

# Whangarei District Council Meeting

## Agenda

**Date:** Thursday, 28 June, 2018

**Time:** 10:30 am

**Location:** Council Chamber  
Forum North, Rust Avenue  
Whangarei

**Elected Members:** Her Worship the Mayor Sheryl Mai  
(Chairperson)  
Cr Stu Bell  
Cr Gavin Benney  
Cr Crichton Christie  
Cr Vince Cocurullo  
Cr Tricia Cutforth  
Cr Shelley Deeming  
Cr Sue Glen  
Cr Phil Halse  
Cr Cherry Hermon  
Cr Greg Innes  
Cr Greg Martin  
Cr Sharon Morgan  
Cr Anna Murphy

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

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## **7. Information Reports**

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## **8. Public Excluded Business**

- 8.1 Minutes Whangarei District Council Meeting 31 May 2018
- 8.2 Civic Honours Selection Committee - Approval of Recommendations
- 8.3 Trustee Appointments - Northland Event Centre Trust

## **9. Closure of Meeting**



## 4 Public Forum

**Meeting:** Whangarei District Council  
**Date of meeting:** 28 June 2018  
**Reporting officer:** C Brindle (Senior Democracy Adviser)

### 1 Purpose

To afford members of the Community an opportunity to speak to Council and to report on matters raised at previous public forums when appropriate.

### 2 Background

#### Public Forum

Standing Orders allow for a period of up to 30 minutes to be set aside for a public forum at the commencement of each monthly council meeting.

The time allowed for each speaker is 5 minutes.

Members of the public who wish to participate should send a written application setting out the subject matter and the names of the speakers to the Chief Executive at least 2 working days before the day of the meeting.

#### Speaker:

At the time of the agenda closure no applications to speak at public forum had been received.

#### Report on previous Public Forum

Where practicable actions taken on matters raised by previous speakers are reported back to public forum.

Speaker	Subject
Brian May	Various subjects
<b>Report</b> <u>Rates</u> <ul style="list-style-type: none"> <li>Proposed rates increase for moteliors exorbitant.</li> <li>Proposed residential rate increase – affordability/ability to pay will be an issue for some people.</li> </ul>	

*Response*

During the Long Term Plan process council considered changing the classification of motels from the multi-unit to the commercial category. This change was not supported and the proposal is being dropped.

The proposed rates increase is modest and ensures council has a balanced budget that provides adequate funding for our infrastructure and other spending, enables growth and preserves our current level of service.

Feedback from the consultation with the community indicated that the community is largely comfortable with the current rating structure.

The rates rebate system supports low income households and council assist ratepayers to benefit from this system.

Roading contracts need to be reviewed

Council routinely reviews contracts upon their expiry. For example, the Roothing Maintenance contracts were recently retendered and new contracts will be presented to Council shortly.

Council decision making

- Does not seem to be proportionate to the significance of the decision e.g. 2 minutes spent on debating rates increases and 38 minutes spent debating roading contract.
- Potential conflicts of interest particularly Rugby, Hockey etc.
- Council should have regard to Section 14 (g) Local Government Act when making their decisions.

*Response*

Elected Members are aware of their governance responsibilities and routinely declare both interests and conflicts of interest.

Hundertwasser funding

- \$1.5m given to Hundertwasser – are ratepayers being groomed for another donation?

*Response*

Council is complying with the terms of the binding referendum which authorised a contribution of \$2.9M (plus inflation) to the Hundertwasser project. Council is not intending to contribute further to the build costs.

Community fund raising for the proposed Hundertwasser building met its official target of \$21m last June. Recently the project received a further grant from the Provincial Growth Fund which means that sufficient money has been raised to complete the Hundertwasser build. Council has not included funding the 2018-202 Long Term Plan for the Hundertwasser project.

In 2017 Council decided that to mitigate Council's risks WDC staff would have some indirect oversight of the project to ensure that various elements would be completed to the standard required as if Council was undertaking the project itself.

Debt level

- What council are spending money on is a concern, e.g. cost of the Branding project vs spending on essential infrastructure. I don't want future generations (my grandchildren) to inherit debt.

*Response*

Council has a strong record of building and maintaining essential infrastructure. Roading, water and wastewater assets are strong and the proposed 2018-2028 Long Term Plan will significantly increase funding for stormwater. The advantage of borrowing to pay for large projects is that it ensures the cost of all the things we need are paid for by the generations that will benefit from them, rather than one generation payment for several future generations' assets and services. We call that intergenerational equity. Basically, I'll pay my share now if you pay yours in the future. That's how council funds big capital projects and how we ensure everyone pays their fair share.

### **3 Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda publication on Council's website.





**Item 5.1****Whangarei District Council Meeting Minutes**

**Date:** Thursday, 31 May, 2018  
**Time:** 10:30 a.m.  
**Location:** Council Chamber  
Forum North, Rust Avenue  
Whangarei

**In Attendance**

Her Worship the Mayor Sheryl Mai  
(Chairperson)  
Cr Stu Bell  
Cr Gavin Benney  
Cr Crichton Christie  
Cr Vince Cocurullo  
Cr Tricia Cutforth  
Cr Shelley Deeming  
Cr Sue Glen  
Cr Phil Halse  
Cr Cherry Hermon  
Cr Greg Innes  
Cr Greg Martin  
Cr Sharon Morgan  
Cr Anna Murphy

**Scribe** C Brindle (Senior Democracy Adviser)

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**1. Karakia/Prayer**

Cr Cocurullo opened the meeting with a karakia/prayer.

**2. Declarations of Interest**

Open Session:

Item 6.4 – Ted Elliott Memorial Pool Complex Agreement 2001 Legal Opinion and Whangarei Aquatic Centre Lease

Item 6.5 – Draft Walking and Cycling Strategy – Public Consultation

Item 6.8 – Request for Private Development Contributions Agreement by Fred Morgan

Closed Session:

Item 1.3 – Whangarei Aquatic Centre Management

Item 1.4 – Trustee Appointment – Whangarei Art Museum

**3. Apologies**

There were no apologies.

**4. Public Forum Report**

Brian May – various subjects

**5. Confirmation of Minutes of Previous Meeting of the Whangarei District Council**

**5.1 Minutes of the Whangarei District Council Meeting held 26 April 2018**

**Moved By** Cr Cherry Hermon

**Seconded By** Cr Sharon Morgan

That the minutes of the Whangarei District Council meeting held on Thursday 26 April, including the confidential section, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.

**Carried**

**5.2 Minutes of the Whangarei District Council Meeting held 20 April 2018**

**Moved By** Cr Phil Halse

**Seconded By** Cr Anna Murphy

That the minutes of the Whangarei District Council meeting held on Friday 20 April 2018, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.

**Carried**

**5.3 Minutes of the Whangarei District Council Meeting held 16 May 2018**

**Moved By** Cr Sue Glen

**Seconded By** Cr Sharon Morgan

That the minutes of the Whangarei District Council meeting held on Wednesday 16 May 2018, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings.

**Carried**

## 6. Decision Reports

### 6.1 Notice of motion - Councillor Martin

**Moved By** Cr Greg Martin

**Seconded By** Cr Vince Cocurullo

Item 6.1 was taken in parts.

That Council;

- (i) Confirm the land the Civic Centre is to be located on, be in council ownership; and any future buildings, be in council ownership.

Procedural motion

**Moved By** Cr Stu Bell

**Seconded By** Cr Phil Halse

That the motion now be put.

**Lost**

*On the motion being put Cr Glen called for a division:*

<b>Recorded</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
Her Worship the Mayor		X	
Cr Stu Bell		X	
Cr Gavin Benney		X	
Cr Crichton Christie	X		
Cr Vince Cocurullo	X		
Cr Tricia Cutforth	X		
Cr Shelley Deeming	X		
Cr Sue Glen	X		
Cr Phil Halse		X	
Cr Cherry Hermon		X	
Cr Greg Innes		X	
Cr Greg Martin	X		
Cr Sharon Morgan		X	
Cr Anna Murphy	X		

<b>Results</b>	<b>7</b>	<b>7</b>	<b>0</b>
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**Casting Vote (7 to 7)**  
**The motion was Lost**  
**on the casting vote of Her Worship the Mayor**

(ii) That Council,

Review the specification documents for the proposed Civic Centre, prior to seeking expressions of interest from the private sector.

**Carried**

(iii) That Council,

Confirm that the selection criteria and level of evaluation for all proposals for the Civic Centre, will be consistent.

*On the motion being put Cr Glen called for a division:*

<b>Recorded</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
Her Worship the Mayor	X		
Cr Stu Bell	X		
Cr Gavin Benney	X		
Cr Crichton Christie	X		
Cr Vince Cocurullo	X		
Cr Tricia Cutforth	X		
Cr Shelley Deeming	X		
Cr Sue Glen	X		
Cr Phil Halse	X		
Cr Cherry Hermon	X		
Cr Greg Innes	X		
Cr Greg Martin	X		
Cr Sharon Morgan	X		
Cr Anna Murphy	X		
<b>Results</b>	<b>14</b>		

**Carried (Unanimous)**

iv) That Council,

Confirm the development of a future theatre is included as an additional option in the specification and budget, when seeking expressions of interest, for the RSA/Forum North combined site.

*On the motion being put Cr Martin called for a division:*

<b>Recorded</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
Her Worship the Mayor		X	
Cr Stu Bell		X	
Cr Gavin Benney		X	
Cr Crichton Christie	X		
Cr Vince Cocurullo	X		
Cr Tricia Cutforth			X
Cr Shelley Deeming	X		
Cr Sue Glen	X		
Cr Phil Halse		X	
Cr Cherry Hermon		X	
Cr Greg Innes		X	
Cr Greg Martin	X		
Cr Sharon Morgan		X	
Cr Anna Murphy			X
<b>Results</b>	<b>5</b>	<b>7</b>	<b>2</b>
			<b>Lost</b>

## **6.2 Infrastructure Designations Review and Amendment to Infrastructure – Resource Management Act 1991, Delegations**

**Moved By** Cr Sharon Morgan

**Seconded By** Cr Stu Bell

That the Council:

1. Approves implementation of the recommended actions contained within the Infrastructure Designations Review Report, dated April 2018.

2. Approves the addition of the following delegations to the Delegations Manual 2014:

11. Infrastructure and Services  
11.2. Statutory Delegations

Resource Management Act 1991

Ref	Section(s)	Delegations	Delegated to	Conditions/Notes
RMA-IS02	various	Authority to request the rollover of designations, minor corrections, alterations, uplifts and new notices of requirement as a 'requiring authority' under the Act.	GM Infrastructure, all Infrastructure Dpt Mgrs	

Amendment

**Moved By** Cr Greg Innes

**Seconded By** Cr Anna Murphy

That the General Manager Strategy and Democracy be added to the list of delegations.

**The amendment was Lost  
The motion was Carried**

### 6.3 Community Garden Policy

**Moved By** Cr Sue Glen

**Seconded By** Cr Cherry Hermon

That the Council adopts the Community Garden Policy as attached.

**Carried**

*Cr Deeming left the meeting from 11.42am to 11.44am during discussions on Item 6.3.*

**6.4 Ted Elliott Memorial Pool Complex Agreement 2001  
Legal Opinion and Whangarei Aquatic Centre Lease**

**Moved By** Cr Phil Halse

**Seconded By** Cr Greg Martin

That Council approves the lease of the Recreation Reserve (Section 1 SO 482411), on which the Whangarei Aquatic Centre is located, to Sport Northland, for \$1.00 for a period of 33 years, with two 33 year rights of renewal.

**Carried**

*Declaration of interest:*

*Her Worship the Mayor as Council's appointed representative on the Sport Northland Trust Board.*

**6.5 Draft Walking and Cycling Strategy 2018 - Public Consultation**

**Moved By** Cr Cherry Hermon

**Seconded By** Cr Anna Murphy

That Whangarei District Council:

- a) Adopts the Draft Walking and Cycling Strategy and Statement of Proposal in Attachment 1 for public consultation in accordance with the Special Consultative Procedures set out in Section 83 of the Local Government Act 2002.
- b) Authorises the Chief Executive to make any minor amendments, including typographical/formatting/editing changes to the Draft Walking and Cycling Strategy if required.

**The motion was Carried**

Procedural motion

**Moved By** Cr Greg Martin

**Seconded By** Cr Phil Halse

That the motion now be put.

**Carried**

*Declaration of interest:*

*Cr Bell as Bike Northland's Cycling Coordinator.*

*The meeting adjourned from 12.15pm to 12.30pm following Item 6.5.*

## 6.6 Recommendation from the Community Funding Committee

**Moved By** Cr Crichton Christie

**Seconded By** Cr Anna Murphy

That having considered the recommendation of the Community Funding Committee on 9 May 2018; Council

1. Approves an interest-free community loan of \$30,000 to the Ngunguru Sports and Recreation Society for carpark sealing.

**Carried**

## 6.7 Community Funding Proposal May 2018

**Moved By** Cr Cherry Hermon

**Seconded By** Cr Tricia Cutforth

That Council:

- a) adopts the new Funding Principles of Accessibility, Consistency, Diversity, Effectiveness, Efficiency, Equity, Flexibility, Inclusion and Transparency.

and;

- b) That Council adopts Option 3: Alternative Model, for Community Funding for development from 1 July 2018 in line with the Community Development Framework.

### Amendment

**Moved By** Cr Shelley Deeming

**Seconded By** Cr Sharon Morgan

That Council:

- a) adopts the new Funding Principles of Accessibility, Consistency, Diversity, Effectiveness, Efficiency, Equity, Flexibility, Inclusion and Transparency.

and;

- b) That Council adopts Option 2: Enhanced Status Quo, for Community Funding for development from 1 July 2018 in line with the Community Development Framework.



*On the amendment being put Cr Deeming called for a division:*

<b>Recorded</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
Her Worship the Mayor		X	
Cr Stu Bell		X	
Cr Gavin Benney		X	
Cr Crichton Christie	X		
Cr Vince Cocurullo	X		
Cr Tricia Cutforth		X	
Cr Shelley Deeming	X		
Cr Sue Glen	X		
Cr Phil Halse	X		
Cr Cherry Hermon		X	
Cr Greg Innes		X	
Cr Greg Martin	X		
Cr Sharon Morgan	X		
Cr Anna Murphy		X	
<b>Results</b>	<b>7</b>	<b>7</b>	

**The amendment was Lost  
on the casting vote  
of Her Worship the Mayor**

*On the motion being put Cr Glen called for a division:*

<b>Recorded</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
Her Worship the Mayor	X		
Cr Stu Bell	X		
Cr Gavin Benney	X		
Cr Crichton Christie		X	
Cr Vince Cocurullo		X	
Cr Tricia Cutforth	X		
Cr Shelley Deeming		X	

Cr Sue Glen		X
Cr Phil Halse		X
Cr Cherry Hermon	X	
Cr Greg Innes	X	
Cr Greg Martin		X
Cr Sharon Morgan		X
Cr Anna Murphy	X	
<b>Results</b>	<b>7</b>	<b>7</b>
<b>The motion was Lost</b>		

#### **6.8 Request for Private Development Contributions Agreement by Fred Morgan**

**Moved By** Cr Greg Martin

**Seconded By** Her Worship the Mayor

1. That the Council declines the offer to enter into a Private Development Agreement with Mr Morgan to offset \$1,200,000 of development contributions against the vesting of a 20m esplanade reserve on the western side of the Hatea River for the following reasons:
  - a. Only a small component of the development contributions payable is for parks or parks development;
  - b. The District Plan esplanade reserve designation has lapsed and is not being reinstated;
  - c. Development of a walkway/cycleway is a long-term project and not funded in the draft 2018-2028 Long Term Plan.
  - d. Should a further subdivision of the balance lot be approved Council will acquire the esplanade at no cost.
2. That Mr Morgan be advised of the reasons stated in Recommendation 1(a)-(d) above in accordance with the requirements of the Local Government Act 2002.

**Carried**

*Declaration of interest:*

*Cr Morgan declared a conflict of interest and withdrew from the table taking no part in discussions or voting on Item 6.8.*

## **6.9 Strategic Brand Recommendation Approval**

**Moved By** Cr Vince Cocurullo

**Seconded By** Cr Stu Bell

1. That Council notes the report.
2. That no changes are made to the Whangarei District Council logo or naming convention at this time.
3. That the draft Communications Strategy is returned to Council for consideration within two months.

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

<b>Recorded</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
Her Worship the Mayor	X		
Cr Stu Bell	X		
Cr Gavin Benney	X		
Cr Crichton Christie	X		
Cr Vince Cocurullo	X		
Cr Tricia Cutforth	X		
Cr Shelley Deeming	X		
Cr Sue Glen	X		
Cr Phil Halse	X		
Cr Cherry Hermon	X		
Cr Greg Innes	X		
Cr Greg Martin	X		
Cr Sharon Morgan	X		
Cr Anna Murphy	X		
<b>Results</b>	<b>14</b>		

**Carried (Unanimous)**

## 7. Information Reports

### 7.1 Correction to Council Decision – Annual Operating Fund

**Moved By** Cr Stu Bell

**Seconded By** Cr Vince Cocurullo

That Council note the decision made on 26 April 2018, to increase funding to the Jack Morgan Museum Inc and Whangarei District Brass Band Inc; is not valid.

#### Amendment

**Moved By** Cr Shelley Deeming

**Seconded By** Cr Sharon Morgan

1. That Council note the decision made on 26 April 2018, to increase funding to the Jack Morgan Museum Inc and Whangarei District Brass Band Inc; is not valid.
2. That Council request the Community Funding Committee reconsider the applications from the Jack Morgan Museum Inc and Whangarei District Band Inc.

#### Procedural Motion

**Moved By** Cr Tricia Cutforth

**Seconded By** Cr Sue Glen

That this item lies on the table and not be discussed further at this meeting.

**Carried**

## 8. Public Excluded Business

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:

General subject of each matter to be considered		Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution
1.1	Closed Minutes Whangarei District Council 26 April 2018	Good reason to withhold information exists under Section 7 Local Government Official	Section 48(1)(a)
1.2	Parking Charges – Whangarei District Airport		

1.3	Whangarei Aquatic Centre Management	Information and Meetings Act 1987	
1.4	Trustee Appointment – Whangarei Art Museum		
1.5	Investigation		
1.6	Complaint		

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public, are as follows:

Item	Grounds	Section
1.1	For the reasons as stated in the open minutes.	
1.2	To enable the Council to carry on without prejudice or disadvantage negotiations (including commercial and industrial negotiations).	Section 7(2)(i)
1.3	To enable the Council to carry on without prejudice or disadvantage negotiations (including commercial and industrial negotiations).	Section 7(2)(i)
1.4	To protect the privacy of natural persons including that of a deceased person.	Section 7(2)(a)
1.5	To protect the privacy of natural persons including that of a deceased person.	Section 7(2)(a)
1.6	To protect the privacy of natural persons including that of a deceased person	Section 7(2)(a)

**Carried**

## **9. Closure of Meeting**

The meeting concluded at 2.54pm

Confirmed this 28<sup>th</sup> day of June 2018

Her Worship the Mayor Sheryl Mai (Chairperson)



## 6.1 Revenue and Financing Policy

**Meeting:** Whangarei District Council  
**Date of meeting:** 28 June 2018  
**Reporting officer:** Alan Adcock (General Manager – Corporate/CFO)

### 1 Purpose

To adopt the Revenue and Financing Policy.

### 2 Recommendations

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. Authorises the Chief Executive to make minor amendments, drafting, typographical or presentation corrections necessary to the Revenue and Financing Policy.

### 3 Background

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

Of the eight submissions received the main themes were in relation to controlling expenditure through operating costs, raising the debt limit to fund projects and supporting Council exercising financial prudence. Council applies careful consideration to ensure spend is appropriate and delivers value for money.

The final Revenue and Financing Policy as attached incorporates changes made to ensure legislative compliance (including audit compliance).

Following adoption the 2018 Revenue and Financing Policy will be made publicly available.

## **5 Significance and engagement**

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 Attachments**

1. Revenue and Financing Policy – 2018
2. Revenue and Financing Policy – 2015



# Revenue and Financing Policy

## Background

The Revenue and Financing Policy is a requirement of the Local Government Act 2002. The policy is supported by analysis of the funding of 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.

Under S102(2) of the Local Government Act 2002, a local authority must, to provide “predictability and certainty about sources and levels of funding” adopt certain policies. The Revenue and Financing Policy is one of these. The policy is supported by analysis of the funding of 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.

## Funding needs analysis

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.

## Activity group

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

- District Strategy and Governance – a new activity group compared to the Long Term Plan 2015-25, that provides transparency regarding performance and expenditure of strategy and governance for Council
- Transportation
- Water
- Wastewater and Drainage
- Stormwater
- Flood Control
- Solid Waste Management
- District Planning and Regulatory Services
- Community Facilities and Services.

