding.
2. Reduce the capital expenditure on community led cycle projects by \$1,000,000 over 10 years, noting the reduction is not to affect the Waipu and One Tree Point Projects (refer recommendation 3)(Elected Member Proposed Change).
3. Notes that bringing forward the \$900,000 for the Waipu and One Tree Point projects (recommendation 1) along with reducing the capital expenditure on community led cycle projects by \$1,000,000 over the 10 years of the Long Term Plan (recommendation 2), will result in the following budget for this programme (Elected Member Proposed Change):
Year 1-\$300,000, Year 2-\$650,000, Year 3-\$350,000, Years 4 to 10 no funding.
4. Reduce the capital expenditure in the Long Term Plan on mid-block raised priority crossings (Zebra/Signal) by a total \$2,000,000 across years 3 to 6, and notes that this will result in the following budget for this programme (Elected Member Proposed Change): Years 1 & 2 \$500,000, Year 3 \$400,000.
5. Reduce the capital expenditure on works on John Street by \$13,200,000 and bring the project forward to Year 4 of the Long Term Plan.
6. Provide a sum of \$10,000,000 for urban design upgrades spread equally from Years 4 to 7 of the LTP.
7. Reduce the capital expenditure on fleet replacement by \$500,000 over the 10 years (\$50k per year) of the Long Term

Plan and notes that this will result in the following budget for this programme (Elected Member Proposed Change): Year 1-10 \$227,875/annum

8. Reduces the capital expenditure on coastal seawall renewals by removing \$100,000 from year 1 of the Long Term Plan and notes that this will result in the following budget for this programme (Staff Recommendation):
Year 1- \$125,000, Year 2-\$225,000, Year 3-\$463,660, Year 4-\$189,996, Year 5-\$0,
Year 6- \$71,265, Year 7-\$63,785, Year 8-\$70,537, Year 9-\$0, Year 10-\$0.
9. Reduce the capital expenditure on the resurfacing of off-street carparks by removing \$200,000 from year 1 of the Long Term Plan and notes that this will result in the following budget for this programme (Staff Recommendation): Year 1- \$0, Year 2-10 \$200k/annum.
10. Include \$20,000 in year 1 and \$300,000 in year 2 for the Onerahi Domain Lighting subject to the requirements associated with the airport or other planning requirements.
11. Approve an additional capital budget of \$1 m in each of years 1, 2 and 3 for the investigation and building of public conveniences in Maungatapere Village Year 1, Parua Bay Year 2 and Pipiwai area in Year 3 and other priority level projects within the community facilities and services activity. Any expenditure on these projects will require authorisation by resolution of full Council and will be recognised within the appropriate activity. This will be debt funded. (Elected Member Proposed Change).
12. Notes that, as outlined in the cover Agenda and the Issues and Options Briefing report, Airport capital expenditure has been increased to reflect the capital programme presented to Strategy Planning and Development through its consideration of the draft Airport Statement of Intent (SOI), and to the Ministry of Transport (MoT) as being required over the next 4 years in order to maintain operations, manage risk and ensure health and safety at the airport. Where applicable commentary will be included in the final Long Term Plan and SOI detailing the projects that are not yet funded by MoT, noting that they will not proceed if MoT funding is not approved (Staff Recommendation).

Amendment

Moved By Cr Simon Reid

Seconded By Cr Paul Yovich

That recommendation 6 '*Provide a sum of \$10,000,000 for urban design upgrades spread equally from Year 4 to 7 of the LTP.*', be deleted from the motion.

On the motion being put Cr Reid called for a division:

	For	Against	Abstain
His Worship the Mayor	X		
Cr Nicholas Connop		X	
Cr Ken Couper		X	
Cr Phil Halse	X		
Cr Deborah Harding		X	
Cr Patrick Holmes		X	
Cr Scott McKenzie		X	
Cr Marie Olsen	X		
Cr Carol Peters		X	
Cr Simon Reid	X		
Cr Phoenix Ruka			X
Cr Paul Yovich	X		
Results	5	6	

The Amendment was Lost (6 to 5)

The meeting adjourned from 12.29pm to 1.30pm.