The activity groups are listed in the attachment.

## Activity

Each activity group is made up of operating projects – ‘activities’ – that the Council delivers as services. Any one activity may have one or more operating projects which, when combined, provides the total level of service provided by the Council. The activities, within the activity groups, are listed in the attachment.

### Step one

When assessing the funding for each activity the following need to be considered:

#### Community Outcomes

Which Community Outcome the activity primarily relates to and the rationale for doing it. The Council's vision is:

A vibrant, attractive and thriving district.

Community Outcomes:

- Efficient and resilient core services:
  - it is easy and safe to travel around the district for everyone
  - there are opportunities to walk and cycle
  - the District is well prepared for growth and can adapt to change
  - services are supplied in ways that benefit the environment.
- Positive about the future:
  - our district has productive land, people and a thriving city centre
  - there is a fair urban/rural balance
  - Council has clear, simple documents and rules
  - our District embraces new technology and opportunity.
- Caring for the environment:
  - communities work to keep the environment clean and healthy
  - access to the coast is protected
  - open spaces in parks and streets, are places where nature thrives
  - our District is positively adapting to climate change.
- Proud to be local:
  - our district is neat, tidy and looks attractive.
  - public areas feel and are safe
  - there is always something to do and see
  - there are opportunities for people of all abilities, ages and life stages to be active.

**User/beneficiary pays principle** – distribution of benefits between individuals or groups and the community i.e. private or public good principle.

**Inter-generational principle** – the period over which the benefits are expected to accrue.

**Exacerbator pays principle** – 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.

**Costs and benefits of funding the activity** – distinct from other activities. i.e. user pays or targeted rates.

## Step two

Consideration then needs to be given to the overall impact of any allocation of liability for revenue needs on 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.

Some questions to ponder as part of this consideration are:

- how will the mix of funding impact on affordability, e.g. on the elderly or those on low incomes?
- will the policy impact on accessibility to some services?
- can we charge the amount required, or is it restricted by legislation?
- do we want to encourage or discourage a particular activity or behaviour?
- what is the effect on a particular sector of our community, community groups or rating categories?
- how will this impact based on current economic conditions?

## 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 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. Some activities may be best funded using user charges, others with targeted rates and others from general rates. 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 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 and it is more cost effective to administer.

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 land use. The differentials to be applied are:

- residential differential, including remissions for high value properties
- rural differential
- multi-unit differential
- commercial and industrial differential
- miscellaneous properties

Full details of the 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 (such as the commercial or residential sectors) 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.

**User fees and charges** are used where the beneficiaries can be identified and charged. They include consent fees, licence fees, sales of goods, hire fees or recoveries of costs incurred. When setting fees and charges, Council will consider any indirect benefit to the community, the distribution of those benefits and ability to pay. 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 the Council receives funding from 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 GAAP.

**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 give a capital grant to a community organisation to fund a community facility, or for addressing storm damage (see below).

**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 Liability 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 LGFA 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:

- from Council's pensioner housing is used to fund the expenses of operating and maintaining Council's pensioner housing stock. 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.
- from Council's investment properties is used to ensure the overall portfolio is maintained in terms of ongoing purchasing power and any excess income is used to initially fund the District Strategy and Governance Group and if there is any residual funds after this then these are used to reduce the requirement from general revenue and is used to fund activities in the same way that rates do.
- from Council's community properties used to fund the expenses of operating and maintaining Council's community properties and any excess income is used to fund Council's other community operating expenses.

**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.

## 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 including the property reinvestment reserve, 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 or a third party.

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 groups project and because of timing issues the conditions of the grant are not met in that year then the grant can be reserved at the end of the year to provide funding for the project in a future year once the conditions are met.

- *Reserving and use of general surpluses from previous financial periods*

Where Council has recorded an actual surplus in one financial period it may pass this benefit on to ratepayers in a subsequent financial period.

A surplus arises from the actual recognition of additional income or through savings in expenditure when compared to the annual plan for a given year. A surplus would only be finalised once the Annual Report for the year was adopted and it is the net surplus that needs to be considered.

Council considers that passing this benefit on to ratepayers in future financial periods improves the principle of intergenerational equity, in that any financial benefit is passed on to those ratepayers who shared the rates-funding burden in the financial period that the surplus was generated.

The amount of any surplus carried forward from previous financial periods will be reserved on the balance sheet and used to offset the operating deficit created by the expenditure to be funded by the surplus in the year the benefit is passed on to ratepayers.

Only those factors that are operating in nature and cash in nature will be available for use in determining the level of surplus to be carried forward. Council will not carry forward surpluses in relation to:

- The sale of assets. Such surpluses shall be used for either the repayment of borrowings or in the case of investment properties transfer to the property reinvestment reserve.
- Trust and bequest revenue. Such surpluses shall be applied in accordance with the terms on which they are provided.
- Revenue received for capital purposes. Such surpluses shall be retained to fund the associated capital expenditure.
- Revenue received from targeted rates such as water and wastewater.
- Depreciation.
- Development and lump sum contributions.
- Unspent budgeted operating expenditure associated with a capital project that is being carried forward.

- Unrealised gains arising from fair value adjustments to assets and liabilities. These gains are unrealised accounting adjustments in the period in which they are recognised.
- Vested or found assets.

### 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. For the avoidance of doubt, Council does not fund the expenditure from its trusts and bequests from any of the sources of operating revenue.

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 core debt cap for the year. If it is determined that there is no headroom under the net core debt cap, then council will look to defer operational and capital expenditure planned in the year to accommodate funding the repairs and renewals required.



## Funding Sources of Capital Expenditure

For the purpose of this Policy capital expenditure represents expenditure on:

- property, plant and equipment,
- intangible assets, and
- property.

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, water treatment plants 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 2018-28, 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
- the activity operating cash 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. 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

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 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 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. It is not appropriate or sustainable for all capital expenditure to be funded from borrowings. In periods of low capital expenditure, borrowing will be reduced.

### Proceeds from property sales

These will be invested in the property reinvestment reserve and the funds may be used to purchase other commercial properties in future. Any funds in the reserve may be used to fund capital expenditure in other activities 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, rates are set at a level that offsets the calculated non-cash depreciation cost. Operating surpluses (where available) are then used to fund renewal capital expenditure.

**Development and financial contributions** 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 will be used to fund capital expenditure in accordance with the Resource Management Act 1991.

**Grants and subsidies** are used when they are available. NZTA provide capital subsidies (accounted for as operating revenue) to fund agreed roading capital projects. This funding source also includes other contributions for various capital projects.

**Reserves** including retained earnings from operating surpluses from previous years may be used to fund capital expenditure. Reserves for specific activities such as Water can be created.

The below table 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		✓	✓	✓		✓	
Wastewater		✓	✓	✓	✓	✓	
Solid Waste		✓	✓			✓	
Stormwater	✓						
Community Facilities and services	✓		✓	✓		✓	
Flood Protection		✓					
Corporate/property/other	✓		✓			✓	✓

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

## Review of funding sources and the funding bands

Having decided on:

- the activity groups
- activities within the activity groups.

Using the steps above, the funding sources and the funding bands from each source have been assessed for each activity to provide guidance for the Long Term Plan 2018-28. Suggested funding bands are set out in the attachment.

# Attachment

## Activity Funding Analysis

(to be read as part of the Policy) [LTPREP-647166279-348]

Activity Group 18-28	Activity / dept	Operational Expenditure Funding Sources					
		User Fees	Subsidies and Grants	Other	Rental Income	Targeted Rates	General Rates
<b>District Strategy &amp; Governance</b>	Iwi Liaison						100%
	Strategy & Governance						100%
	Economic growth - District Development						100%
	Economic growth - Property *			100%	100%		
	Economic growth - Marina Facilities				100%		
	Economic growth - Airport Facilities						100%
<b>Transportation</b>	Roading Network		25-50%	0-10%			50-75%
	Car Parking	80 -100%			0-20%		
	Footpaths						100%
<b>Water</b>	Water	0-5%				95-100%	
<b>Waste and Drainage</b>	Wastewater	5-20%		0-10%		80 -100%	
	Public Toilets						100%
<b>Stormwater</b>	Stormwater						100%
<b>Flood Control</b>	Flood Control (Hikurangi Swamp)				0-10%	90-100%	
<b>Solid waste management</b>	Rubbish/Recycling Collection and Disposal	0-50%		0-10%		50-100%	
	Litter Control	0-5%					95-100%
<b>District Planning and Regulatory Services</b>	Resource Consents	30-50%					50-70%
	RMA Compliance	30-55%					45-70%
	Building Consents	70-90%					10-30%
	Building and Environmental Monitoring						100%
	Food	40-60%					40-60%
	Health	0-15%					85-100%
	Alcohol licensing	90-100%					0-10%
	District Plan Development	0-20%					80-100%
	Noise Management						100%
	Animal Management	55-75%		15-30%			5-30%
	Parking Enforcement			100%			
	Warrant of Fitness Enforcement	100%					

	Swimming Pool inspections	100%		
	Bylaws			100%
<b>Community Facilities and Services</b>	Sport and Recreation Facilities	0-10%		90-100%
	Parks Reserves and Natural Areas			100%
	Play areas, walking Trails, Coastal			100%
	Cemeteries and Crematorium	35-55%		45-65%
	Libraries	5-12%		85-95%
	Pensioner Housing		75-90%	10-25%
	Community Safety			100%
	Community Development, Community buildings & spaces and Residential Strategic property		70-90%	10-30%
	Community Funding	0-5%	5-20%	75-95%
	Venues and Events	5-20%	5-20%	60-90%
	Village Planning			100%
	Civil Defence			100%
	Visitor Information Services	5-20%	25-40%	40-70%
	Customer Services	0-5%		95-100%

\* Investment property generates surplus revenue after allowing for investment property operating expenses. This investment property surplus is used to fund the Strategy & Governance Activity, and any residual surplus if any is used to fund overall operating expenses like general rates.

Note Support Services is not shown as a separate activity because the costs of running Support Services which provides support to the organisation are allocated over the activities and departments delivering WDC's external services.



# Whangarei District Council Policy

## *Revenue and Financing Policy*

*Policy 0060*

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
<b>Policy Author</b>	Financial Controller	<b>Review date</b>	June 2018

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## Background

The Revenue and Financing Policy is a requirement of the Local Government Act 2002. The policy is supported by analysis of the funding of 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.

## Review process

Council has reviewed each individual activity and its funding in developing its Revenue and Financing Policy. As part of that process, Council has considered the nature of the activity provided and the benefits and beneficiaries of the activity. Considerations of the following during that deliberation were taken into account:

- community outcomes – which outcome the activity primarily relates to, and the rationale for doing it
- user/beneficiary pays principle – distribution of benefits between individuals or groups and the community as a whole
- inter-generational principle – the period over which the benefits are expected to accrue
- exacerbator pays principle – 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
- costs and benefits of funding the activity, distinct from other activities.

Consideration was then given to the overall impact of any allocation of liability for revenue needs on 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 there are no barriers or disincentives, and that an inequitable burden is not placed on any particular community sector or group. Some questions pondered as part of that consideration were:

- how will the mix of funding impact on affordability, e.g. on the elderly or those on low incomes?
- will the policy impact on accessibility to some services?
- can we charge the amount required, or is it restricted by legislation?
- do we want to encourage or discourage a particular activity or behaviour?
- what is the effect on a particular sector of our community, community groups or rating categories?
- how will this impact based on current economic conditions?

By way of an example, for the funding of Library services activity the result was:

Activity	Community Facilities & Services – Libraries
Primary Community Outcome	Vibrant and healthy communities
Why do we do it	Facilitates community access to literacy resources regardless of age, income, or ability and encourages life long learning.
Who benefits	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;
Period of benefit (inter-generational equity)	Facilities provide both short and long term benefits. Facilities such as library buildings accrue benefits to be enjoyed by future ratepayers as well.
Whose actions or inactions contribute	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.

Revenue and Financing Policy			
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Activity	Community Facilities & Services – Libraries			
Assessment of options	The estimated distribution of private/public benefit of 50/50 means half the costs should be paid by users. Discretionary items (audio visual) should be charged in full. Fines should be charged for late returns.			
	Private benefit %	50	Public benefit %	50
Assessment of overall impacts of allocation of revenue needs	<p>The rationale is to encourage life long learning, therefore membership fees and item hireage costs could create a barrier to that goal.</p> <p>Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive.</p>			
Funding options	Type	%	Comments	
	User fees	Minor	Membership will be free to all ratepayers. A user fee for audio visual items, books to be borrowed for free enhancing access and affordability. Fines will apply for late returns. Internet access is chargeable.	
	General rates	Major	The ratepayer share of costs should be around 90%.	
	Development contributions	Capex	Payable to fund growth.	
	Loan funding	Capex	New facilities give long term benefit and should be funded by loans.	
	Depreciation	Capex	Used to repay loans and fund renewal expenditure.	
	Reserves	Capex	Used if appropriate and where available.	

## Funding of operating expenses

Operating expenses are for the ongoing operations and for the maintenance of Council's assets. 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. This Council uses general rates rather than a number of targeted rates as it results in a simpler rating system. This makes it easier for ratepayers to understand how they are being rated and it is cheaper to administer. Rates are regarded as a tax, as there is no direct link between the activity or service provided and the individual ratepayer. General rates are assessed based on a property's value and as a uniform annual general charge.

Value-based general rates are assessed on land value and are differentiated by land use. The differentials to be applied are:

- residential differential, including steps on high value properties
- rural differential
- multi-unit differential
- commercial and industrial differential.

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

The uniform annual general charge (UAGC) is applied to each separately used or inhabited part of each rating unit. This is used to fund activities where a fixed charged is deemed to be more appropriate than one based on property values.

**Targeted rates** are used to exclusively fund a particular activity, or may be used where the benefit is expected to accrue to one sector or location. The funds collected must be 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.

**User fees and charges** are used where the beneficiaries can be identified and charged. They include consent fees, licence fees, sales of goods, hireage fees or recoveries of costs incurred. When setting fees and charges, Council will consider any indirect benefit to the community, the distribution of those benefits and ability to pay. Some fees may be limited by legislation, meaning full recovery of costs is not possible.

**Grants and subsidies** are used where they are available.

**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 also use borrowing to give a grant to a community organisation to fund a community facility.

**Income from dividends, interest and rents** is used to reduce the requirement from general revenue and is used to fund activities in the same way that rates do. In some cases where the income is from investment properties, some of the income is used to ensure the overall portfolio is maintained in terms of ongoing purchasing power.

**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.

## Funding source for activities

The result of that review, and list of activities and the mechanisms used to fund these activities, are included in the table below. Definitions of funding sources are shown underneath the table.

Activity group	Activity	Funding source		
		General rates	Targeted Rates	Fees or subsidies
Transportation	Road network	Major	Potential	Subsidy/petrol tax
	Car parking			Full
	Footpaths	Full		
	Alternate transport options	Major		Minor
Water	Water		Major	Minor
Wastewater	Wastewater	Minor	Major/potential	Subsidy/Minor fees
Stormwater	Stormwater	Full		
Flood Protection & Control Works	Flood Protection & Control Works			Full

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Activity group	Activity	Funding source		
		General rates	Targeted Rates	Fees or subsidies
Solid Waste Management	Rubbish and recycling collection and disposal		Minor	Major
	Clean district and waste minimisation		Full	Subsidy
Planning & Regulatory Services	Resource Consents	Minor		Major
	Building Consents	Minor		Major
	Regulatory Services	Minor		Major
	Policy & Monitoring	Major		Minor
Economic Growth	Tourism and visitor information services	Major		Minor
	Iwi Liaison	Full		
	Economic Development	Full		
Community Facilities & Services	Parks & Recreation	Major	Potential	Minor
	Cemeteries and crematorium	Residual		Major
	Libraries	Major		Minor
	Property			Full
	Community Services	Full		Subsidy
	Venues & Events	Minor		Major

## Definitions

**Full** means that all, or almost all, of the cost of the activity is funded from that source. It does not preclude the use of charges to cover a small portion of the total funding, or the use of general rates to meet the shortfall in any year. However, the revenue from these sources is a negligible part of the total funding.

**Major** means that the majority of the activity is funded from that source. In some cases, the decision not to fully fund the activity may result from the recognition of the public good portion of that activity, or it may result from constraints which mean full recovery is not possible or desirable.

**Minor** means a lesser portion of the activity is funded from that source. This may equate to the public good portion, or the portion which can be recovered from users.

**Subsidy** means that a portion of the activity is funded from a government subsidy. In some cases the subsidy is a small portion of the total cost, or in others such as transportation it is a significant portion of the total funding requirements.

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**Petrol Tax** is the local government share of petrol tax levied by central government. It is used to contribute to the costs of maintaining roads.

**Potential** identifies activities where a particular project has a greater benefit to only one area of the community. The costs of the project are then recovered by way of a targeted rate to those in that area of benefit.

## Funding of capital

**Rates**, either general or targeted, may be used to fund a portion of capital expenditure when it is considered appropriate to do so, and to repay debt. This will be balanced against affordability for current ratepayers and the current and future needs of the community.

**Borrowing** 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. It is not appropriate or sustainable for all capital expenditure to be funded from borrowings. In periods of low capital expenditure, borrowing will be reduced.

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

**Proceeds from other asset sales** may be used to fund capital works or to repay debt.

**Depreciation** is an indirect source of funding as Depreciation Reserves are not created. However, Rates are set at a level that offsets the calculated non-cash Depreciation cost. Operating surpluses (where available) are then used to fund renewal capital expenditure.

**Development contributions** will be 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 make a contribution 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.

**Grants and subsidies** are used when they are available.

**Financial contributions** will be used to fund capital expenditure in accordance with the Resource Management Act 1991.

**Reserves** including retained earnings from operating surpluses from previous years may be used to fund capital expenditure.

**User contributions** 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 during a consultation process.

## Funding source for capital expenditure

Because Council funds some of its activities via targeted rates, debt is allocated based on a major activity. Through its Long Term Plan it determines what capital expenditure is sustainable within the prudent guidelines outlined in the Financial Strategy.

Asset management plans are maintained for all infrastructural assets and these provide detailed analysis of asset condition and asset renewal programmes required to maintain the agreed service level. Typical sources of funding for capital expenditure are:

Type of asset purchase	Typical funding sources
Replacement routine on-going plant and equipment purchases Smaller plant and equipment purchases	rates subsidies and grants (when available) proceeds of asset sales reserves depreciation

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Type of asset purchase	Typical funding sources
	borrowing
Capital renewals Larger capital projects that replace similar existing assets	rates subsidies and grants (when available) proceeds of asset sales reserves depreciation financial /development contributions (growth element in accordance with policy) borrowing
New capital developments New assets which are completely new or are significantly different from the asset which they replace	rates subsidies and grants (when available) proceeds of asset sales user contributions reserves depreciation financial/development contributions (growth element in accordance with policy) borrowing

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## Appendix A – Practice notes for each activity

These practice notes were developed as part of the review process for the Revenue and Financing Policy. They back up the policy published in the Long Term Plan (LTP) and provide detailed consideration notes for each activity. It is not intended to publish the appendix in the LTP.

The percentages and/percentage ranges are estimates only and are used to provide guidance as to Council's view of the appropriate level of recovery. They are not intended to be an exact target and have been excluded from the published policy.

The actual level of each source for funding of capital expenditure will depend on the mix of projects being funded in any particular year. Depending on the availability of funding from various sources, this will determine the most appropriate source of funding.



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## Overview

<b>Activity</b>	<p>Name of funding: activity. This may be a part of the overall activity, but the funding source may be different.</p> <p>Overall activity = Transportation</p> <p>Funding activities = Rooding network, Parking, Footpaths, Alternative transport options</p>		
<b>Primary Community Outcome</b>	<p>One community outcome to which activity contributes from the five outcomes:</p> <ul style="list-style-type: none"> <li>• Easy and safe to move around</li> <li>• A growing, resilient economy</li> <li>• Clean, healthy and valued environment</li> <li>• Vibrant and healthy communities</li> <li>• Well managed growth.</li> </ul>		
<b>Why do we do it</b>	Rationale of why this activity is undertaken. This should align with the strategic direction of Council and suggested wording has been written in that way (rather than we have to do it by legislation)		
<b>Who benefits</b>	LGA Sec 101 (3) (a) (ii) requires Council to assess the benefits to individuals and the community as a whole. This may include several groups - those that primarily benefit and those that benefit in the wider sense.		
<b>Period of benefit (intergenerational equity)</b>	Sec 101 (3) (a) (iii) requires Council to assess the period over which the operating and capital expenditure should be funded. The concept of intergenerational equity reflects the view that benefits occurring over time should be funded over time.		
<b>Whose actions or inactions contribute</b>	Sec 101 (3) (iv) requires Council to assess the extent to which each activity exists only because of the actions or inactions of individual or a group. For example, littering, dog control. The concept of exacerbator pays means that Council should recover the costs from those causing the problem.		
<b>Assessment of Options</b>	Sec 101 (3) (a) (v) requires Council to consider the costs and benefits of distinct funding for each activity. In considering the options the consequences on transparency and accountability of each option chosen.		
	Private Benefit % (specific to individual or group)		Public Benefit % (whole community and visitors)
<b>Assessment of overall impacts of allocation of revenue needs</b>	Sec 101 (3) (b) requires Council to consider the overall impact of any allocation of liability for revenue needs on the community. This may change the funding option or the level of funding from any source to ensure there are no barriers or disincentives, and that an inequitable burden is not placed on any particular community sector or group.		
<b>Chosen Funding Option</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees		All funding associated with Operating and Capital expenditure are required to be identified.
	General Rates		
	Targeted Rates		
	Reserves		
	Vested Assets		
	Depreciation		
	Subsidies		
	Financial/Development Contributions		
	Loan Funding		

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<b>Activity</b>	<b>Transportation - Alternative transportation options</b>		
<b>Primary Community Outcome</b>	Easy and safe to move around		
<b>Why do we do it</b>	Alternative transport options, including public transport, cycling and walking, provide healthy and cost-effective ways for people to move around the district for business and leisure purposes whilst reducing environmental impacts		
<b>Who benefits</b>	Public transport users; Cyclist, walkers, whole community		
<b>Period of benefit (intergenerational equity)</b>	Public transport provides short term benefits, although facilities have a medium to long term benefit (e.g. bus shelters). Cycle lanes and walking tracks provide short to medium term benefits		
<b>Whose actions or inactions contribute</b>	Bus service provided by Regional Council, facilities provided by WDC.		
<b>Assessment of Options</b>	Public transport and facilities to provide safe cycling and walking enables cost effective travel, and reduces congestion at peak times. This can reduce the need to provide facilities for parking, as well as reduce the negative impacts of noise and pollution. There is no easy mechanism to collect fees from cycle lanes and walking tracks. User fees for buses are collected by the Northland Regional Council.		
	Private Benefit %		Public Benefit % 100%
<b>Assessment of overall impacts of allocation of revenue needs</b>	Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees		Collected for buses by NRC
	General Rates	90%-100%	
	Subsidies	0% -10%	As per NZTA
	Targeted rates	If appropriate	
<b>Capital Expenditure</b>	Depreciation	Major	Used to repay existing loans and fund renewal capital expenditure
	Development contributions	Minor	Payable to fund capex related to growth
	Reserves	Minor	Reserves used as a funding source if available.
	Lump sum contributions	Potential/Minor	Direct contributions by project beneficiaries.
	Vested Assets	Potential/Minor	Provision by developers for New Subdivisions
	Loan Funding	Minor	Provision of expanded facilities

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<b>Activity</b>	<b>Transportation - Footpaths</b>		
<b>Primary Community Outcome</b>	Easy and safe to move around		
<b>Why do we do it</b>	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		
<b>Who benefits</b>	Residents; Individual property owners; disabled and elderly; youth; whole community		
<b>Period of benefit (intergenerational equity)</b>	Footpaths provide both short and long term benefits		
<b>Whose actions or inactions contribute</b>	Developers provide new footpaths as part of subdivision process; Demand from schools for safe access to and from school		
<b>Assessment of Options</b>	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		
	Private Benefit %		Public Benefit % 100%
<b>Assessment of overall impacts of allocation of revenue needs</b>	Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive.		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees		
	General Rates	100%	Fully funded by ratepayers
	Targeted Rates	If appropriate	Targeted rates for new footpaths in the specific areas
	Vested Assets	Capex	Provision by developers for New Subdivisions
<b>Capital Expenditure</b>	Depreciation	Major	Used to repay existing loans and fund renewal capital expenditure
	Development contributions	Minor	Payable to fund capex related to growth
	Lump Sum Contributions	Potential/Minor	Direct contributions by project beneficiaries.
	Reserves	Minor	Reserves used as a funding source if available
	Loan Funding	Minor	Provision of expanded facilities
	Vested Assets	Potential/Minor	Provision by developers for New Subdivisions

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<b>Activity</b>	<b>Transportation - Parking (Facilities)</b>		
<b>Primary Community Outcome</b>	Well managed growth		
<b>Why do we do it</b>	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.		
<b>Who benefits</b>	Residents; businesses; disabled and elderly		
<b>Period of benefit (intergenerational equity)</b>	Parking provides both short and long term benefits.		
<b>Whose actions or inactions contribute</b>	Businesses may be required to provide own parking facilities; Parking is controlled by time limits and fines		
<b>Assessment of Options</b>	The availability of car parking enables concentration of business activities. It is relatively easy to charge users and maximises the use of resources.		
	Private Benefit %	100%	Public Benefit %
<b>Assessment of overall impacts of allocation of revenue needs</b>	The bulk of revenue is sourced directly from those benefitting from this activity.		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	90%-100%	Users should pay for parking time.
	General Rates	0%-10%	Balance if any
	Targeted Rates	If appropriate	
<b>Capital Expenditure</b>	Depreciation	Major	Used to repay existing loans and fund renewal capital expenditure
	Development contributions	Minor	Payable to fund capex related to growth
	Lump Sum Contributions	Potential/Minor	Direct contributions by project beneficiaries.
	Reserves	Minor	Reserves used as a funding source if available.
	Loan Funding	Minor	Provision of expanded facilities

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<b>Activity</b>	<b>Transportation - Roothing network</b>		
<b>Primary Community Outcome</b>	Easy and safe to move around		
<b>Why do we do it</b>	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		
<b>Who benefits</b>	All road users; whole community; visitors		
<b>Period of benefit (intergenerational equity)</b>	Roads provide both short and long term benefits.		
<b>Whose actions or inactions contribute</b>	Developers provide new roads as part of subdivision process thus increasing demand on existing roads; Negative impacts from noise, air and storm water pollution; Loss of amenity value and biodiversity. Heavy vehicles impose greater impact on wear and tear		
<b>Assessment of Options</b>	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.		
	Private Benefit %	50%	Public Benefit % 50%
<b>Assessment of overall impacts of allocation of revenue needs</b>	Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive. There may be an increase in use or development – for example – when a road is sealed. The full costs should not be allocated to only one type of user.		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	General Rates	40%-50%	Funding for the community benefit portion.
	Targeted Rates	0%-5%	Recovery of costs for sealing, Look at targeted rate for forestry sector
	Subsidies	50%-60%	As determined by NZTA
<b>Capital Expenditure</b>	Depreciation	Major	Used to repay existing loans and fund renewal capital expenditure
	Development contributions	Minor	Payable to fund capex related to growth
	Lump Sum Contributions	Potential/Minor	Direct contributions by project beneficiaries.
	Reserves	Minor	Reserves used as a funding source if available.
	Subsidies	Major	As determined by NZTA
	Vested Assets	Potential/Minor	Provision by developers for New Subdivisions
	Loan Funding	Minor	As required

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<b>Activity</b>	<b>Water - Potable water</b>		
<b>Primary Community Outcome</b>	Vibrant and healthy communities		
<b>Why do we do it</b>	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		
<b>Who benefits</b>	Users of the public water supply system		
<b>Period of benefit (intergenerational equity)</b>	Short and long term		
<b>Whose actions or inactions contribute</b>	Developments with a large need for water; Rural properties during periods of drought; Provision provided but no connection		
<b>Assessment of Options</b>	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.		
	Private Benefit %	100%	Public Benefit %
<b>Assessment of overall impacts of allocation of revenue needs</b>	The bulk of revenue is sourced directly from those benefitting from this activity.  Users connected to the system pay for the ongoing costs. Where users are irregular and use during periods of drought the water could be provided at a premium or limited if supply is uncertain		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	0%-10%	Metered stands
	Targeted Rates	90%- 100%	Metered water
<b>Capital Expenditure</b>	Depreciation	Major	Used to repay existing loans and fund renewal capital expenditure
	Development contributions	Minor	Payable to fund capex related to growth
	Lump Sum Contributions	Potential/Minor	Direct contributions by project beneficiaries.
	Reserves	Minor	Reserves used as a funding source if available.
	Vested Assets	Potential/Minor	Provision by developers for New Subdivisions
	Loan Funding	Minor	Provision of new water sources

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<b>Activity</b>	<b>Solid Waste Management - Litter control</b>		
<b>Primary Community Outcome</b>	Clean, healthy and valued environment		
<b>Why do we do it</b>	Provision and collection of public rubbish bins encourages the appropriate disposal of litter protecting the natural environment.		
<b>Who benefits</b>	Whole community; visitors;		
<b>Period of benefit (intergenerational equity)</b>	Short and long term		
<b>Whose actions or inactions contribute</b>	Offenders increase costs and negative impacts on the environment.		
<b>Assessment of Options</b>	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.		
	Private Benefit %		Public Benefit % 100%
<b>Assessment of overall impacts of allocation of revenue needs</b>	<p>Rates revenue is spread equally across all rating units as the benefits of this activity are felt by the whole community.</p> <p>Fines are set by legislation and may not recover the costs involved. Collection is difficult to enforce.</p>		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	minimal	Fines for offenders. Increased enforcement and fines
	General Rates		
	Targeted Rates	90%-100%	Funded from Refuse rate
	Reserves	Minor	JV income

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<b>Activity</b>	<b>Solid Waste Management - Rubbish &amp; recycling collection &amp; disposal</b>		
<b>Primary Community Outcome</b>	Vibrant and healthy communities		
<b>Why do we do it</b>	Refuse collection and disposal minimises the negative impact of people on the environment and contributes to the health and safety of our communities.		
<b>Who benefits</b>	Properties serviced; Whole communities		
<b>Period of benefit (intergenerational equity)</b>	Short and long term		
<b>Whose actions or inactions contribute</b>	Negative impacts on environment from operation of landfills, noise and heavy traffic from movement of waste		
<b>Assessment of Options</b>	Serviced properties pay via a user charge for each rubbish bag collected. To encourage recycling, it is provided at no cost as there is a wider benefit in reducing the amount of waste sent to landfills. Use of transfer stations is chargeable to the user based on the volume of waste disposed.		
	Private Benefit %	100%	Public Benefit %
<b>Assessment of overall impacts of allocation of revenue needs</b>	<p>Rates revenue is spread equally across all rating units as the benefits of this activity are felt by the whole community.</p> <p>The full costs may not be recoverable as this may lead to waste being disposed of inappropriately.</p>		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	40%-50%	Landfill (transfer station) fees and rubbish bag stickers
	Targeted Rates	50%-60%	Balance paid via Refuse rate
<b>Capital Expenditure</b>	Depreciation	Major	Used to repay existing loans and fund renewal capital expenditure
	Development contributions	Minor	Payable to fund capex related to growth
	Lump Sum Contributions	Potential/Minor	Direct contributions by project beneficiaries
	Reserves	Minor	Reserves used as a funding source if available
	Subsidies	Minor	Government funding for new facilities
	Loan Funding	Major	Provision of new facilities



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<b>Activity</b>	<b>Solid Waste Management - Waste minimisation</b>		
<b>Primary Community Outcome</b>	Clean, healthy and valued environment		
<b>Why do we do it</b>	Encouraging waste minimisation reduces the cost of collection and disposal and the negative impact of waste on our environment		
<b>Who benefits</b>	Whole community;		
<b>Period of benefit (intergenerational equity)</b>	Short and long term		
<b>Whose actions or inactions contribute</b>	Growth in population increases amount of waste; landfills have limited life. Changing Government requirements contribute to the need.		
<b>Assessment of Options</b>	Waste minimisation levies collected from the disposal of waste are available from central government		
	Private Benefit %		Public Benefit % 100%
<b>Assessment of overall impacts of allocation of revenue needs</b>	All revenue is sourced from subsidies via fees from those using waste disposal facilities and services.		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees		
	General Rates		
	Targeted Rates		
	Subsidies/Levies	0-100%	Waste minimisation levy from government
	Reserves	0-100%	JV income

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<b>Activity</b>	<b>Wastewater</b>		
<b>Primary Community Outcome</b>	Vibrant and healthy communities		
<b>Why do we do it</b>	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.		
<b>Who benefits</b>	Users connected to wastewater system; Whole community		
<b>Period of benefit (intergenerational equity)</b>	Short and long term		
<b>Whose actions or inactions contribute</b>	Population growth increases need. Our communities demand for improved environmental outcomes		
<b>Assessment of Options</b>	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)		
	Private Benefit % 90%		Public Benefit % 10%
<b>Assessment of overall impacts of allocation of revenue needs</b>	The bulk of revenue is sourced directly from those benefitting from this activity. However, there is no easy way to align charges directly with use without installing wastewater meters. For example, a one person household may pay the same as a large family.		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	5%-10%	Lab testing and Tradewaste fees
	General Rates		Balance if insufficient recovered (none in AP)
	Targeted Rates	90%-95%	Pan charges & recovery of schemes
<b>Capital Expenditure</b>	Depreciation	Major	Used to repay existing loans and fund renewal capital expenditure
	Development contributions	Major	Payable to fund capex related to growth
	Lump Sum Contributions	Potential/Minor	Direct contributions by project beneficiaries.
	Reserves	Minor	Reserves used as a funding source if available.
	Vested Assets	Potential/Minor	Provision by developers for New Subdivisions
	Subsidies	Potential/Minor	Government funding for new facilities
	Loan Funding	Major	Provision of expanded facilities

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<b>Activity</b>	<b>Wastewater - Public toilets</b>		
<b>Primary Community Outcome</b>	Clean, healthy and valued environment		
<b>Why do we do it</b>	Provision of facilities for residents, visitors and tourists contributes to health and safety, and encourages and enhances tourism and outdoor activities		
<b>Who benefits</b>	Whole community; visitors;		
<b>Period of benefit (intergenerational equity)</b>	Short and long term		
<b>Whose actions or inactions contribute</b>	Increased visitor numbers increases need; Our communities demand for improved environmental outcomes		
<b>Assessment of Options</b>	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		
	Private Benefit %		Public Benefit % 100%
<b>Assessment of overall impacts of allocation of revenue needs</b>	Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees		
	General Rates	100%	Full rate funding
	Targeted Rates		
<b>Capital Expenditure</b>	Depreciation	Major	Used to repay existing loans and fund renewal capital expenditure
	Development contributions	Minor	Payable to fund capex related to growth
	Lump Sum Contributions	Potential/Minor	Direct contributions by project beneficiaries.
	Reserves	Minor	Reserves used as a funding source if available.
	Loan Funding	Major	Provision of new facilities

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<b>Activity</b>	<b>Storm water</b>		
<b>Primary Community Outcome</b>	Well managed growth		
<b>Why do we do it</b>	Provides flood protection for public and private assets and enables urban population growth. Minimises the environmental impact of storm events		
<b>Who benefits</b>	Whole community		
<b>Period of benefit (intergenerational equity)</b>	Short and long term		
<b>Whose actions or inactions contribute</b>	Intensive development such as CBD. Pollution effects from runoff (traps etc)		
<b>Assessment of Options</b>	There are no easily identifiable parties from which costs can be recovered via a user charge. The control of negative impacts from storm water 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 storm water control. The costs of adequate storm water control in new subdivisions is met by the developer and assets vested in Council		
	Private Benefit %	80%	Public Benefit % 20%
<b>Assessment of overall impacts of allocation of revenue needs</b>	Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees		
	General Rates	100%	
<b>Capital Expenditure</b>	Depreciation	Major	Used to repay existing loans and fund renewal capital expenditure
	Development contributions	Minor	Payable to fund capex related to growth
	Lump Sum Contributions	Potential/Minor	Direct contributions by project beneficiaries.
	Reserves	Minor	Reserves used as a funding source if available.
	Vested Assets	Potential/Minor	Provision by developers for New Subdivisions

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<b>Activity</b>	<b>Flood Control - Hikurangi Swamp</b>		
<b>Primary Community Outcome</b>	A growing resilient economy		
<b>Why do we do it</b>	Specific scheme which protects defined property from flood events and enables economic use of the land.		
<b>Who benefits</b>	Properties in defined area of benefit		
<b>Period of benefit (intergenerational equity)</b>	Short and long term		
<b>Whose actions or inactions contribute</b>	Resource consent conditions. Legislated rating structure		
<b>Assessment of Options</b>	Properties that benefit from the scheme pay the costs. Those that have the greatest benefit should pay the most.		
	Private Benefit %	100%	Public Benefit %
<b>Assessment of overall impacts of allocation of revenue needs</b>	All revenue is sourced directly from those benefitting from this activity.		
	The rating structure and categorisation of properties has been legislated and is not easily changed.		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees		
	General Rates		
	Targeted Rates	100%	Hikurangi Swamp scheme rate
<b>Capital Expenditure</b>	Depreciation	Major	Used to repay existing loans and fund renewal capital expenditure
	Development contributions	Minor	Payable to fund capex related to growth
	Reserves	Minor	Reserves used as a funding source if available.
	Vested Assets	Potential/Minor	Provision by developers for New Subdivisions
	Loan Funding	Major	Provision of new facilities

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<b>Activity</b>	<b>Community Facilities and Services - Play areas, walking trails and coastal structures</b>			
<b>Primary Community Outcome</b>	Vibrant and healthy communities			
<b>Why do we do it</b>	Encourages active participation in outdoor activities and provides access to our marine environment.			
<b>Who benefits</b>	All users; Whole community; Visitors			
<b>Period of benefit (intergenerational equity)</b>	Facilities provide both short and long term benefits. Facilities accrue benefits to be enjoyed by future ratepayers as well			
<b>Whose actions or inactions contribute</b>	Population growth leading to increase in need			
<b>Assessment of Options</b>	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.			
	Private Benefit %	50%	Public Benefit %	50%
<b>Assessment of overall impacts of allocation of revenue needs</b>	<p>Charging for use may discourage use and reduce participation which would not meet the objective for the activity.</p> <p>Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive</p>			
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>	
	User Fees	Minimal		
	General Rates	100%	Balance to be met from rates	
	Targeted Rates	Minor		
<b>Capital Expenditure</b>	Depreciation	Minor	Used to repay existing loans and fund renewal capital expenditure	
	Financial Contributions/Development contributions	Minor	Payable to fund capex related to growth	
	Reserves	Minor	Reserves used as a funding source if available.	
	Loan Funding	Major	Provision of expanded facilities	

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
<b>Policy Author</b>	Financial Controller	<b>Review date</b>	June 2018

<b>Activity</b>	<b>Community Facilities and Services - Parks, reserves &amp; natural areas</b>		
<b>Primary Community Outcome</b>	Clean, healthy and valued environment		
<b>Why do we do it</b>	Helps preserve our natural and cultural heritage and provides opportunities for enjoyment of the outdoors.		
<b>Who benefits</b>	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		
<b>Period of benefit (intergenerational equity)</b>	Facilities provide both short and long term benefits. Facilities accrue benefits to be enjoyed by future ratepayers as well		
<b>Whose actions or inactions contribute</b>	Population growth leading to increase in need		
<b>Assessment of Options</b>	There is no efficient method of recovering costs from the users of these facilities. There is a benefit to the whole community of providing and maintaining open spaces		
	Private Benefit %		Public Benefit % 100%
<b>Assessment of overall impacts of allocation of revenue needs</b>	Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive.		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees		
	General Rates	100%	Fully paid by general rates
	Targeted Rates	If appropriate	
<b>Capital Expenditure</b>	Depreciation	Minor	Used to repay existing loans and fund renewal capital expenditure
	Financial Contributions/Development contributions	Minor	Payable to fund capex related to growth
	Reserves	Minor	Reserves used as a funding source if available.
	Loan Funding	Major	Provision of expanded facilities

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
<b>Policy Author</b>	Financial Controller	<b>Review date</b>	June 2018