Cr Benney did not rejoin the meeting immediately following the lunch break. Cr Benney was off line for the vote on the Amendment.

Cr Olsen was off line from 1.46pm to 1.50pm.

Procedural Motion

Moved By Cr Ken Couper

Seconded By Cr Carol Peters

That the motion now be put.

On the Procedural motion being put Cr Reid called for a division:

	For	Against	Abstain
His Worship the Mayor	X		
Cr Nicholas Connop	X		
Cr Ken Couper	X		
Cr Phil Halse		X	
Cr Deborah Harding	X		
Cr Patrick Holmes	X		

Cr Scott McKenzie		X	
Cr Marie Olsen			X
Cr Carol Peters	X		
Cr Simon Reid		X	
Cr Phoenix Ruka	X		
Cr Paul Yovich		X	
Results	7	4	

The Procedural Motion was Carried (7 to 4)

Cr Benney was off line for the vote on the Procedural Motion

On the motion being put Cr Yovich called for a division:

	For	Against	Abstain
His Worship the Mayor	X		
Cr Nicholas Connop	X		
Cr Ken Couper	X		
Cr Phil Halse	X		
Cr Deborah Harding	X		
Cr Patrick Holmes	X		
Cr Scott McKenzie	X		
Cr Marie Olsen		X	
Cr Carol Peters	X		
Cr Simon Reid		X	
Cr Phoenix Ruka	X		
Cr Paul Yovich		X	
Results	9	3	

The Motion was Carried (9 to 3)

Cr Benney was off line for the vote on the motion. Cr Benney rejoined the meeting during discussion on the rates increases.

Extra ordinary business

Subsequent to the agenda being circulated Item 5.3 Submission on Local Government (Electoral Legislation and Maori Wards and Maori Constituencies) Amendment Bill was distributed separately but not within the time frame specified in LGOIMA.

Moved By Cr Deborah Harding

Seconded By Cr Carol Peters

That council consider Item 5.3 Submission on Local Government (Electoral Legislation and Maori Wards and Maori Constituencies) Amendment Bill at today's meeting.

Carried

5.3 Submission on Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Bill

Moved By Cr Deborah Harding

Seconded By Cr Carol Peters

That the Council approves the submission (Attachment 1) on the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Bill be submitted for consideration by the Select Committee, subject to any typographical changes to be made.

Carried

Cr Yovich was offline during discussions on Item 5.3, Cr Yovich re-joined the meeting for the vote on Item 5.3.

Crs Olsen and Yovich requested their votes against Item 5.3 be recorded.

6. Closure of Meeting / Te katinga o te Hui

Cr Ruka closed the meeting at 2.47pm with a karakia/prayer.

Confirmed this 27th day of June 2024

His Worship the Mayor Vince Cocurullo (Chairperson)

4.4 2024-2025 Rates Resolution

Meeting: Whangarei District Council
Date of meeting: 16 July 2024
Reporting officer: Alan Adcock (General Manager Corporate/CFO)

1 Purpose / Te Kaupapa

To set the rates, due dates for payment and the penalty regime for Whangarei District for the year commencing on 1 July 2024 and ending on 30 June 2025, under the Local Government (Rating) Act 2002.

2 Recommendations / Whakataunga

That the Council:

- Having adopted the 2024-34 Long Term Plan, including the 2024-25 Funding Impact Statement, resolves to set the following rates in accordance with the Local Government (Rating) Act 2002 for the financial year commencing on 1 July 2024 and ending on 30 June 2025:

a. General Rates

Rate/Differential category	Basis of assessment	Including GST
General Rates		
Uniform Annual General Charge	Per separately used or inhabited part of a rating unit *	\$821.00
Residential category**	Per \$ of land value	\$0.0027338
Multi-Unit category**	Per \$ of land value	\$0.0054676
Miscellaneous category**	Per \$ of land value	\$0.0027338
Rural category**	Per \$ of land value	\$0.0039244
Commercial and Industrial category**	Per \$ of land value	\$0.0147841

b. Targeted Rates

Rate/Differential category	Basis of assessment	Including GST
Sewerage Rates (Connected to wastewater system)		
Residential category**	Per separately used or inhabited part of a rating unit*	\$928.00
Other – non-residential**	Per pan or urinal	\$601.00
Water Rates		
Consumption charge <i>Note: where an invoice for water by meter relates to a period that spans two financial years, the consumption</i>	Volume of metered water consumed per cubic metre	\$3.38