<b>Activity</b>	<b>Community Facilities and Services - Sports &amp; recreation facilities</b>		
<b>Primary Community Outcome</b>	Vibrant and healthy communities		
<b>Why do we do it</b>	Provision of good quality leisure facilities enables community participation and contributes to the health and wellbeing of residents.		
<b>Who benefits</b>	<p>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.</p> <p>Users of facilities ; whole community; visitors</p>		
<b>Period of benefit (intergenerational equity)</b>	Facilities provide both short and long term benefits. Facilities accrue benefits to be enjoyed by future ratepayers as well		
<b>Whose actions or inactions contribute</b>	Population growth leading to increase in need. Space used for sports parks is no longer available for residential or commercial development		
<b>Assessment of Options</b>	Sports parks provide a place for organised and informal sport and recreation. They are designed to be utilised by more than sporting code and are maintained appropriately. It is not always economic to charge users, but where possible (such as the Aquatic Centre) user fees will apply. Clubs are charged for the maintenance and upkeep of facilities.		
	Public benefit %	80%	Private benefit % 20%
<b>Assessment of overall impacts of allocation of revenue needs</b>	User fees and charges to clubs need to be at a reasonable level to ensure minimise affordability issues. The green spaces provided by sports fields can be used by the public for recreational activities without the need to belong to a club.		
	Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	0%-10%	Recovery from user charges or clubs
	General Rates	90%-100%	Balance of funding
	Targeted Rates	If appropriate	
<b>Capital Expenditure</b>	Depreciation	Major	Used to repay existing loans and fund renewal capital expenditure
	Development contributions	Minor	Payable to fund capex related to growth
	Reserves	Minor	Reserves used as a funding source if available
	Loan Funding	Major	Provision of expanded facilities



Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
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<b>Activity</b>	<b>Community Facilities and Services - Cemeteries &amp; Crematorium</b>		
<b>Primary Community Outcome</b>	Clean, healthy and valued environment		
<b>Why do we do it</b>	Ensuring suitable facilities for burials and cremations which allow families to celebrate life and mark death in accordance with their cultural beliefs.		
<b>Who benefits</b>	Relatives and Friends of deceased; Whole community		
<b>Period of benefit (intergenerational equity)</b>	Facilities provide both short and long term benefits. Facilities provide future generations knowledge of their heritage – a place of permanent memorialisation.		
<b>Whose actions or inactions contribute</b>	Legislation control burial/cremation requirements. Population growth leading to increase in need.		
<b>Assessment of Options</b>	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.		
	Private Benefit %	90%	Public Benefit % 10%
<b>Assessment of overall impacts of allocation of revenue needs</b>	Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive The plot purchase fee should allow for the ongoing maintenance of the facility, however the fee would only allow for around 34 years of maintenance at current rate. Unless an ongoing charge is applied (which would not be administratively easy) after that the costs are met by the ratepayer. It is assumed that this plot becomes part of historic facilities.		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	35%-45%	Cost of burials and cremations met by families
	General Rates	55%-65%	Upkeep and old cemeteries maintained from general rates
	Targeted Rates		
	Grants	1%	RSA pays for maintenance of veterans cemetery
<b>Capital Expenditure</b>	Depreciation	Minor	Used to repay existing loans and fund renewal capital expenditure
	Development contributions	Minor	To allow for increase in need for facilities
	Reserves	Minor	Reserves used as a funding source if available
	Loan Funding	Major	Provision of expanded facilities

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
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<b>Activity</b>	<b>Community Facilities and Services - Libraries</b>		
<b>Primary Community Outcome</b>	Vibrant and healthy communities		
<b>Why do we do it</b>	Facilitates community access to literacy resources regardless of age, income, or ability and encourages life long learning.		
<b>Who benefits</b>	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;		
<b>Period of benefit (intergenerational equity)</b>	Facilities provide both short and long term benefits. Facilities such as library buildings accrue benefits to be enjoyed by future ratepayers as well		
<b>Whose actions or inactions contribute</b>	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.		
<b>Assessment of Options</b>	The estimated distribution of private/public benefit of 50/50 means half the costs should be paid by users. Discretionary items (audio visual) should be charged in full Fines should be charged for late returns.		
	Private Benefit %	50	Public Benefit % 50
<b>Assessment of overall impacts of allocation of revenue needs</b>	The rationale is to encourage life long learning, therefore membership fees and item hireage costs could create a barrier to that goal.  Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive.		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	5%-15%	Membership will be free to all ratepayers. A user fee for audio visual items, books to be borrowed for free enhancing access and affordability. Fines will apply for late returns. Internet access is chargeable
	General Rates	85%-95%	The ratepayer share of costs should be around 90%
	Targeted Rates		
<b>Capital Expenditure</b>	Depreciation	Major	Used to repay existing loans and fund renewal capital expenditure
	Development contributions	Minor	Payable to fund capex related to growth
	Reserves	Minor	Reserves used as a funding source if available.
	Loan Funding	Minor	Replacement facilities funded from Loans where required

Revenue and Financing Policy			
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<b>Activity</b>	<b>Community Facilities and Services - Pensioner housing</b>			
<b>Primary Community Outcome</b>	Vibrant and healthy communities			
<b>Why do we do it</b>	Provision of subsidised, affordable housing, supports eligible elderly people to be healthy, active and independent.			
<b>Who benefits</b>	Elderly; whole community			
<b>Period of benefit (intergenerational equity)</b>	Short and long term			
<b>Whose actions or inactions contribute</b>	An increase in eligible elderly people may increase need, or reduce availability.			
<b>Assessment of Options</b>	Those living in the facilities should pay rent to cover costs. Government assistance may be available for improvement projects.			
	Private Benefit %	100%	Public Benefit %	
<b>Assessment of overall impacts of allocation of revenue needs</b>	<p>All revenue is sourced directly from those benefitting from this activity.</p> <p>Affordability could be an issue if costs are too high and rents are increased accordingly.</p>			
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>	
	User Fees	100%	Rents	
	General Rates			
	Targeted Rates			
<b>Capital Expenditure</b>	Depreciation	Major	Used to repay existing loans and fund renewal capital expenditure	
	Reserves	Minor	Reserves used as a funding source if available	
	Loan Funding	Minor	As required	

Revenue and Financing Policy			
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<b>Activity</b>	<b>Community Facilities and Services - Community development</b>		
<b>Primary Community Outcome</b>	Vibrant and healthy communities		
<b>Why do we do it</b>	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.		
<b>Who benefits</b>	Whole community		
<b>Period of benefit (intergenerational equity)</b>	Short to long term		
<b>Whose actions or inactions contribute</b>	Community advisory groups such as the Positive Aging Advisory Group, the Disability Services Reference Group and the Whangarei Youth Network assist Council with being responsive to community issues as appropriate.		
<b>Assessment of Options</b>	Community development funds have been set aside to provide funding for facilities on Council owned land, or for facilities to be provided on private property. Funding for this facility development is provided by way of an interest free loan should criteria be met. 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).		
	Private Benefit %		Public Benefit % 100%
<b>Assessment of overall impacts of allocation of revenue needs</b>	The availability of low cost loans enhances community groups' ability to expand enhancing social wellbeing. The use of loans as opposed to grants allows some groups to receive funding over time.  Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive		
<b>Operational expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees		
	General Rates	100%	To met costs of liaison
	Targeted Rates		
	Development Funds	100%	Interest free loans to community groups

Revenue and Financing Policy			
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<b>Activity</b>	<b>Community Facilities and Services - Community funding</b>		
<b>Primary Community Outcome</b>	Vibrant and healthy communities		
<b>Why do we do it</b>	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.		
<b>Who benefits</b>	All users; whole community; visitors		
<b>Period of benefit (intergenerational equity)</b>	Short to long term		
<b>Whose actions or inactions contribute</b>	Funds from this activity range from services Council may otherwise need to pay for through to 100% voluntary community events.		
<b>Assessment of Options</b>	There is a whole community benefit to encourage community involvement.		
	Private Benefit %		Public Benefit % 100%
<b>Assessment of overall impacts of allocation of revenue needs</b>	<p>Provides incentive for community groups to flourish enhancing social, cultural and/or environmental wellbeing</p> <p>Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive</p>		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees		
	General Rates	100%	To fund grants to community groups. Grants may be used to fund capital expenditure

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
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<b>Activity</b>	<b>Community Facilities and Services - Venues and Events</b>		
<b>Primary Community Outcome</b>	A growing, resilient economy		
<b>Why do we do it</b>	Provide suitable facilities and attract events which contribute to the vibrancy and economic wellbeing of the District.		
<b>Who benefits</b>	Attendees; Businesses; Whole community		
<b>Period of benefit (intergenerational equity)</b>	Short to long term		
<b>Whose actions or inactions contribute</b>	District growth increases the need for facilities. Community groups have limited access to suitable facilities at an affordable cost.		
<b>Assessment of Options</b>	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. .		
	Private Benefit %	100%	Public Benefit %
<b>Assessment of overall impacts of allocation of revenue needs</b>	<p>Facilities may be used by community groups to provide affordable facilities. The full costs should not be recovered but met from rates funding.</p> <p>The promotion of facilities to encourage events would have a flow-on effect on the economy and other businesses so should be paid for by them.</p> <p>Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive</p>		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	20% - 30%	Users of facilities pay hireage fees
	General Rates	70%-80%	To meet community needs & shortfall
<b>Capital Expenditure</b>	Depreciation	Major	Used to repay existing loans and fund renewal capital expenditure
	Reserves	Minor	Reserves used as a funding source if available.
	Loan Funding	Minor	As required

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
<b>Policy Author</b>	Financial Controller	<b>Review date</b>	June 2018

<b>Activity</b>	<b>Positive Growth - Economic development</b>		
<b>Primary Community Outcome</b>	A growing, resilient economy		
<b>Why do we do it</b>	Encourage economic growth and awareness of our District		
<b>Who benefits</b>	Businesses; Whole community		
<b>Period of benefit (intergenerational equity)</b>	Short to long term		
<b>Whose actions or inactions contribute</b>	Destination Northland promotions/events in neighbouring districts. Economic development activities by other District Council and the Regional Council		
<b>Assessment of Options</b>	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.		
	Private Benefit %	0%	Public Benefit % 100%
<b>Assessment of overall impacts of allocation of revenue needs</b>	Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees		
	General Rates	100%	To fund public good
	Joint venture profits	Minor	Share of Resort and landfill operations
<b>Capital Expenditure</b>	Reserves	Minor	Reserves used as a funding source if available
	Loan Funding	Major	As required

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
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<b>Activity</b>	<b>Positive Growth - Iwi Liaison</b>		
<b>Primary Community Outcome</b>	Clean, healthy and valued environment		
<b>Why do we do it</b>	Form partnerships with Maori to enhance and recognise the cultural heritage of local Iwi.		
<b>Who benefits</b>	Whole community		
<b>Period of benefit (intergenerational equity)</b>	Short and long term		
<b>Whose actions or inactions contribute</b>			
<b>Assessment of Options</b>	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 Maori culture has the potential to provide employment opportunities. As the benefit will be to the whole community it should be funded from general rates.		
	Private Benefit %		Public Benefit % 100%
<b>Assessment of overall impacts of allocation of revenue needs</b>	Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive.		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees		
	General Rates	100%	Funded for public good



Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
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<b>Activity</b>	<b>Positive Growth - Tourism &amp; Visitor Information Services</b>		
<b>Primary Community Outcome</b>	A growing, resilient economy		
<b>Why do we do it</b>	Encourage economic growth and awareness of our District by attracting tourists and providing facilities to enhance their experience		
<b>Who benefits</b>	Tourists, Businesses; Whole community		
<b>Period of benefit (intergenerational equity)</b>	Short to long term		
<b>Whose actions or inactions contribute</b>	Tourism New Zealand and Northland Inc marketing / events in neighbouring districts / i-SITE New Zealand network activity.		
<b>Assessment of Options</b>	Those businesses which benefit directly from i-SITE services contribute via commissions paid when bookings are made. Businesses also pay fees for brochure and other display charges. The wider Whangarei economy benefits from visitor expenditure via Information Centre services which encourage longer stays and visiting a wider range of attractions and activities. Visitors and others using visitor booking services also pay direct booking fees for some services.		
	Private Benefit %	10%	Public Benefit % 90%
<b>Assessment of overall impacts of allocation of revenue needs</b>	Recovering costs from tourists is difficult and may be counter productive as they may avoid using facilities or avoid visiting at all.		
	Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive.  User fees are sourced from direct beneficiaries of this activity through commissions.		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	30% - 40%	Commissions from tourism businesses, booking fees and admission fees.
	General Rates	60% - 70%	To fund public good portion
	Targeted Rates	If appropriate	
<b>Capital Expenditure</b>	Reserves	Minor	Reserves used as a funding source if available
	Loan Funding	Minor	As required

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
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<b>Activity</b>	<b>Planning and Regulatory Services - Building and environmental monitoring</b>		
<b>Primary Community Outcome</b>	Well managed growth		
<b>Why do we do it</b>	Providing our communities a desirable place to live by setting rules and monitoring standards which control negative impacts of activities on others		
<b>Who benefits</b>	Home owners and buyers; Consent holders; neighbours; whole community		
<b>Period of benefit (intergenerational equity)</b>	Short term		
<b>Whose actions or inactions contribute</b>	Need to ensure consent conditions complied with. Offenders increase costs.		
<b>Assessment of Options</b>	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.		
	Private Benefit %	100%	Public Benefit %
<b>Assessment of overall impacts of allocation of revenue needs</b>	It is difficult to recover the full costs of inspections and investigations. Fines are set by government legislation and may not meet the costs incurred. Reducing or eliminating charges may assist in compliance which has a greater benefit to the community as a whole.		
	Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	0%-10%	60% recovery of LU consent condition monitoring. Other activities little opportunity to recover.
	General Rates	85%-100%	Balance
	Targeted Rates		
	Fines	0%-5%	For non-compliance

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
<b>Policy Author</b>	Financial Controller	<b>Review date</b>	June 2018

<b>Activity</b>	<b>Planning and Regulatory Services - Environmental policy</b>		
<b>Primary Community Outcome</b>	Well managed growth		
<b>Why do we do it</b>	Develop and maintain district planning to enhance, control and encourage activity within the district in accordance with community objectives		
<b>Who benefits</b>	Whole community; Private plan change applicants, Visitors		
<b>Period of benefit (intergenerational equity)</b>	Short and long term		
<b>Whose actions or inactions contribute</b>	Addresses community needs. Allow Council to encourage sustainable development by stimulating growth in certain areas and limiting growth in others		
<b>Assessment of Options</b>	Planning is an essential function to ensure the district grows in a sustainable way. Negative effects of activities on others needs to be managed, best use of scarce resources encouraged, and clear guidelines set to achieve the objectives of the district. The district plan sets policies, rules and zoning. There is an opportunity to apply for changes to the plan. If this change is initiated by an individual or group and it will specifically apply to them. The benefit will accrue to the applicant therefore the costs should be met by them If the plan change benefits the whole community the whole community should pay		
	Planning Private Benefit %		Public Benefit %
	Plan change Private benefit	100%	
<b>Assessment of overall impacts of allocation of revenue needs</b>	Appeals against all plan changes are normally not recoverable. Recovery will depend on Court order.		
	Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive		
<b>Operational expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	0%-10%	Recovery of costs for private plan changes
	General Rates	90%-100%	To fund public benefit
<b>Capital Expenditure</b>	Reserves	Minor	Funding source if required

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
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<b>Activity</b>	<b>Planning and Regulatory Services - Resource consents</b>		
<b>Primary Community Outcome</b>	Well managed growth		
<b>Why do we do it</b>	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.		
<b>Who benefits</b>	Applicants primarily; Whole community		
<b>Period of benefit (intergenerational equity)</b>	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		
<b>Whose actions or inactions contribute</b>	Individuals and groups wanting resource consents create the need for the activity.		
<b>Assessment of Options</b>	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.		
	Private Benefit %	65%	Public Benefit % 35%
<b>Assessment of overall impacts of allocation of revenue needs</b>	<p>The bulk of revenue is sourced directly from those benefitting from this activity.</p> <p>The user fee needs to be set at a sustainable level to prevent disincentives to applying for consents. For subdivisions there are substantial costs to exercise the consent and the overall cost may be discouraging development. Charging for advice is an option but adds to administrative costs and may not assist to meet the objective of promotion of the district plan.</p> <p>Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive</p>		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	60% -65%	Total cost (100%) for processing consents to applicants
	General Rates	35%- 40%	For provision of advice and appeal costs

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
<b>Policy Author</b>	Financial Controller	<b>Review date</b>	June 2018

<b>Activity</b>	<b>Planning and Regulatory Services - Building consents</b>			
<b>Primary Community Outcome</b>	Well managed growth			
<b>Why do we do it</b>	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.			
<b>Who benefits</b>	Applicants primarily; Property purchasers (LIM); Whole community			
<b>Period of benefit (intergenerational equity)</b>	Short and long term benefit to the applicant. Long term benefit to the whole community in the control of negative effects.			
<b>Whose actions or inactions contribute</b>	Individuals and groups wanting building consents. Negative effects controlled by the Building Act			
<b>Assessment of Options</b>	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.			
	Private Benefit %	90%	Public Benefit %	10%
<b>Assessment of overall impacts of allocation of revenue needs</b>	<p>The bulk of revenue is sourced directly from those benefitting from this activity.</p> <p>The requirements of being a Council and the ongoing quality requirements add a significant cost to the process. The fee to recover the total costs would need to be set at an unsustainable level and may be a disincentive to obtaining consents. Therefore the recovery of all costs is not desirable. Leaky buildings could add additional costs over time.</p> <p>Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive</p>			
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>	
	User Fees	70%-90%	Recovered from building consent applications and LIM's	
	General Rates	10%-30%	To meet the balance of costs and to recognise community wide benefit (AP ratio 40%)	

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
<b>Policy Author</b>	Financial Controller	<b>Review date</b>	June 2018

<b>Activity</b>	<b>Planning and Regulatory Services - Animal management</b>			
<b>Primary Community Outcome</b>	Well managed growth			
<b>Why do we do it</b>	Providing our communities a safe and desirable place to live by controlling the impact of animals.			
<b>Who benefits</b>	Animal owners; Whole community, Visitors;			
<b>Period of benefit (intergenerational equity)</b>	Short term			
<b>Whose actions or inactions contribute</b>	Dog owners create need and legislation requires registration. Owners of dogs not registered should be penalised			
<b>Assessment of Options</b>	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			
	Private Benefit %	80%	Public Benefit %	20%
<b>Assessment of overall impacts of allocation of revenue needs</b>	<p>The bulk of revenue is sourced directly from those benefitting from this activity.</p> <p>The registration fee should be set at a sustainable level to encourage compliance. Non-compliance should be charged at a rate which creates an incentive to comply</p>			
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>	
	User Fees	90-100%	Total costs should be recovered as need is created by animal owners	
	General Rates	0%-10%	To cover costs of enforcement where ownership cannot be established	
	Fines	0%-5%	For non- compliance	
<b>Capital Expenditure</b>	Depreciation	Major	Used to repay existing loans and fund renewal capital expenditure	
	Reserves	Minor	Reserves used as a funding source if available	
	Loan Funding	Major	As required	

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
<b>Policy Author</b>	Financial Controller	<b>Review date</b>	June 2018

<b>Activity</b>	<b>Planning and Regulatory Services - Bylaws</b>		
<b>Primary Community Outcome</b>	Well managed growth		
<b>Why do we do it</b>	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.		
<b>Who benefits</b>	Whole community		
<b>Period of benefit (intergenerational equity)</b>	Short term		
<b>Whose actions or inactions contribute</b>			
<b>Assessment of Options</b>	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		
	Private Benefit %		Public Benefit % 100%
<b>Assessment of overall impacts of allocation of revenue needs</b>	Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive.		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees		
	General Rates	100%	Funding the public good

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
<b>Policy Author</b>	Financial Controller	<b>Review date</b>	June 2018

<b>Activity</b>	<b>Planning and Regulatory Services - Health</b>		
<b>Primary Community Outcome</b>	Vibrant and healthy communities		
<b>Why do we do it</b>	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		
<b>Who benefits</b>	Licensed premises primarily; Whole community; Visitors;		
<b>Period of benefit (intergenerational equity)</b>	Short term		
<b>Whose actions or inactions contribute</b>	No legal sanction to recover some costs (e.g. infectious diseases).		
<b>Assessment of Options</b>	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.		
	Private Benefit %	50%	Public Benefit % 50%
<b>Assessment of overall impacts of allocation of revenue needs</b>	There is no identifiable user from which to recover costs of bathing water monitoring and notification of infectious diseases. These costs should be recovered from the ratepayer.		
	Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	30%-45%	Approx 70% licensing cost recovery, 0% from other bathing water and infectious diseases
	General Rates	55%-70%	Balance of funding



Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
<b>Policy Author</b>	Financial Controller	<b>Review date</b>	June 2018

<b>Activity</b>	<b>Planning and Regulatory Services - Liquor</b>			
<b>Primary Community Outcome</b>	Vibrant and healthy communities			
<b>Why do we do it</b>	Promoting responsible consumption of alcohol and ensure public health and safety by the issue and monitoring of licences.			
<b>Who benefits</b>	Licensed premises primarily; Whole community; Visitors;			
<b>Period of benefit (intergenerational equity)</b>	Short and long term			
<b>Whose actions or inactions contribute</b>	Requirements and negative effects controlled by Sale of Liquor Act. Charges controlled by the Sale of Liquor Act. Without licenses premises cannot operate.			
<b>Assessment of Options</b>	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.			
	Private Benefit %	80%	Public Benefit %	20%
<b>Assessment of overall impacts of allocation of revenue needs</b>	As government regulations set the fee which is chargeable, the revenue generated is not sufficient to meet the estimated private/public benefit. Therefore user fees are set at a level to meet 34 percent of the costs, with the 66 percent being met by ratepayers.			
	Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive			
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>	
	User Fees	35%-45%	Fee set by government regulation. New bylaws to be introduced. 65% cost recovery for liquor licensing for regulatory costs	
	General Rates	55%-65%	Balance of funding	

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
<b>Policy Author</b>	Financial Controller	<b>Review date</b>	June 2018

<b>Activity</b>	<b>Planning and Regulatory Services - Noise management</b>		
<b>Primary Community Outcome</b>	Vibrant and healthy communities		
<b>Why do we do it</b>	Providing our communities enhanced wellbeing by controlling excessive noise		
<b>Who benefits</b>	Whole community, Visitors;		
<b>Period of benefit (intergenerational equity)</b>	Short term		
<b>Whose actions or inactions contribute</b>	Offenders determine need to undertake enforcement actions		
<b>Assessment of Options</b>	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.		
	Private Benefit %		Public Benefit % 100%
<b>Assessment of overall impacts of allocation of revenue needs</b>	<p>There is no legal ability to recover costs from noise makers until enforcement process reaches prosecution stage. Seizure enables some costs to be recovered, but limited.</p> <p>Rates revenue sources are allocated after taking into account the relative benefits the Residential, Rural and Commercial sectors receive</p>		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	0%-5%	Minimal opportunity to recover cost
	General Rates	95%-100%	

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
<b>Policy Author</b>	Financial Controller	<b>Review date</b>	June 2018

<b>Activity</b>	<b>Planning and Regulatory Services - Parking enforcement</b>		
<b>Primary Community Outcome</b>	Well managed growth		
<b>Why do we do it</b>	Supporting business by ensuring parking resources are managed efficiently, traffic flows smoothly during peak periods and accessibility is enhanced to disadvantaged groups.		
<b>Who benefits</b>	Parking users; Whole community, Visitors;		
<b>Period of benefit (intergenerational equity)</b>	Short term		
<b>Whose actions or inactions contribute</b>	Offenders increase costs, car park overstayers prevent use by others.		
<b>Assessment of Options</b>	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).		
	Private Benefit %	100%	Public Benefit %
<b>Assessment of overall impacts of allocation of revenue needs</b>	<p>The bulk of revenue is sourced directly from those benefitting from this activity.</p> <p>The use of fines encourages appropriate behaviour and improves accessibility for all users. Any shortfall is met from car park revenue.</p>		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	100%	Fines & recovery of costs from car park revenue
	General Rates		

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
<b>Policy Author</b>	Financial Controller	<b>Review date</b>	June 2018

<b>Activity</b>	<b>Planning and Regulatory Services - Swimming pool inspections</b>		
<b>Primary Community Outcome</b>	Vibrant and healthy communities		
<b>Why do we do it</b>	Providing our communities a desirable place to live by enforcing regulations that ensure the safety of the public		
<b>Who benefits</b>	Pool owners; Whole community		
<b>Period of benefit (intergenerational equity)</b>	Short term		
<b>Whose actions or inactions contribute</b>	Offenders increase costs and increase danger for children		
<b>Assessment of Options</b>	Pool inspections to ensure compliance with regulations should be met by the owners of the facilities. Those that do not comply should be charged for non-compliance (fines) and any additional inspections		
	Private Benefit %	100%	Public Benefit %
<b>Assessment of overall impacts of allocation of revenue needs</b>	<p>The bulk of revenue is sourced directly from those benefitting from this activity.</p> <p>Fines are set by legislation and may be insufficient to recover the costs of enforcement. There is a wider community benefit to ensure pools are secure enough to prevent drowning.</p>		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	30%-50%	User charges for inspections and fines for non-compliance 80-90% costs. Reduced percentage for other non-chargeable costs
	General Rates	50%-70%	Balance funded from rates

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
<b>Policy Author</b>	Financial Controller	<b>Review date</b>	June 2018

<b>Activity</b>	<b>Planning and Regulatory Services – Warrant of fitness enforcement</b>		
<b>Primary Community Outcome</b>	Easy and Safe to move around		
<b>Why do we do it</b>	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		
<b>Who benefits</b>	Whole community,		
<b>Period of benefit (intergenerational equity)</b>	Short term		
<b>Whose actions or inactions contribute</b>	Offenders may drive vehicles which are a safety risk to themselves or to others. Registration costs contribute to insurance and ACC activities		
<b>Assessment of Options</b>	Aligns with the enforcement of car parking activity. Marginal costs of inspection in addition to enforcement of parking are minimal.		
	Private Benefit %	100%	Public Benefit %
<b>Assessment of overall impacts of allocation of revenue needs</b>	<p>The bulk of revenue is sourced directly from those causing the need for this activity.</p> <p>The use of fines encourages appropriate behaviour and improves safety on our roads. Revenue received within sixty days of issue of fine is shared 50/50 with the NZ police</p>		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	100%	Fines & recovery of costs from WOF fines
	General Rates		

Revenue and Financing Policy			
<b>Audience (Primary)</b>	Internal	<b>Business Owner (Dept)</b>	Financial Services
<b>Policy Author</b>	Financial Controller	<b>Review date</b>	June 2018

<b>Activity</b>	<b>Support Services - Property</b>		
<b>Primary Community Outcome</b>	A growing, resilient economy		
<b>Why do we do it</b>	Invest in assets which provide strategic growth opportunities or suitable investment returns		
<b>Who benefits</b>	Tenants; Whole community		
<b>Period of benefit (intergenerational equity)</b>	Short and long term		
<b>Whose actions or inactions contribute</b>			
<b>Assessment of Options</b>	Returns on properties (rents) should make the activity self funding. Any surplus can be used to reduce the rating burden.		
	Private Benefit %		Public Benefit %
<b>Assessment of overall impacts of allocation of revenue needs</b>	All revenue is sourced directly from those benefitting from this activity.		
<b>Operational Expenditure</b>	<b>Type</b>	<b>%</b>	<b>Comments</b>
	User Fees	100%	Rental income
	General Rates		
	Targeted Rates		
<b>Capital Expenditure</b>	Depreciation	Major	Used to repay existing loans and fund renewal capital expenditure
	Reserves	Major	Property portfolio reserve used as a funding source if available
	Loan Funding	Minor	As required

## 6.2 2018-19 Fees and Charges

**Meeting:** Whangarei District Council

**Date of meeting:** 29 June 2018

**Reporting officer:** Alison Geddes (General Manager - Planning and Development)

### 1 Purpose

To adopt the 2018-19 Fees and Charges subject to the Special Consultative Procedure of S83 of the Local Government Act 2002;

To adopt all other fees set by the requirements of relevant statutes and bylaws as proposed in the attached Fees and Charges Schedule for 2018-2019;

To approve and adopt a discounted fee for certificates of acceptance and building consents for swimming pools and officially exempt schools from paying annual fees for inspections and verifications of food control plans.

### 2 Recommendation/s

That Council

- a. Adopt Table A: 2018-19 fees and charges subject to the Special Consultative Procedure

	<b>Refer Attachment 2: Statement of Proposal</b>
Resource Management fees and charges	Page 24
Food Act and Health Act fees and charges – relating to food businesses	Pages 15,16
Gambling Act and Racing Act consent fees and charges	Page 17
Cemetery fees and charges	Page 10

- b. Adopt Table B: 2018-19 fees and charges not subject to the Special Consultative Procedure

	<b>Refer Attachment 1: Proposed Fees and Charges</b>
Dog, Stock Control and Impounding fees and charges	Page 4
Food Premises – Other registered premises	Page 16
Swimming Pool Inspection fees and charges	Page 27

Building Control fees and charges	Page 5 – 9
Rubbish Disposal fees and charges	Page 25
	<b>Refer Attachment 1: Proposed Fees and Charges</b>
Drainage fees and charges	Page 14
Transport fees and charges	Page 27
Library fees and charges	Page 18-20
Parks and Reserves fees and charges	Page 22,23
Water fees and charges	Page 27 -28
Laboratory fees and charges	Page 17, 18
Official Information fees and charges	Page 21
Photocopying fees and charges	Page 23
Searches fees and charges	Page 26
Bylaw Enforcement fees and charges	Page 9
Land Information Memorandum fees and charges	Page 9
Cameron Street Mall Permits	Page 11
<p>c. Approve and adopt the discounted fee of \$615 for Certificates of Acceptance and Building Consents for swimming pools up to a value of \$19,999 and incorporate it into the Fees and Charges Schedule for 2018-2019.</p> <p>d. Exempt schools and after-school care facilities in Whangarei District from annual fees for registration and verification of Food Control Plans under the Food Act 2014.</p>	

### 3 Background

Council annually reviews all fees and charges. Where Council considers there is a private benefit and the costs should be met by the user, it also needs to consider the appropriate level of that charge in any year.

For the 2018-19 year, all fees and charges have been reviewed to determine whether they should increase in line with cost increases and/or whether they recover the appropriate level of funding for the private benefits from users.

The process to set user fees may be set by specific legislation, and in some cases the fee itself may be fixed in that legislation. Some fees require a special consultative procedure (SCP) under section 83 of the Local Government Act 2002, and others don't require this high level of consultation.

Whangarei District Council's Statement of Proposal for the Draft Fees and Charges for 2018- 2019 was adopted on 28 February 2018 and opened for submissions in



accordance with the requirements of the SCP of the Local Government Act 2002. Submissions closed on 8 April 2018.

The fees subject to the SCP were for consents, inspections, and other approvals under the Resource Management Act 1991, Health Act and Food Act 2014 fees and charges relating to food businesses, fees and charges relating to the Gambling Act 2003 and the Racing Act 2003, and cemetery fees and charges.

All other fees and charges that were not subject to the SCP were also consulted on concurrently with the LTP.

No material submissions were received through either of these consultation processes that required reconsideration of the proposed fees and charges, therefore no changes to the proposed Fees and Charges Schedule were required. However, Council resolved, at the LTP deliberations meeting on 16 May, to exempt schools and after-school care facilities in Whangarei District from paying annual fees for registration and verification of Food Control Plans under the Food Act 2014.

In addition, for the sake of completion, it is proposed that Council takes this opportunity to add a new discounted fee for building consents and certificates of compliance for swimming pool consents. This new fee does not require public consultation but it must be approved by Council resolution.

It must also be noted that in the consultation document the hourly rate for Official Information requests had been increased from \$38 to 39/half hour (i.e. the LGCI). However, as this fee is set by specific guidelines from the Ministry of Justice, this should remain as it was last year. This correction has been made in the attached Proposed Fees and Charges Schedule.

## **4 Discussion**

### **New Fee for Swimming Pool Consents**

During the course of the consultation process, an issue over the fencing of swimming pools arose. A problem was discovered in the way pools were being inspected and when a sample audit was done, about 90% of swimming pools were found to be non-compliant. In response to this, Council has embarked on a programme of re-inspection of all pool fences (barriers). It has also been discovered that many of these pools are without building consent (BC) or Certificate of Acceptance (COA).

To encourage pool owners to obtain consent for their pools and to ensure that pool barriers are compliant, it is proposed to offer a significant discount to the cost of obtaining a BC or COA for these pools.

As the fees for BCs and COAs under the Building Act 2004 are not required to go through a consultative process, this fee can be set by Council resolution and can be added to the Fees and Charges Schedule at this stage.

The proposed fee is \$615 for BCs and COAs for swimming pools up to a value of \$19,999, which is less than half the fee for the lower end of the usual building consent fees which are calculated by project value. Most pools would be under \$20k in value, however some may be up to \$100k and require complex engineering design.

BRANZ Levies and the Ministry of Business, Innovation and Employment (MBIE) fees are paid over \$20k value so a cut-off up to a value of \$19,999, which aligns with the general building consent fee scale, is proposed.

It is proposed that this lower fee will be in place for a period of 2 years from 1 July 2018 to 1 July 2020. This two-year window will give adequate time for people to regularise their non-complying pools but also create some urgency to do it.

These minor additions and alterations have already been made to the Fees and Charges schedule in anticipation of approval by Council.

## **5 Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy. While there is potential for the public interest criteria to be triggered, council anticipates this to be minor. Therefore, fees and charges on an individual basis is not considered to be significant.

The public will be informed via the Council website prior to 1 July 2018.

## **6 Attachments**

1. 2018-19 Statement of Proposal
2. Proposed Fees and Charges

**PROPOSED  
FEES & CHARGES**

**1 JULY 2018 – 30 JUNE 2019**

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# ANIMALS

## DOGS

REGISTRATION	CURRENT FEE (\$)	PROPOSED FEE (\$)
Standard owner	63.00	64.00
Late fee standard owner	94.00	96.00
Discounted fee owner (desexed dog)	50.00	51.00
Late fee discounted owner (desexed dog)	74.00	75.00
Working dogs	49.00	50.00
Late fee – working dog	63.00	64.00
Dangerous dog	150% of relevant fee	150% of relevant fee
Service dogs	7.00	7.00
Puppy fees	1/12th the relevant fee for each complete month remaining in the registration year	1/12th the relevant fee for each complete month remaining in the registration year

OTHER CHARGES	CURRENT FEE (\$)	PROPOSED FEE (\$)
Replacement tags	6.00	6.00
First impounding	133.00	136.00
Second impounding	151.00	154.00
Third and any subsequent impounding	186.00	190.00
Sustenance fees – per day	22.00	22.00

## STOCK RANGING/IMPOUNDING

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Impound fee for first impounding (driving charges additional)	133.00	136.00
Impound fee for second impounding (driving charges additional)	151.00	154.00
Impound fee for third and any subsequent impounding (driving charges additional)	186.00	190.00
Sustenance fees for stock – per day	11.00	11.00
Stock control – driving charges – per hour	85.00	87.00
Transportation charges	Actual	Actual

# BUILDING CONTROL

## PROJECT INFORMATION MEMORANDUM (PIM) APPLICATION

PIM COMMERCIAL	CURRENT FEE (\$)	PROPOSED FEE (\$)
All works for new, existing and alterations to existing buildings described in the terms of the Building Regulations under the classifications of commercial, industrial and communal residential. In short if the works are not solely and expressly residential then it is deemed commercial.	517.00	527.00
Examples of such include, but are not limited to: show homes, milking sheds and other farm buildings, residential accommodation in or attached to a commercial building, schools, changing a bedroom so it can be used as part of a home occupation, retaining walls and bridges for sub divisional development, communal buildings within retirement villages.		
RESIDENTIAL PIM – TYPE 1	CURRENT FEE (\$)	PROPOSED FEE (\$)
All works for new, existing and alterations to existing buildings described in the terms of the Building Regulations under the classifications of housing, outbuilding and ancillary.	416.00	424.00
Examples of such include, but are not limited to: dwellings, minor residential dwellings, farm worker's accommodation, sleep outs, garages, carports, and any alterations affecting or changing the exterior footprint of the building, pergolas, decks, swimming pools, retaining walls and bridges not for sub divisional development.		
RESIDENTIAL PIM – TYPE 2	CURRENT FEE (\$)	PROPOSED FEE (\$)
Internal alterations with a change of use, re-roof with a change of pitch, re-cladding, drainage or re-piling.	184.00	188.00
Examples of such include, but are not limited to: altering a wardrobe or bedroom to become an en-suite / bathroom or laundry, closing in a carport to become a garage, changing from tiles to long run or corrugated iron roofing.		
RESIDENTIAL PIM – TYPE 3	CURRENT FEE (\$)	PROPOSED FEE (\$)
Minor alterations, fireplaces and plumbing. Removal or demolition of buildings.	114.00	116.00
Examples of such include, but are not limited to: replacing a window with a ranch slider, constructing or altering of a non-load-bearing wall without a change of use (see PIM – type 2 for examples of change of use), repositioning of kitchen or bathroom fixtures within existing kitchen or bathroom, wet area showers within existing bathroom, taking out a bath and replacing it with a shower.		
REVIEW OF PLANNING FOR PIM PRIOR'S AND AMENDMENTS	CURRENT FEE (\$)	PROPOSED FEE (\$)
This fee provides for planning issues to be reviewed at the building consent application stage.		
Residential	116.00	118.00
Commercial	160.00	163.00

## BUILDING CONSENTS

Any external services that are required through the consenting process to be evaluated by an appropriate engineer or agency like the New Zealand Fire Service will be invoiced at the actual cost incurred through the review process.

Inspection fees charged at the current rate are valid for 12 months following payment. Inspections beyond the 12-month period will be invoiced at any new rate and any additional inspections will incur the new rate at the time of service.

### Building Consent Applications

#### RESIDENTIAL

The below fees are instalments only and may attract additional processing fees charged on a time basis.

		Building Consents				Certificate of Acceptance	
	Estimated number of inspections required	Building Consent (Includes PA) * (\$)		Building Consent (Includes PIM) * (\$)		Certificate of Acceptance (Includes PA) * (\$)	
Estimated value of the building project		Includes inspection instalment based on estimated inspections required				Includes 1 Inspection. Additional inspection fees may apply	
		CURRENT FEE (\$)	PROPOSED FEE (\$)	CURRENT FEE (\$)	PROPOSED FEE (\$)	CURRENT FEE (\$)	PROPOSED FEE (\$)
Heating and/or Solar Appliances	1	409.00	497.00	523.00	534.00	467.00	476.00
\$0 to \$5,000	2	1,163.00	1,266.00	1,177.00	1,588.00	1,067.00	1,088.00
\$5,001 to \$10,000	3	1,492.00	1,600.00	1,562.00	1,908.00	1,301.00	1,327.00
\$10,001 to \$50,000	5	2,329.00	2,535.00	2,477.00	2,686.00	2,001.00	2,042.00
\$50,001 to \$100,000	7	2,992.00	3,291.00	3,140.00	3,442.00	2,507.00	2,557.00
\$100,001 to \$250,000	9	3,639.00	3,950.00	3,787.00	4,101.00	2,981.00	3,041.00
\$250,001 to \$500,000	12	4,682.00	5,413.00	4,830.00	5,564.00	3,837.00	3,914.00
\$500,001 to \$900,000	18	6,675.00	7,446.00	6,823.00	7,597.00	5,363.00	5,469.00
\$900,001 and over	25	9,169.00	9,990.00	9,317.00	10,141.00	7,481.00	7,631.00
* BRANZ and MBIE levies apply as per below.							
Accreditation Levy apply to all Building Consent applications							

#### BRANZ LEVY

Calculated at \$1.00 per \$1,000 or part thereof of projects with an estimated value of building work exceeding \$19,999 (or as amended by BRANZ). (This is exempt from GST).

#### MBIE LEVY

Calculated at \$2.01 per \$1,000 or part thereof of projects with an estimated value of building work exceeding \$20,443 (or as amended by the MBIE). (This is exclusive of GST).

#### ACCREDITATION LEVY

21 cents per \$1,000 of project value or part thereof.

A Building Consent Fee Calculator is available on Council's website:

[www.wdc.govt.nz/BuildingandProperty/BuildingConsents/Pages/Building-Consent-Costs.aspx](http://www.wdc.govt.nz/BuildingandProperty/BuildingConsents/Pages/Building-Consent-Costs.aspx)



**COMMERCIAL**

The below fees are instalments only and may attract additional processing fees charged on a time basis.