<i>over the period will be pro-rated (i.e. the amount of water consumed or supplied in the first year will be charged at the first year's amount per cubic metre, and the amount consumed or supplied in the second financial year will be charged at the second year's amount per cubic metre).</i>		
Supply charge (metered)	Per separately used or inhabited part of a rating unit to which the water is supplied*	\$40.00
Availability charge	Per separately used or inhabited part of a rating unit for which the water is available to be supplied*	\$40.00
Uniform charge (unmetered)	Per separately used or inhabited part of a rating unit to which the water is supplied*	\$555.00
Backflow preventer charge	Per water supply connection, based on the nature of connection	
	15/20mm connection	\$94.22
	25mm connection	\$95.50
	32mm connection	\$112.98
	40mm connection	\$115.63
	50/60mm connection	\$119.96
	80/100mm connection	\$302.13
	150mm connection	\$353.69
	200/250mm connection	\$585.79
Hikurangi Swamp		
Hikurangi Swamp Special Rating District	Per hectare of land in the Hikurangi Swamp Special Rating District based on location within that area***	
	Class A approx 2,485ha	\$234.12
	Class B approx 1,425ha	\$210.70
	Class C approx 1,342ha	\$163.87
	Class D approx 1,970ha	\$23.40
	Class E approx 1,106ha	\$11.71
	Class F approx 32,354ha	\$4.68
Hikurangi Swamp Drainage Rating District	Per hectare of land in the Hikurangi Swamp Drainage Rating District based on location within that area***	
	Class A approx 5,592 ha	\$23.69
	Class F approx 12,076ha	\$2.37

Roading seal extension rates	Per rating unit within the area of benefit ***	\$920.00
Attwood Road	Per rating unit within the area of benefit ***	\$920.00
Brooks Road	Per rating unit within the area of benefit ***	\$1150.00
Glenmohr Road	Per rating unit within the area of benefit ***	\$1150.00
Knight Road	Per rating unit within the area of benefit ***	\$920.00
Massey Road	Per rating unit within the area of benefit ***	\$1150.00
Mountain View Road	Per rating unit within the area of benefit ***	\$920.00
Nook Road	Per rating unit within the area of benefit ***	\$920.00
Tahunatapu Road	Per rating unit within the area of benefit ***	\$1150.00
Tudehope Road	Per rating unit within the area of benefit ***	\$920.00
Waiotoi Road	Per rating unit within the area of benefit ***	

* The definition of a separately used or inhabited part of a rating unit can be found in the Funding Impact Statement section of Council's 2024-34 Long Term Plan.

** The definitions of these differential categories can be found in the Funding Impact Statement section of Council's 2024-34 Long Term Plan.

*** The definitions of these specified and defined area of benefits can be found in the Funding Impact Statement section of Council's 2024-34 Long Term Plan.

2. Resolves that the due dates for payment of rates and imposition of penalties are as follows:

a. Due dates and penalty dates for rates other than metered water rates (volumetric, supply and backflow preventer charges)

The due dates for rates other than metered water rates (volumetric, supply and backflow preventer charges) are set out in the table below. Pursuant to Section 57 of the Local Government (Rating) Act 2002 a penalty of ten percent (10%) will be added to the amount of each instalment which remains unpaid after the due date for payment with penalties to be added on the penalty dates specified in the table below:

Instalment	Due date for payment	Date penalty will be added
One	20 August 2024	22 August 2024
Two	20 November 2024	23 November 2024
Three	20 February 2025	24 February 2025
Four	20 May 2025	22 May 2025

b. Due dates and penalty dates for metered water rates (volumetric, supply and backflow preventer charges)

Water accounts are processed monthly, two-monthly or six-monthly. The due dates of these accounts will be relative to the consumer's cyclic billing period and will apply as specified in the table below:

Month water rates invoice issued	Due date for payment
July 2024	20 August 2024
August 2024	20 September 2024
September 2024	20 October 2024
October 2024	20 November 2024
November 2024	20 December 2024
December 2024	20 January 2025
January 2025	20 February 2025
February 2025	20 March 2025
March 2025	20 April 2025
April 2025	20 May 2025
May 2025	20 June 2025
June 2025	20 July 2025

Penalties will be added to water rates (volumetric, supply and backflow preventer charges) not paid by the due date under Section 57 of the Local Government (Rating) Act 2002. A penalty of ten percent (10%) will be applied to any portion of water rates unpaid after the due date, at the penalty dates specified in the table below:

Month water rates invoice issued	Date penalty will be added
July 2024	22 August 2024
August 2024	24 September 2024
September 2024	23 October 2024
October 2024	22 November 2024
November 2024	23 December 2024
December 2024	22 January 2025
January 2025	24 February 2025
February 2025	24 March 2025
March 2025	23 April 2025
April 2025	22 May 2025
May 2025	24 June 2025
June 2025	23 July 2025

- Resolves that additional penalty charges will be applied in accordance with section 58 of the Local Government (Rating) Act 2002, with a penalty of ten percent (10%) being added to any unpaid rates (including penalties previously added and water rates) from previous rating years that remain unpaid as at 16 July 2024. This penalty will be added on 16 September 2024.

3 Background / Horopaki

This paper has been prepared in accordance with the Revenue and Financing Policy included in the 2024-34 Long Term Plan and the Funding Impact Statement included in the 2024-34 Annual Plan.

Section 23 of the Local Government (Rating) Act 2002 requires that rates be:

- a) Set by a resolution of the local authority;
- b) Set in accordance with the relevant provisions of the local authority's Long Term Plan and Funding Impact Statement for the relevant financial year.

All references in this agenda to sections or schedules of an Act are references to provisions in the Local Government (Rating) Act 2002.

All rates for the 2024-25 financial year include Goods and Services Tax (GST).

Pursuant to section 23(5) of the Local Government (Rating) Act 2002, the rates resolution will be made publicly available on Council's website within 20 working days after it is made.

This resolution has been subject to a legal compliance review.

4 Discussion / Whakawhiti kōrero

Under section 23 of the Local Government (Rating) Act 2002 Council is required to set its rates by resolution.

This agenda provides for Council to set rates for the year commencing on 1 July 2024 and ending on 30 June 2025

5 Significance and engagement / Te Hira me te Arawhiti

Council's 2024-34 Long Term Plan has been prepared and adopted in accordance with section 93 of the Local Government Act 2002 and contains the Funding Impact Statement for the 2024-25 year. The rates set have been established as part of the 2024-34 Long Term Plan process. The decisions in this report are pursuant to the Local Government (Rating) Act 2002.

The process for the setting of rates for the 2024-25 financial year was included as part of the community engagement process for the 2024-34 Long Term Plan.

RESOLUTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following parts of proceedings of this meeting.

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

1.	The making available of information would be likely to unreasonably prejudice the commercial position of persons who are the subject of the information. {Section 7(2)(c)}
2.	To enable the council (the committee) to carry on without prejudice or disadvantage commercial negotiations. {(Section 7(2)(i))}.
3.	To protect the privacy of natural persons. {Section 7(2)(a)}.
4.	Publicity prior to successful prosecution of the individuals named would be contrary to the laws of natural justice and may constitute contempt of court. {Section 48(1)(b)}.
5.	To protect information which is the subject to an obligation of confidence, the publication of such information would be likely to prejudice the supply of information from the same source and it is in the public interest that such information should continue to be supplied. {Section 7(2)(c)(i)}.
6.	In order to maintain legal professional privilege. {Section 2(g)}.
7.	To enable the council to carry on without prejudice or disadvantage, negotiations {Section 7(2)(i)}.

Resolution to allow members of the public to remain

If the council/committee wishes members of the public to remain during discussion of confidential items the following additional recommendation will need to be passed:

Move/Second

"That _____ be permitted to remain at this meeting, after the public has been excluded, because of his/her/their knowledge of Item _____.

This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because _____.

Note:

Every resolution to exclude the public shall be put at a time when the meeting is open to the public.