		Building Consents				Certificate of Acceptance	
	Estimated number of inspections required	Building Consent (Includes PA) * (\$)		Building Consent (Includes PIM) * (\$)		Certificate of Acceptance (Includes PA) * (\$)	
Estimated market value of the building project		Includes inspection instalment based on estimated inspections required				Includes 1 Inspection. Additional inspection fees & hourly rate may apply	
		CURRENT FEE (\$)	PROPOSED FEE (\$)	CURRENT FEE (\$)	PROPOSED FEE (\$)	CURRENT FEE (\$)	PROPOSED FEE (\$)
\$0 to \$5,000	2	1,950.00	2,067.00	2,129.00	2,250.00	2,220.00	2,264.00
\$5,001 to \$10,000	3	2,542.00	2,671.00	2,721.00	2,854.00	2,872.00	3,232.00
\$10,001 to \$50,000	4	3,283.00	3,507.00	3,462.00	3,690.00	3,822.00	3,897.00
\$50,001 to \$100,000	5	3,789.00	4,022.00	3,968.00	4,205.00	4,302.00	4,388.00
\$100,001 to \$250,000	7	5,062.00	5,400.00	5,241.00	5,583.00	5,784.00	5,896.00
\$250,001 to \$500,000	9	6,248.00	6,689.00	6,427.00	6,872.00	7,092.00	7,232.00
\$500,001 to \$1,000,000	12	8,968.00	9,463.00	9,147.00	9,646.00	10,936.00	11,155.00
\$1,000,001 to \$1,500,000	18	13,044.00	13,617.00	13,223.00	13,800.00	15,896.00	16,212.00
\$1,500,001 and over	25	18,241.00	19,237.00	18,420.00	19,420.00	22,566.00	23,015.00
* BRANZ and MBIE levies apply as per below.							
Accreditation Levy apply to all Building Consent applications							

**BRANZ LEVY**

Calculated at \$1.00 per \$1,000 or part thereof of projects with an estimated value of building work exceeding \$19,999 (or as amended by BRANZ). (This is exempt from GST).

**MBIE LEVY**

Calculated at \$2.01 per \$1,000 or part thereof of projects with an estimated value of building work exceeding \$20,443 (or as amended by the MBIE). (This is exclusive of GST).

**ACCREDITATION LEVY**

21 cents per \$1,000 of project value or part thereof.

A Building Consent Fee Calculator is available on Council's website:

[www.wdc.govt.nz/BuildingandProperty/BuildingConsents/Pages/Building-Consent-Costs.aspx](http://www.wdc.govt.nz/BuildingandProperty/BuildingConsents/Pages/Building-Consent-Costs.aspx)

## OTHER APPLICATIONS, FUNCTIONS OR SERVICES

The below fees are instalments only and may attract additional processing fees charged on a time basis.

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Amendment to a Building Consent – residential	211.00	375.00
Amendment to a Building Consent – commercial	211.00	375.00
Certificate for Public Use – commercial	374.00	545.00
Exemption under Schedule One (1) from the requirement for Building Consent	178.00	342.00
Extension of time application fee	92.00	257.00
Service connection or disconnection to the public utility infrastructure	392.00	400.00
Certificate of title registration or removal of registration (e.g. natural hazards identification or the binding of two or more allotments)	367.00	374.00
Vehicle crossing application to Council's engineering standards	392.00	400.00
Notice to fix issuance only (additional fees will be charged on a time basis)	176.00/hr	180.00
Building code certificate under section 100(f) of the Sale and Supply of Alcohol Act 2012	176.00/hr	180.00
Change of certifier – residential review (including two inspections)	909.00	927.00
Change of certifier – commercial review (including two inspections)	1,031.00	1,051.00
Change of certifier – fireplace (including one inspection)	279.00	285.00
Building inspection fee – residential (per inspection)	205.00	209.00
Building inspection fee – commercial (per inspection)	266.00	271.00
Code compliance certificate (CCC) – residential	272.00	277.00
Code compliance certificate (CCC) – commercial	272.00	277.00
Potential contaminants site search (file review only) – residential (allowance of two (2) hours only)	242.00	247.00
Potential contaminants site search (file review only) – commercial (allowance of three (3) hours only)	404.00	412.00
Oakura Sewerage Charge	463.00 + Accreditation Levy	472.00 + Accreditation Levy

## BUILDING WARRANT OF FITNESS AND COMPLIANCE SCHEDULES

The below fees are instalments only and may attract additional processing fees charged on a time basis.

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Independent qualified person (IQP) - application to be registered	364.00	371.00
Specified system registration for an IQP (note: this is per system)	153.00	156.00
IQP annual renewal to remain registered (per person)	153.00	156.00
Compliance schedule statement	72.00	73.00
Building Warrant of Fitness (BWOF) receipt and administration fee	105.00	107.00
BWOF site audits (allowance of one (1) hour only)	266.00	271.00
Risk category 1 buildings – once per year	157.00/hr	160.00/hr
Risk category 2 buildings – once per 3 years	157.00/hr	160.00/hr
Risk category 3 buildings – once per 5 years	157.00/hr	160.00/hr
Building warrant of fitness site audit rechecks	157.00/hr	160.00/hr

## SUBSCRIPTIONS AND PUBLICATIONS

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Issued building consent register – monthly	37.00	38.00
Issued building consent register - annual	311.00	317.00

## LAND INFORMATION MEMORANDUM (LIM)

The below fees are instalments only and may attract additional processing fees charged on a time basis.

RESIDENTIAL (INCLUDING LIFESTYLE BLOCKS LESS THAN 20 HECTARS)	CURRENT FEE (\$)	PROPOSED FEE (\$)
Used principally for residential purposes or lifestyle residential purposes		
A lifestyle block includes properties of variable size, but generally comprise of 20 hectares or less, which might otherwise be categorised as rural, but which are used for non-economic (in the traditional farming sense) lifestyle residential purposes	368.00	375.00
LIM - Cancellation fee	94.00	96.00

COMMERCIAL (INCLUDING FARMS OVER 20 HECTARS)	CURRENT FEE (\$)	PROPOSED FEE (\$)
A building or land in which any natural resources, goods, services or money are either developed, sold, exchanged or stored		
Large commercial/industrial LIMs will be assessed and may incur additional costs	664.00	677.00
LIM - Cancellation fee	94.00	96.00

## BYLAW ENFORCEMENT

### SEIZURE OF PROPERTY UNDER BYLAWS

		CURRENT FEE (\$)	PROPOSED FEE (\$)
Seizure and confiscation of signs under the Local Government Act 2002 and bylaws	Signs under 1m <sup>2</sup>	64.00	65.00
	Signs over 1m <sup>2</sup>	127.00	130.00
Seizure of other property		Actual cost recovery at \$84.00/hr. and mileage of \$0.72/km plus any additional specialist contractor's cost	Actual cost recovery at \$86.00/hr. and mileage of \$0.73/km plus any additional specialist contractor's cost
Seizure of skateboards, bikes and similar		62.00	63.00
Where otherwise not specified any application for a permit, consent or exemption application or request under a Whangarei District Bylaw.		107.00	109.00

# CEMETERY

## BURIAL FEES

PURCHASE AND MAINTENANCE OF PLOT FEES	CURRENT FEE (\$)	PROPOSED FEE (\$)
Burial plots – Maunu	2,248.00	2800.00
Family burial plot	New fee	3500.00
Children's burial plots – Maunu and Onerahi (available up to 12 years)	721.00	735.00
Stillborn and newborn	New Fee	150.00
Purchase of ashes plot (900 x 400) – Maunu, Onerahi and Kamo	584.00	650.00
Purchase of ashes plot – Maunu Family	New fee	850.00
Ashes plot – Maunu Rose garden	New fee	700.00
Rose garden plaque	New fee	250.00
Transfer of ownership fee (burial plot or ashes plot)	37.00	40.00

BURIAL (DIGGING FEES) MAUNU, ONERAHI AND KAMO	CURRENT FEE (\$)	PROPOSED FEE (\$)
Digging fee	840.00	900.00
Digging – off site	New fee	1400.00
1 to 12 years	339.00	346.00
Digging Stillborn and newborn	No charge	No charge
Lowering device fee	67.00	70.00
Grave Mats	No charge	No charge
Surcharge for burial on Saturday	285.00	291.00
Surcharge for late arrival (30 minutes after booking time)	234.00	239.00
Staff call out on statutory holidays	520.00	530.00
Oversize casket (extra) – greater than standard length 2100mm, width 770mm	175.00	179.00
Breaking concrete (extra)	175.00	179.00
Dis-interment (burial plot)	1,846.00	1883.00
Headstone or memorial permit fee (burial or ashes plot)	43.00	44.00

OTHER FEES	CURRENT FEE (\$)	PROPOSED FEE (\$)
Memorial bench	2,717.00	2771.00
Pop-up gazebo – Maunu only	53.00	54.00
Memorial tree – Kamo only	540.00	551.00
Memorial shrub – Kamo only	218.00	222.00

## ASH INTERMENT FEES

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Book of Remembrance entry	67.00	68.00
Burial of ashes	102.00	104.00
Scattering of ashes	58.00	59.00
Dis-interment of ashes	116.00	118.00
A fee may be charged for the compilation of large amounts of information		

## CAMERON STREET MALL PERMITS

CAMERON ST MALL PERMITS	CURRENT FEE (\$)	PROPOSED FEE (\$)
Cameron Street mall permits	20.00	20.00
Preferred busking permit	20.00	20.00
Bond for power charge	20.00	20.00

## COUNCIL PROFESSIONAL FEES

HOURLY RATES CHARGED IN 6 MINUTE INTERVALS	CURRENT FEE (\$)	PROPOSED FEE (\$)
Manager, RMA Consents	198.00/hr	202.00/hr
Manager, Parks and Recreation		
Manager, Infrastructure Development		
Manager, Infrastructure Planning & Capital Works		
Manager, Roading		
Manager, District Plan		
Manager, Health and Bylaws		
Manager, Building Control		
Manager, Libraries		
Manager, Water Services		
Manager, Waste and Drainage		
RMA Planning Specialist	176.00/hr	180.00/hr
Team Leader RMA Consents		
Senior Specialist Resource Consents		
District Plan Specialist		
Senior Planner (District Plan & Consents)		
Team Leader Development Engineering		
Senior Development Engineering Officer		
Development Engineer		
Engineering Officer, Water		
Senior Water Technician		
Infrastructure Asset Engineer		
Infrastructure Project Engineer		
Infrastructure Senior Engineer		
Distribution Engineer		
Solid Waste Engineer		
Asset Engineer, Water		
Waste and Drainage Engineer		
Waste and Drainage Asset Engineer		
Wastewater Projects Engineer		
Senior Building Controls Officer		
Team Leader Building		

HOURLY RATES CHARGED IN 6 MINUTE INTERVALS	CURRENT FEE (\$)	PROPOSED FEE (\$)
Team Leader Infrastructure Planning		
Team Leader Landscape Architects		
Team Leader, Environmental Health		
Cemetery and Botanica Manager		
Senior Asset Engineer		
Planner (District Plan and Consents)	157.00/hr	160.00/hr
Team Leader RMA Approvals and Compliance		
Landscape Architect		
Post-Approval Subdivision Officer		
Development Contributions Coordinator		
Infrastructure Planner		
Development Engineering Officer		
Distribution Technician		
Engineering Officer (Drainage and Water)		
Team Leader RMA Support		
Strategic Asset Coordinator - Parks		
Infrastructure Technical Officer		
Senior Rooding Engineer (Traffic and Parking)		
Traffic Projects Engineer		
Building Control Officer		
Compliance Officer (Building Control)		
Compliance Officer (RMA Consents)		
Architect / Urban Designer		
Environmental Health Officer		
Property Assessment Officer	156.00/hr	159.00/hr
Infrastructure Asset Systems Technician	135.00/hr	138.00/hr
Compliance Officer (Regulatory Services)		
Planning Assistant (RMA Consents) / Support Assistant (District Plan/Health and Bylaws/Building Processing)	94.00/hr	96.00/hr
Building Administrator (BCA and TA)	94.00/hr	96.00/hr
Mileage	72 cents/km	73 cents/km
Disbursements	At cost charged to department by provider	
Hearings required for any resource consent or other permission will be charged at actual cost.		
Cost of any consultant / hearings commissioner will be charged at actual cost.		
Miscellaneous charges will be charged at actual cost.		
All costs will be itemised		
All figures are standard fees inclusive of GST; the final fee in any one application will be determined by the Resource Consents Manager or his/her appointee.		
Council reserves the right to interim invoice applications where significant costs have been incurred over a period of one month or more without progress on the application.		

# DISTRICT PLAN

## PRIVATE PLAN CHANGE

All fees and charges are DEPOSITS unless otherwise stated. Processing may require further charges that exceed the initial lodgement deposit.

PRIVATE PLAN CHANGE	CURRENT FEE (\$)	PROPOSED FEE (\$)
Private Plan Change – on receipt of a request to change the Plan	14,500.00	14,500.00
Private Plan Change – before commencement of notification	14,500.00	14,500.00
Private Plan Change – before commencement of a hearing	14,500.00	14,500.00
Disbursements	At cost charged to Department by provider	At cost charged to Department by provider
Hourly rates charged in six-minute intervals.  Hours over the above advance fee and mileage, plus disbursements, which may also involve work by other specialist planning, parks and engineering staff will be charged at a rate specified in Council's Professional Fee Schedule.	See pages 11-12	See pages 11-12

### HEARINGS REQUIRED FOR ANY PLAN CHANGE

Any and all costs of third party or independent Commissioners will be recoverable as well as the cost associated with the hearing (i.e., staff time, consultant's costs, venue hire, printing).

When a Councillor is appointed as a Hearings Commissioner the cost set by Regulation will be charged.

All figures are standard fees inclusive of GST, the final fee in any one change to the District Plan will be determined by the Environmental Policy and Monitoring Manager or his/her appointee.

In the case where a consultant(s) is required, Council will charge the actual and reasonable costs incurred by the consultant, plus 5% for supervision and administration.

## Notes

Private plan changes may be processed by consultants. In this situation, an applicant will be asked to undertake, at the submission stage, to pay the full cost of such processing in addition to the normal cost of Council to process its part of the application. Fees are charged to defray the cost of:

- Initial receipt of the application
- Cost of allocation of the application and distribution of information
- Site visits
- All professional and administrative staff costs at the hourly rate, mileage and disbursements in handling the application
- Request for additional information and review or peer review such information
- Notification procedure
- Summarising submissions and input into database
- Notification of submissions for further submissions
- Summary of further submissions and input into database
- Preparation of staff report to a Hearings Committee and/or Council
- Preparation of hearing, notices, hall hire, appointment of commissioners, etc
- Attendance and any cost of hearings plus secretarial services
- All cost of the hearing including full cost of independent commissioners
- Preparation and finalising the Hearings Committee's recommendation to Council
- Submission to Council of the hearings report and cost of any subsequent requirements of Council
- Updating of database with all the decisions of Council on submissions
- Distributing decision replies to all submitters
- Council may on-charge cost of an appeal where the decision of Council was in favour of the applicant, but was appealed by a submitter

- (s) All costs will still be payable notwithstanding the outcome of the application, i.e., if an application is declined or only partially accepted/adopted/granted the cost still has to be recovered
- (t) Cost can be reduced if all information is provided electronically and distributed electronically where applicable.

## DRAINAGE

SERVICES LOCATION	CURRENT FEE (\$)	PROPOSED FEE (\$)
Where work is done by Council to locate connections and the connection is found to be within 1.5 meters horizontally and 0.5 meters vertically of the 'as-built' position, work done will be charged at cost	Actual cost of contractor	Actual cost of contractor

SEPTAGE TREATMENT	CURRENT FEE (\$)	PROPOSED FEE (\$)
For disposal and treatment of septage at Council's treatment facility – types 1.02, 1.03 & 1.14	35.03	36.00
For disposal and treatment of septage at Council's treatment facility – types 1.04 & 14.01	10.38	11.00
Consent monitoring hourly rate	81.77	83.00
Uniform annual charge	462.08	471.00
Trade Waste Consent Permit (conditional)	175.23	179.00
Trade waste permitted application fee	58.41	60.00

PAN CHARGE	CURRENT FEE (\$)	PROPOSED FEE (\$)
Pan charge for discharge of wastewater into Council's wastewater system where connection cannot be charged as targeted rate**	683.00	696.00
**An approved connection may be provided but as the building is not on land, no certificate of title exists therefore the charge cannot be levied as a rate under the Local Government Rating Act 2002		

PART YEAR WASTEWATER CHARGE	CURRENT FEE (\$)	PROPOSED (\$)
Part year wastewater fee for properties connected to the public wastewater system during the year. After connection, properties are charged on 1 July as part of the rates.		
SEWER CONNECTION DATE	CURRENT FEE (\$)	PROPOSED (\$) (as a % of annual pan fee)
July	92%	92%
August	83%	83%
September	75%	75%
October	67%	67%
November	58%	58%
December	50%	50%
January	42%	42%
February	33%	33%
March	25%	25%
April	17%	17%
May	8%	8%
June	0%	0%



# FOOD PREMISES

## FEES FOR FUNCTIONS UNDER THE FOOD ACT 2014

REGISTRATION – FOOD CONTROL PLAN	CURRENT FEE (\$)	PROPOSED FEE (\$)
New application for registration of food control plan based upon a template fee (includes up to 2 hours of processing time, supply of thermometer and printed food safety plan).	312.00 fixed fee	318.00 fixed fee
Fee for additional time in processing the application	156.00/hr	159.00/hr
Additional food control plan document pack and thermometer	n/a	50 per pack
Registration renewal	156.00 fixed fee	159.00 fixed fee
REGISTRATION – NATIONAL PROGRAMMES	CURRENT FEE (\$)	PROPOSED FEE (\$)
Application for registration of model issued by MPI of a business subject to a national programme (includes up to 1.75 hours of processing time).	234.00 fixed fee	239.00 fixed fee
Fee for additional time in processing the application	156.00/hr	159.00/hr
Additional national programme document pack and thermometer	n/a	50 per pack
Registration renewal	156.00 fixed fee	159.00 fixed fee
AMENDMENT TO REGISTRATION	CURRENT FEE (\$)	PROPOSED FEE (\$)
Significant amendment to registered food control plan based on a template or model issued by MPI or to registration of a business subject to a national programme (includes up to 1 hour of processing time)	156.00 fixed fee	159.00 fixed fee
Fee for additional time in processing the application	156.00/hr	159.00/hr
VERIFICATION OF FOOD CONTROL PLAN	CURRENT FEE (\$)	PROPOSED FEE (\$)
Verification including site visits and compliance checks with food control plans. Where a verification results in the issue of a CAR that requires a return visit, then the fee covers the first follow up visit to check remedial actions (includes up to 3.5 hours of verification activity). Every additional visit is subject to additional compliance and monitoring fees.	534.00 fixed fee	545.00 fixed fee
Fee for additional time of verification activity	156.00/hr	159.00/hr
Failure to attend scheduled audit	120.00 fixed fee	122.00
Unscheduled verification	156.00/hr	159.00/hr
VERIFICATION OF NATIONAL PROGRAMME	CURRENT FEE (\$)	PROPOSED FEE (\$)
Verification including site visits and compliance checks with national programme. Where a verification results in the issue of a CAR that requires a return visit, then the fee covers the first follow up visit to check remedial actions (includes up to 1 hour of verification activity). Every additional visit is subject to additional compliance and monitoring fees.	156.00 fixed fee	159.00 fixed fee
Fee for additional time of verification activity	156.00/hr	159.00/hr
Failure to attend scheduled audit.	120.00 fixed fee	122.00
Unscheduled verification	156.00/hr	159.00/hr

COMPLIANCE AND MONITORING	CURRENT FEE (\$)	PROPOSED FEE (\$)
Complaint driven investigation resulting in issue of improvement notice by food safety officer.	156.00/hr	159.00/hr
Application for review of issue of improvement notice.	156.00/hr	159.00/hr
Second and subsequent return to business to check on compliance with CAR.	156.00/hr	159.00/hr
Monitoring of food safety and suitability.	156.00/hr	159.00/hr

## FEES AND CHARGES FOR FUNCTIONS UNDER THE FOOD HYGIENE REGULATIONS 1974

REGISTRATION INCLUDING INSPECTION TO CONFIRM COMPLIANCE WITH THE FOOD HYGIENE REGULATIONS 1974 AND ONE FOLLOW UP INSPECTION.	CURRENT FEE (\$)	PROPOSED FEE (\$)
Low risk activities- Food businesses of a type but not limited to the following: Chilled frozen storage, small scale manufacturers (non-perishable food), coffee carts, bread based only bakeries.	457.00	466.00
Medium risk activities – Food premises of a type but not limited to the following: butchers, fish shops, small manufacturers-perishables, cake kitchens, dairies selling preheated pies, scooped ice cream and/or repacked lolly bags, service stations, superettes, wholesalers.	534.00	545.00
High risk activities – Food premises of a type but not limited to: restaurants, cafes, taverns, large bakeries, large manufacturers, supermarkets, takeaways, lunch bars.	652.00	665.00
Second and subsequent follow up inspections.	Actual time at 157.00/hr	Actual time at 160.00/hr

## FEES AND CHARGES UNDER THE FOOD BUSINESSES GRADING BYLAW 2016

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Re-grading of premises under the Food Businesses Grading Bylaw 2016	Actual time at 157.00/hr	160.00/hr

## OTHER REGISTERED PREMISES

FUNERAL DIRECTORS	CURRENT FEE (\$)	PROPOSED FEE (\$)
On application (annual fee) and renewal	223.00	227.00
Transfer	60.00	61.00

HAIRDRESSERS	CURRENT FEE (\$)	PROPOSED FEE (\$)
On application (annual fee) and renewal	186.00	190.00
Transfer	60.00	61.00

CAMPING GROUNDS	CURRENT FEE (\$)	PROPOSED FEE (\$)
On application (annual fee) and renewal	332.00	339.00
Transfer	60.00	61.00

OFFENSIVE TRADES	CURRENT FEE (\$)	PROPOSED FEE (\$)
Offensive trades	223.00	227.00
Transfer	60.00	61.00

MISCELLANEOUS	CURRENT FEE (\$)	PROPOSED FEE (\$)
Consultation work including inspection undertaken by request and other inspections under the Health Act 1956	Hourly rate of \$132.00 plus travel at \$0.72/km	Hourly rate of \$159.00 plus travel at \$0.73/km

## GAMBLING ACT AND RACING ACT APPLICATION

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Application for TLA consent under Gambling Act 2003 (s 99) and Racing Act 2003 (s 65B)	718.00	732.00

## LABORATORY TESTING

### CHEMICAL

	CURRENT FEE (\$)	PROPOSED FEE \$
B.O.D. <sup>(5)</sup>	44.00	45.00
C.B.O.D. <sup>(5)</sup>	49.00	50.00
C.O.D.	36.00	37.00
Solids – total	22.00	22.00
Solids – suspended	22.00	22.00
Solids – total dissolved	22.00	22.00
Hardness – total	20.00	20.00
Hardness – calcium	20.00	20.00
Hardness – magnesium	20.00	20.00
Calcium	20.00	20.00
Total alkalinity (to ph 4.5)	20.00	20.00
Chloride	20.00	20.00
Free available chlorine	15.00	15.00
Total chlorine	15.00	15.00
Dissolved oxygen	13.00	13.00
Conductivity	13.00	13.00
Salinity	13.00	13.00
pH	13.00	13.00
Turbidity	13.00	13.00
Colour	13.00	13.00
Iron	21.00	21.00
Manganese	21.00	21.00
Ammonia nitrogen	21.00	13.00
Nitrate + nitrite (total oxidised nitrogen)	21.00	21.00
Dissolved reactive Phosphorous	21.00	21.00
Corrosive index (Isi)	66.00	67.00
Routine water profile (sub-contracted)	127.00	130.00

## MICROBIOLOGICAL

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Faecal coliform (presumptive)	30.00	31.00
Escherichia coli & total coliform	37.00	38.00
Enterococci	48.00	49.00
Total plate count @ 35°C	34.00	35.00
Total plate count @ 20°C	34.00	35.00
Pseudomonas aeruginosa (presumptive)	34.00	35.00
Staphylococcus aureus (presumptive)	34.00	35.00

## SAMPLE COLLECTION

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Sample collection – per hour	78.00	80.00
Mileage / km	0.72	0.73

## LIBRARY

### MEMBERSHIP

MEMBERSHIP	CURRENT FEE (\$)	PROPOSED FEE (\$)
Residents and ratepayers	Free	Free
Non-ratepayers / visitor's memberships: (\$30 refundable deposit and \$38.00 annual subscription)	68.00	70.00
Non-ratepayers / visitor's additional cards (non-refundable) per family member	20.00	20.00
Replacing a lost card – per card	Free	Free
INTER-LIBRARY LOANS	CURRENT FEE (\$)	PROPOSED FEE (\$)
From a cooperating library – per item	6.00	6.00
From a non-cooperating New Zealand library – per item	Minimum of 19.00	Minimum of 19.00
From an Australian library – per item	40.00	40.00
Urgent requests – per item	25.00 to 30.00	25.00-30.00
LOST / NON-RETURNED ITEMS	CURRENT FEE (\$)	PROPOSED FEE (\$)
Replacement value of item plus administration fee	Replacement value of item plus 10.00 admin fee	Replacement value of item plus 10.00 admin fee
Uncollected hold charge	1.00	1.00
OVERDUE CHARGES (PER NON-RENTAL ITEM)	CURRENT FEE (\$)	PROPOSED FEE (\$)
Overdue charge – per day	0.40	0.40
Overdue charge – maximum	10.00	10.00

## RENTAL ITEMS

BESTSELLER BOOKS (GREEN STICKERS)	CURRENT FEE (\$)	PROPOSED FEE (\$)
1 week	3.00	3.00
Overdue charge (per item) – per day	1.10	1.10
Overdue charge - maximum	20.00	20.00
MUSIC CDS	CURRENT FEE (\$)	PROPOSED FEE (\$)
1 week	No charge	No charge
Overdue charges (per item) – per day	0.40	0.40
Overdue charge – maximum	20.00	20.00
DVDS	CURRENT FEE (\$)	PROPOSED FEE (\$)
Per week	2.00	2.00
Hearing Impaired – 1 item per visit	No charge	No charge
Overdue fines (per item) – per day	0.50	0.50
Maximum	20.00	20.00
NEW RELEASE DVDS	CURRENT FEE (\$)	PROPOSED FEE (\$)
3 days	4.00	4.00
Overdue fines (per item) – per day	1.10	1.10
Maximum	20.00	20.00

## OTHER PAY SERVICES – LIBRARY

SELF-HELP COMPUTER SERVICES	CURRENT FEE (\$)	PROPOSED FEE (\$)
Internet – per 3 minutes	0.50	0.20
PHOTOCOPY/PRINTING SERVICES	CURRENT FEE (\$)	PROPOSED FEE (\$)
Black and white A4	0.10	0.10
Black and white A3	0.20	0.20
Colour A4	1.00	1.00
Colour A3	2.00	2.00
Scanning per page	0.10	0.10
Laminating per A4 sheet	2.00	2.00
Laminating per A3 sheet	4.00	4.00
MISCELLANEOUS	CURRENT FEE (\$)	PROPOSED FEE (\$)
Sales	Prices as marked	Prices as marked
Book mending & covering services	Prices on application	Prices on application
Sundry items	Prices as marked	Prices as marked
FAX	CURRENT FEE (\$)	PROPOSED FEE (\$)
0800 numbers – first page	2.00	2.00
Local – first page	2.00	2.00
National – first page	2.50	2.50
International – first page	3.00	3.00
Receiving – first page	1.00	1.00
All additional pages	0.20	0.20
DISPLAY	CURRENT FEE (\$)	PROPOSED FEE (\$)
Notice boards – per board per week	12.50	12.50
Display cabinet – per week	12.50	12.50

## MAY BAIN ROOM HIREAGE

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Booking fee	25.00	25.00
Plus room hire per hour	25.00	25.00
50% discount on room hire fees for local non-profit community groups		
Sundries supplied (per booking period)	12.00	12.00
Data projector hire (per booking period)	30.00	30.00
Wi-Fi access – per day	1.00	1.00

## LICENCES

### ISSUED UNDER ANY WHANGAREI DISTRICT BYLAW

These are annual fees unless otherwise stated	CURRENT FEE (\$)	PROPOSED FEE (\$)
Any application for a permit, consent, exemption or request under a Whangarei District Bylaw	107.00	109/site or application
Alfresco dining application fee	218.00	222.00
Alfresco dining monitoring fee	120.00	122.00
Animal powered vehicle license	174.00	177.00

## ALCOHOL LICENSING

The alcohol fees stated below are set under the Whangarei District Council Alcohol Fees Bylaw 2016. These fees replace the fees payable as stated under Regulation 7 of the Sale and Supply of Alcohol (Fees) Regulations 2013.

The above Regulations however continue to determine and define the various application and annual risk categories for the various premises and does so by allocating a numeral weighting to each category, depending on the perceived risk. In addition, the Regulations also allocate a higher risk rating to premises that operate longer hours; or those that have in the past suffered some enforcement action.

The sum total of each of these then translate into five (5) different risk categories ranging from “very low” to “very high”. A very low risk category premises will pay a substantially lower application or annual compliance monitoring fee than premises in a higher risk category.

For Special licensed events, the Regulations provides for three (3) Classes, dependent upon the number of attendees. With Class 1 being the highest risk and Class 3, the lowest.

For a more detailed explanation and in order for applicants to predetermine their individual application and/or annual risk categories, please see the Sale and Supply of Alcohol (Fees) Regulations 2013.

Application fee	CURRENT FEE (\$)	FEE SET BY BYLAW (\$)
Very low	600.00	600.00
Low	994.00	994.00
Medium	1,456.00	1,456.00
High	1,669.00	1,669.00
Very high	1,969.00	1,969.00
Annual fee	CURRENT FEE (\$)	FEE SET BY BYLAW (\$)
Very low	262.00	262.00
Low	637.00	637.00
Medium	1,031.00	1,031.00
High	1,687.00	1,687.00
Very high	2,344.00	2,344.00

Special license fee	CURRENT FEE (\$)	FEE SET BY BYLAW (\$)
Class 1	937.00	937.00
Class 2	337.00	337.00
Class 3	102.00	102.00
Other fees	CURRENT FEE (\$)	FEE SET BY BYLAW (\$)
Temporary Authority *	484.00	484.00
Temporary License*	484.00	484.00
Manager's Certificate*	316.25	316.25

\*This fee is set through the regulations not through the bylaw but is included here for completeness.

## MONITORING AND LAND USE CONSENT CONDITIONS – RMA

### MONITORING AND LAND USE CONSENT CONDITIONS

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Deposit invoiced at the time a resource consent decision is issued. Should the cost of monitoring (based on council staff hourly rates and mileage) exceed the deposit an invoice will be issued for the additional amount.		
Residential	406.00	406.00
Commercial	579.00	579.00
Hours over the above advance fee and mileage, which may also involve work by other specialist planning, parks and engineering staff will be charged at a rate specified in Council's Professional Fee Schedule plus any additional specialist contractor costs.	See pages 11-12	See pages 11-12

### ABATEMENT NOTICES

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Charge applied to issue an abatement notice	140.00	143.00
Charge to cover seizure, impounding, transporting and storing of property under Section 366, Resource Management Act 1991	224.00	228.00

## OFFICIAL INFORMATION

WHERE NO OTHER FEE APPLIES	CURRENT FEE (\$)	FEE SET BY STATUTE (\$)
Time spent by staff searching for relevant material, extracting and collating, copying, transcribing and supervising access where the total time involved is more than one hour should be charged out as follows:	38.00/ half hour	38.00/ half hour
PHOTOCOPYING	CURRENT FEE (\$)	PROPOSED FEE (\$)
First 20 pages of A4 black and White copies	Free	Free
Thereafter – see Photocopy charges (page 22)		
OTHER COSTS		
All other charges incurred will be fixed at an amount which recovers the full costs involved		
FEE IN ADVANCE		
A fee in advance may be required where the charge is likely to exceed \$76.00 or where some assurance of payment is required to avoid waste of resources.		

# PARKS AND RESERVES

## PLAYING FIELD RENTALS

SEASONAL HIRE TO PARENT SPORTING CODES		CURRENT FEE (\$)	PROPOSED FEE (\$)
Cricket	Senior wickets	647.00	550.00
	Twilight wickets	129.00	100.00
	Artificial wickets	58.00	50.00
Softball and baseball	Diamond	297.00	250.00
Rugby	Senior field	635.00	550.00
	Junior field	520.00	450.00
Touch rugby	Field	291.00	250.00
Five-a-side soccer	Field	291.00	250.00
Soccer	Senior field	635.00	550.00
	Junior field	520.00	450.00
Rugby league	Senior field	635.00	550.00
	Junior field	520.00	450.00
Casual usage of sporting fixtures by businesses, social clubs and other groups during appropriate season. i.e., using existing field		38.00	40.00
Note: Rugby, soccer, hockey, touch, league, twilight and artificial cricket wicket per field, softball per diamond, netball per court			
Schools and pre-school groups		No charge	No charge

## MAUNU RESERVE – BARGE SHOW GROUNDS

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Equestrian Federation and New Zealand Pony Club Association events cross country and dressage events etc per day per group	58.00	50.00 per day as per legal agreement

## ALL PARKS AND RESERVES

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Gala days and fundraising events by non-profit making organisation (all venues).	562.00 Bond	100.00
Filming on Reserve (depending on scale of event)		500.00 per day
Events by profit making or commercial organisations, with the intention of making a profit (all venues): Plus, bond \$500.00	594.00	600.00 depending on scale of event

## BOTANICA WHANGAREI

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Booking fee – per hour (or part thereof) and minimum fee	164.00	75.00



## MAIR PARK

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Use of power. Key available ex Parks – per day	21.00	25.00

## LAURIE HALL PARK

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Use of power. Key available ex Parks – per day	21.00	25.00

## SIGN PARKS

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Community events – single site 1.2M x 1.2M – per 3 weeks	37.00	38.00
Community events – double site 1.2M x 2.4M – per 3 weeks	72.00	73.00
Fees reduced by \$10.00 per sign in overflow situations		

## PENSIONER HOUSING

Pensioner Housing rents are set in accordance to Council's Pensioner Housing Policy 0050, as a percentage of the tenant's superannuation entitlement.

Increases are implemented annually with the required notification period as detailed in the Residential Tenancies Act 1986.

**Note** GST does not apply to pensioner housing rents.

Council's Pensioner Housing is administered by the Northland District Masonic Trust, Mansfield Terrace, Whangarei.

## PHOTOCOPYING AND FILE HANDLING CHARGES

### PHOTOCOPYING AND PRINTING

		CURRENT FEE (\$)	PROPOSED FEE (\$)
Black & white	A4	0.10	0.10
	A3	0.20	0.20
Colour	A4	1.00	1.00
	A3	2.00	2.00
Double sided – charge each side as a single page			

# RESOURCE MANAGEMENT ADMINISTRATIVE CHARGES

<b>ALL FEES AND CHARGES ARE DEPOSITS UNLESS OTHERWISE STATED</b> You will be charged a final processing fee when council has reached a decision on your application. Interim billing may also occur. The processing charge covers tasks such as site visits, report preparation, information searches and input from other council staff. Mileage is also charged.			<b>CURRENT FEE (\$)</b>	<b>PROPOSED FEE (\$)</b>
Applications under the Resource Management Act as follows: <ul style="list-style-type: none"> <li>• Non-notified or Limited Notified Resource Consent applications (Land Use and/or Subdivision)</li> <li>• Non-notified or Limited Notified Notices of Requirement for designations and alterations to existing designations under Sections 168, 168A, and 181</li> <li>• Applications for Certificates of Compliance under Section 139</li> <li>• Applications for Existing Use Rights Certificates under Section 139A</li> </ul>			1,500.00	1500.00
Applications requiring public notification under the Resource Management Act Note: Where a determination is made requiring notification of an application where \$1500.00 advance fees have already been paid, Council will require an additional \$3000.00 advance fee to be paid before public notification proceeds			4,500.00	4500.00
Applications under the Resource Management Act as follows: <ul style="list-style-type: none"> <li>• Non-notified or Limited Notified Change or Cancellation of Consent Condition/s under Section 127</li> <li>• Extension of time under Section 125</li> <li>• Review of Consent Condition/s under Section 128</li> <li>• Vary or cancel a consent notice under Section 221(3)</li> </ul>			1,000.00	1000.00
<ul style="list-style-type: none"> <li>• Certification that Subdivision complies with District Plan under Section 226</li> <li>• Cancellation of covenant against transfer of allotment &amp; Cancellation of Amalgamation of allotments under Sections 240(4) and 241</li> <li>• Grant, Surrender, Transfer, Vary or Cancel Easements under Section 243</li> <li>• Outline Plan s176A</li> <li>• Applications under section 100 of the Sale and Supply of Alcohol Act 2012</li> <li>• Applications under sections 327A (Cancellation of Building Line Restriction) and 348 (Creation of right- of-way easement) of the Local Government Act</li> <li>• Applications under sections 94 and 114 (Conservation Covenants) of the Reserves Act</li> <li>• Applications under the First Schedule of the Overseas Investment Regulations 1995</li> </ul>			750.00	750.00
<ul style="list-style-type: none"> <li>• Application for Boundary Activity under section 87B</li> <li>• Application for Marginal or Temporary Activity under section 87BB</li> </ul>			New Fee New Fee	\$350.00 (set fee) \$350.00
Applications under the Resource Management Act as follows: <ul style="list-style-type: none"> <li>• Approval of Survey Plan under Section 223</li> <li>• Completion Certificate for subdivision under Section 224</li> <li>• Surrender of Consent under Section 138</li> </ul>			Actual and reasonable costs	Actual and reasonable costs

ALL FEES AND CHARGES ARE <b>DEPOSITS</b> UNLESS OTHERWISE STATED			CURRENT FEE (\$)	PROPOSED FEE (\$)
Pre-Application meetings with Council staff • Applicants can request to meet relevant Council staff to discuss potential resource consent matters prior to preparing and lodging an application, in accordance with Councils Pre- Application meetings process			One pre-application meeting free of charge*. All meetings requested thereafter (including preparation and follow-up) will be charged at actual and reasonable cost	One pre-application meeting free of charge*. All meetings requested thereafter (including preparation and follow-up) will be charged at actual and reasonable cost
*This includes all meeting preparation, staff attendance, and any follow-up actions undertaken by Council staff as a result of the first meeting. It does not include the cost of any technical assessments required by third parties acting on behalf of Council (i.e., use of consultants).				
Rejection of Application • Council will charge actual and reasonable costs at the relevant hourly rate in the event that any application lodged is required to be rejected because it does not comply with the information requirements of the Fourth Schedule.			Actual and reasonable costs	Actual and reasonable costs
Hours over the above deposit, plus mileage, and disbursements (which may also involve work by other specialist planning, parks and engineering staff), will be charged at a rate specified in Council's Professional Fee Schedule			See pages 11-12	See pages 11-12

<b>Hearings required for any resource consent or other permission:</b>
Cost of third party/hearings commissioners will be charged at actual cost.
All staff and consultant's costs will be charged at actual cost.
Miscellaneous charges will be charged at actual cost.
All costs will be itemised

**Notes:** All figures are standard fees inclusive of GST; the final fee in any one application will be determined by the Resource Consents Manager or his/her appointee.

Council reserves the right to interim invoice applications where significant costs have been incurred over a period of one month or more without progress on the application.

## RUBBISH DISPOSAL

RUBBISH SERVICE AT KERBSIDE:	CURRENT FEE (\$)	PROPOSED FEE (\$)
Official rubbish bag (65-litre) or sticker	2.80	2.80
Small rubbish bag (35-litre)	1.80	1.80
Replacement Recycling Crate		15.00
Replacement Recycling Bin		60.00

RUBBISH SERVICES AT ALL WDC TRANSFER STATIONS:	CURRENT FEE (\$)	
Standard rubbish bag (65 litre) - rubbish	2.80	2.80
Standard rubbish bag (65 litre) - vegetation	1.60	1.60
Small rubbish bag (35 litre) - rubbish	1.80	1.80
Car boot - rubbish	20.00	20.00
Car boot – vegetation	12.00	12.00
Station wagons, people movers – rubbish	35.00	50.00 per cubic meter
Station wagons, people movers – vegetation	17.00	25.00 per cubic meter
Utes, vans, 4 wheel drives - rubbish	45.00	50.00 per cubic meter
Utes, vans, 4 wheel drives – vegetation	22.50	25.00 per cubic meter
Trailers - rubbish	45.00	50.00 per cubic meter
Trailers - vegetation	22.50	25.00 per cubic meter
Loaded vehicle plus loaded trailer - rubbish	Combine fee	50.00 per cubic meter
Car tyre	7.00	7.50
Truck tyre	22.00	23.00
4WD and light commercial tyre	18.00	18.50
Tractor tyre	38.00	38.00
Tyres on rim	As above + 2.50	As above + 2.50
Earthmover tyres	Not accepted	Not accepted
CRT screens from computers and TVs	26.00	26.00
Whiteware / gas bottles (de-gassing)	7.00	7.00

## SEARCHES

**Note** Photocopy charges may also apply see Copy/print fees page 22

BASIC PROPERTY SEARCH	CURRENT FEE (\$)	PROPOSED FEE (\$)
Residential	135.00 per hour or part thereof	140.00 per hour or part thereof
Commercial	135.00 per hour or part thereof	140.00 per hour or part thereof
(Contains site plan, floor plan, drainage plans and CCC information).		
SPECIFIC SEARCHES	CURRENT FEE (\$)	PROPOSED FEE (\$)
<ul style="list-style-type: none"> <li>• Historical LIM (as scanned for record purposes)</li> <li>• Historical PIM</li> <li>• Building File</li> <li>• Subdivision or Resource Consent</li> <li>• Engineering reports</li> <li>• Dangerous goods/health/ licensing</li> <li>• GIS consultancy</li> </ul>	135.00 per hour or part thereof	140.00 per hour or part thereof
Deposited plans	Free	Free
Rates payment search – a flat fee per ratepayer will apply to requests for rates payment information for previous years	42.00	140.00 per hour or part thereof

## SWIMMING POOL/SPA POOL INSPECTIONS

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Certificate of acceptance or building consent for swimming pools up to a value of \$19,999		New Fee 615.00
First inspection of pool	141.00	141.00
Follow up inspections	Direct recovery of actual cost for each inspection with time recovered at \$115.00/hr and mileage at \$0.72/km	Direct recovery of actual cost for each inspection with time recovered at \$115.00/hr and mileage at \$0.73/km
Administration of empty pools	39.00	39.00
Application for waiver under Building Act 2004	309.00	309.00

## TRANSPORT

### PARKING

As per Council parking policy (Parking Management Strategy 2011), charges reflect demand and therefore may change throughout the year.

TRADE CARDS – PER DAY	CURRENT FEE (\$)	PROPOSED FEE (\$)
Parking meter cards (trades)	11.50	12.00

ROAD CORRIDOR – LICENCE TO OCCUPY	CURRENT FEE (\$)	PROPOSED FEE (\$)
Residential / non-commercial applicant	446.00	450.00
Commercial applicant	1,272.00	1300.00

OVERWEIGHT VEHICLES	CURRENT FEE (\$)	PROPOSED FEE (\$)
Overweight vehicles – standard	132.00	135.00
Overweight vehicles – HPMV	172.50	175.00

## WATER

### WATER CONNECTIONS/DISCONNECTIONS

Refer to service connections/disconnections under Building section page 8.

### METER TESTING

	CURRENT FEE (\$)	PROPOSED FEE (\$)
25mm diameter and under	367.00	374.00
Over 25mm up to 40mm diameter	419.00	427.00
Over 40mm diameter	611.00	623.00

## METER ONLY WATER CONNECTIONS

	CURRENT FEE (\$)	PROPOSED FEE (\$)
20mm manifold meter only	300.00	317.50
20mm manifold + meter	597.00	611.50
20mm manifold + meter + box	674.00	687.00
20mm In line meter + dual check valve	487.00	502.50
Cast iron meter box (materials only)	194.00	191.00

## BOUNDARY BACK FLOW DEVICES

Charges for backflow preventers are now targeted rates. Refer to the current Annual Plan or Long Term Plan for current costs.

## SPECIAL METER READING

	CURRENT FEE (\$)	PROPOSED FEE (\$)
For special meter readings requested by customers for each meter reading outside the normal reading cycle	52.00	62.00

## STANDPIPES METERED

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Meter reading – (monthly)	61.00	73.00
Weekly hire (minimum charge one week)	33.00	34.00

## TANKER FILLING POINT – KIOREROA AND SIME ROAD

	CURRENT FEE (\$)	PROPOSED FEE (\$)
Per fill	17.00	17.00

## ABBREVIATIONS AND ACRONYMS

B.O.D .....	Biochemical Oxygen Demand
BC .....	Building Consent
BRANZ .....	Building Research Association of New Zealand
BWOF.....	Building Warrant of Fitness
CAR .....	Health Corrective Action Request
C.B.O.D .....	Carbonaceous Biochemical Oxygen Demand
CCC .....	Code Compliance Certificate
COD .....	Chemical Oxygen Demand
DBH .....	Department of Building and Housing
GIS .....	Geographic Information Systems
HPMV.....	High Productivity Motor Vehicles
IQP.....	Independent Qualified Person
LIM .....	Land Information Memorandum
LSI .....	Langelier Saturation Index
MBIE .....	Ministry of Building Innovation and Employment
PIM .....	Project Information Memorandum
PPAT.....	Project and Property Assessment Team
TLA .....	Territorial Local Authority





# Statement of Proposal Draft Fees and Charges 2018/2019

## 1 Purpose

To be a vibrant, attractive and thriving District by developing sustainable lifestyles based around our unique environment; the envy of New Zealand and recognised worldwide.

The Vision for our District and the Mission for our organisation are underpinned by Whangarei District Council's commitment to the fundamental core values of:

- communication
- customer first
- innovation and excellence
- valuing employees and partnerships
- visionary leadership.

Following best practice guidelines received from the Auditor General, Council annually reviews all fees and charges.

Section 150 of the Local Government Act 2002 (LGA) authorises councils to prescribe fees for authorities, approvals, certificates, consents and inspections in bylaws made by Council, or to set fees for these activities where other legislation does not otherwise authorise Council to set fees.

The setting of fees in these cases must be in accordance with the Special Consultative Procedure under Section 83 of the LGA. Additionally section 205 of the Food Act 2014 requires that Council must use the special consultative procedure when setting fees relating to food businesses.

This Statement of Proposal for fees and charges for the 2018-2019 year therefore covers those fees which Council has not set by resolution and which subsequently must be consulted on in accordance with Sections 150 and 83 of the LGA. Council is consulting on these proposed fees and charges in conjunction with the consultation on the draft Annual Plan.

## 2 Background

Council provides a wide range of services and functions to the community across various Departments. Each of those departments operate under different legislation enacted by Parliament requiring provision of services, and processing and monitoring of various consents, licenses and approvals.

There is a cost associated with the provision of these services. Council's Revenue and Financing Policy identifies two sources of funding for the activities described above, being user charges (private good), and rates (public good). Fees and charges are set by Council to recover costs in varying proportion from each area dependent on where the benefit of the consent, license, or approval is seen to lie. Staff review all fees in accordance with criteria developed by the Office of the Auditor General, as follows that:

- any charges cannot have a 'profit' component
- the charges should reflect the actual and reasonable costs incurred by Council
- those that gain the benefit of Council's services contribute appropriately to those costs
- costs must be itemised for a number of activities
- fees should be reviewed regularly
- there should be no cross-subsidisation between functions.

Following a staff restructure in 2017 many job titles have changed. The new job titles are reflected in the Fees and Charges.

### 3 Summary of changes

The fees subject to consultation are for resource consents and plan changes, and associated hourly rates and other approvals, under the Resource Management Act 1991, Gambling Act 2003 and the Racing Act 2003, Local Government Official Information and Meetings Act 1987 (for Land Information Memorandums), Burial and Cremation Act 1964, Food Act 2014 and Council bylaws.

All fixed fees shown in the following tables have been marginally increased in line with the Local Government Cost Index (LGCI) of 2.0% (subject to rounding), but are otherwise unchanged from last year, with the following exceptions:

(note: where fees are deposits, the deposit required have not increased)

#### Resource Consents

- Hourly rates are increased to reflect a 2.0% increase in costs in accordance with the Local Government Consumer Index.
- The mileage cost is increased from 72c/km to 73c/km in accordance with the IRD instruction.
- The introduction of fees for new activities introduced by amendments to the RMA (s87B & 87BB)

#### District Plan Development

- Hourly rates are increased to reflect a 2.0% increase in costs in accordance with the Local Government Consumer Index.
- The mileage cost is increased from 72c/km to 73c/km in accordance with the IRD instruction.

#### Cemeteries

- Increases between 2.0% and 25% to recover 60% of costs in accordance with User Pays Policy.
- Increase of 25% for purchase of burial plots at Maunu and Onerahi (not children's).
- Increase of 11% for ashes plot.
- Increase of 7% for single depth digging fee
- Introduction of new fees for family burial plots, ashes plots, rose garden plaques, off-site digging, digging of still born and new born graves.

#### Food Businesses

The introduction of a fee for additional food control plan document pack and thermometer.

### 4 Submission process

Consultation on this policy will be publicly notified on Council's website. People interested in the proposal will be able to present their views during a formal submission period from 7 March to 8 April 2018. This will be followed by formal hearings where any submitter may choose to speak to their submission.

A copy of the Draft Fees and Charges 2018-2019 has been included as part of this statement of proposal. Copies of the Draft Fees and Charges 2018 -2019 and how to make a submission, can also be found at [www.wdc.govt.nz](http://www.wdc.govt.nz).

The Draft Fees and Charges 2018- 2019 also forms part of the supporting information to the Council consultation on the 10-year plan 2018–2028. Information on the 10-year plan consultation and submission process can also be found on the WDC website.



## 6.3 Adoption of the Development Contributions Policy 2018

**Meeting:** Council

**Date of meeting:** 28 June 2018

**Reporting officer:** Alison Thompson (Acting Manager Development Infrastructure) and Lynne Dahl (Development Contributions Co-ordinator)

### 1 Purpose

This item seeks a decision from Council to approve and adopt the Development Contributions Policy 2018

### 2 Recommendations

That Council;

1. Adopt the Development Contributions Policy 2018 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 2018 prior to the document being published.

### 3 Background

Council is required to review its Development Contributions Policy (DCP) not less than every three years.

Council's first DCP came into force on 1 July 2005, Council has reviewed and adopted a DCP in accordance with legislative requirements continuously since that date.

A Statement of Proposal for the 2018 DCP was adopted at the Council meeting, on 28 February 2018. Consultation commenced on 7 March 2018, in accordance with the requirements of the Special Consultative Procedure (SCP) of the Local Government Act 2002. Submissions closed on 8 April 2018.

Council deliberated on submissions received on the draft DCP on 15 and 16 May 2018. Deliberations were carried out concurrently with deliberations on the 2018-2028 Long Term Plan (LTP).

Submitters raised concerns regarding various matters which were addressed in the deliberations report. Two of the submissions were subject to further legal review, the review found no substantive issues with Council's response to the matters raised and the actions proposed in response to the submissions.

Following deliberations (Attachment 2), changes to the draft DCP have been incorporated into the document and it must now be adopted.

## **4 Discussion**

Contribution charges contained in the draft DCP were prepared based on capital projects (both past and future), proposed in LTP that create infrastructure capacity for growth.

Following LTP decisions and deliberations on the draft DCP, final changes to the contribution charges, schedules and wording of the draft DCP have been made (Attachment 1).

## **5 Significance and engagement**

Development Contributions Policies are subject to statutory requirements and considerations. The 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 concurrent with the LTP consultation and in accordance with statutory requirements under the Local Government Act 2002.

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 1 July 2018.

## **6 Attachments**

Attachment 1: Development Contributions Policy 2018

Attachment 2: Deliberations Report - Development Contributions Policy 2018

# **Concurrent Consultation: Development Contributions**

### City Infill subdivisions

**Issues raised from submissions:**

Lower development contribution rate for city infill subdivisions.

**Staff analysis:**

The cost of infrastructure provision is not significantly less for the city. Most growth projects are for headworks infrastructure and not reticulation associated costs.

**Staff recommendation:**

That the submission be received and that the submitter be thanked. No change to the policy is recommended.

**Impact of recommendation on the LTP (financial and non-financial)**

No impact

### Built Heritage

**Issues raised from submissions:**

That development contributions be used to fund a heritage office or at the least a heritage building register.

**Staff analysis:**

The LGA legislation does not allow Territorial Authorities to recover any costs through development contributions for the suggested purpose.

**Staff recommendation:**

That the submission be received and that the submitter be thanked. No change to the policy is recommended.

**Impact of recommendation on the LTP (financial and non-financial)**

No impact

### Sports Field Land Purchase

**Issues raised from submissions:**

Timing of sports field land purchase.

**Staff analysis:**

The timing of any project is a decision that is made in the LTP. The Development Contributions Policy charges will reflect any changes in timing and costs.

**Staff recommendation:**

That the final modelling of development contributions include the outcomes of LTP deliberations, with the Development Contributions Policy being updated to reflect any resulting changes.

**Impact of recommendation on the LTP (financial and non-financial)**

No impact



### Consistency matters within the 2015 LTP and DC Policy (Ruakaka/Marsden)

#### Issues raised from submissions:

2015 Policy - Items of expenditure for Ruakaka Wastewater catchment and, the growth predictions in the 2015 policy. The timing of proposed changes to the Ruakaka HUE size

#### Staff analysis:

While outside of the scope of consultation on the 2018 LTP and DC Policy it is important to note that Council decisions, including the 2015 LTP and DC Policy, are based on the best information available at the time. Marsden/Ruakaka has experienced high levels of growth and capacity issues in the past followed by a rapid and unexpected stalling of growth, resulting in a staged approach to the provision of wastewater infrastructure. Both the LTP and DC Policy are now being reviewed based on updated information. Refunds are required under legislation if Council fails to deliver, at an activity level, the service for which the contribution was required. This is not the case for wastewater in this catchment, where updated growth projections, and the proposed HUE size change, are changing the timing of projects.

#### Staff recommendation:

That the submission be received and that the submitter be thanked. No change to the policy is recommended.

#### Impact of recommendation on the LTP (financial and non-financial)

No impact

### HUE volumes and financial effects (Ruakaka/Marsden)

#### Issues raised from submissions:

Calculation of HUE volumes and financial effects

#### Staff analysis:

Council undertook a review of the HUE volume for the Ruakaka / One Tree Point in 2017. This review was based on detailed wastewater flow monitoring, calibrated sewer network modelling and an accurate investigation of dwellings and non-residential properties connected to the wastewater system. Based on this information Council included a proposal to change from 800L per day per HUE to 500 L/d per HUE within the draft policy. Council does not have similarly detailed information to assess other catchments. However a review was undertaken using average flow versus number connections to determine if other catchments required further analysis. The assessment did not support a change to the current value of 800L per HUE per day in those catchments. Nevertheless, we will continue to review all catchments and where appropriate make changes. Council has updated its HUE volume based on improved data obtained for the Ruakaka area. This is both normal and appropriate. WDC does not have evidence to make changes on other catchments.

#### Staff recommendation:

That the submission be received and that the submitter be thanked. No change to the policy is recommended.

#### Impact of recommendation on the LTP (financial and non-financial)

No impact

## Past projects (Ruakaka/Marsden)

### Issues raised from submissions:

Inclusion of past projects and the validity of growth projections and consultation

### Staff analysis:

The Ruakaka Ocean Outfall consent is a past project within the DC Policy Schedules, not part of the LTP projects list. The DC Policy is a separate, but concurrent, consultation. It does not form part of the CD or supporting documents under the Act. The suite of consents is part of the Ruakaka Wastewater Strategy which outlined a staged approach to the provision of wastewater infrastructure within the catchment in order to mitigate risks associated with growth, while providing for the prudent long term provision of infrastructure. The suite of consents includes consent for interim and future wastewater solutions in place. Developers will receive benefit from these consents. Essentially infrastructure can act as an enabler for growth, or a brake, and the approach taken ensured that infrastructure is available as growth comes on stream, while minimising the inherent risk associated with growth projections. Extensive consultation was undertaken with the community and stakeholders in reaching this position, with the Ruakaka Wastewater Liaison Group being set up to ensure ongoing stakeholder/community engagement and monitoring. The staged approach outlined under the strategy has worked as intended and Council can apply to extend the consent prior to any lapse. The consent application had regard to the best information available at the time, including the Whangarei District Growth Strategy - Sustainable Futures 30/50. While the submitters preference to continue to use the Growth Strategy population predictions is acknowledged, 30/50 is now almost 10 years old and those predictions are out of date. As a result, Council, has used the most up to date growth projections for the DC Policy, Statistics New Zealand's projections with adjustments made to reflect known areas of higher growth. The subsequent growth model has been reviewed by Audit with one minor error found in the Tikipunga West mesh block. While the Audit considered that the error was immaterial, and it does affect Marsden/Ruakaka, it will slightly decrease DC charges, particularly in the City Catchment. As a result of concerns raised by the submitter regarding the integrity of growth projections it is recommended that the minor error be fixed. While the submitters relief to seek direction on legislative compliance from Audit is noted this is outside of the role of Audit, which explicitly excludes legislative compliance from any opinion provided. Council has had an independent legal review of the policy however

### Staff recommendation:

That the growth model be amended to correct the error in Tikipunga West noting that this change does not materially impact proposed projects or revenue streams within the draft Long Term Plan.

### Impact of recommendation on the LTP (financial and non-financial)

No impact

## Project Schedule

### Issues raised from submissions:

Perceived errors in the project schedule

### Staff analysis:

Projects for inclusion in the Long-Term Plan and Development Contributions Policy are identified as part of asset management processes using the best available information, including the most up to date growth projections and capacity information. While the submitter has raised a number of factors being considered through the review of the developer agreement with the Bream Bay Land Owners Association (BBLOA), negotiations are ongoing and the outcomes of the review are unknown. Specifically, in 2008, it was agreed that the existing capacity of the wastewater system was 660m<sup>3</sup>/day (resource consent limit) rather than the flow to the plant. The actual inflow to the plant was estimated to have reached 660m<sup>3</sup>/day some 3 to 4 years later by which time further treatment and disposal works had been commissioned. The DC charge calculation is undertaken on a project by project basis as required by the LGA. This provides a fairer means of ensuring that new lots are paying their share of the capacity that is required to service those lots. The BBLOA termination agreement is expected to provide for the uptake of most of the 700 HUE referred to by BBLOA by 2021, not 2018. It is apparent that the treatment and disposal capacity is being planned to match both granting of titles and the development of the sites that will ultimately generate waste water flows. It is also worth noting that the Local Government Act provides for the averaging/grouping of development contributions by geographical area and land use (i.e. not to individual project level) and given the staged approach to the provision of wastewater infrastructure in the Marsden/Ruakaka catchment new projects will be required to meet growth as capacity is taken up. While the projects within the Consultation Document and draft Policy are considered accurate based on the most likely scenario at the time of drafting it is recommended that, as a result of this submission, they be reviewed once the outcomes of negotiations on the developer agreement are known. The resourcing of development contributions is an operational matter and Council will continue to review and improve its processes in line with best practice. While the Development Contributions Policy is not part of the Long Term Plan, independent legal advice has been sought on the draft Policy. There is alignment of the forward works programmes in both documents which Audit reviewed for consistency. Audit will be advised of any changes as part of standard practice.

### Staff recommendation:

That wastewater projects within the Marsden Point-Ruakaka catchment be reviewed, and amended if necessary, once the outcomes of negotiations on the BBLOA developer agreement are known.

### Impact of recommendation on the LTP (financial and non-financial)

To be determined based on changes to be made as a result of new information available.

## Trunk Sewer System

### Issues raised from submissions:

Council is proposing a DC for the One Tree Point Trunk Sewer System – Upsize pump station and main with a planned capital expenditure of \$400,000. We believe that this is in error and the actual capital cost is \$2.8 million.

The BBLOA requests that Council revises the schedule for this project.

### Staff analysis:

While the submitter has highlighted a \$400,000 project cost there are two funding lines for this project within the draft Policy, totaling \$2.4 million. This is Council's contribution to the growth portion of the reticulation that developers are required to build under existing agreements and consents (known as Retic A). At the time of drafting the long-term plan and the development contributions policy the most likely scenario was that:

- Members of the Bream Bay Land Owners Association (BBLOA) would build Retic A
- Council would provide \$2.4 million to fund (in part through development contributions) a growth contribution to Retic A. This is the funding within the draft development contributions policy.
- Council would schedule \$2.8 million for the replacement of the Marsden Bay rising main (named Ruakaka Rising main renewal). This was planned as a renewal project (i.e. there was no growth component) and the funding is therefore in the Long-Term Plan, but not in the development contributions policy.

It is assumed that the project being referred to by the submitter is the Marsden Bay/Ruakaka rising main renewal, which has \$2.8 million funding provided for separately in the draft LTP. While projects within the draft development contributions policy and LTP are accurate based on the most likely scenario at the time of drafting, negotiations are ongoing on the BBLOA Developer Agreement which may affect these. It is therefore recommended that, as a result of this submission, wastewater projects within the Marsden Point-Ruakaka catchment be reviewed and amended (if necessary) once the outcomes of negotiations on the BBLOA developer agreement are known.

### Staff recommendation:

That wastewater projects within the Marsden Point-Ruakaka catchment be reviewed, and amended if necessary, once the outcomes of negotiations on the BBLOA developer agreement are known.

### Impact of recommendation on the LTP (financial and non-financial)

To be determined based on changes to be made as a result of new information available.

## Reduction of charges

### Issues raised from submissions:

Development contribution charges for Whangarei Heads should not be reduced. Wastewater connection costs should be reduced.

### Staff analysis:

The calculation of development contribution charges is based on the schedules of past and proposed works. The contribution charges only alter if the capital projects included in those schedules are changed, or the assumptions within the model change. The draft Policy is based on updated growth figures which predict higher levels of growth across the District. This is a key driver of the reduced charges, rather than reduced funding. The wastewater charge is already the subject of capping, with the resulting charge being comparable to the cost of an on-site system.

### Staff recommendation:

That the submission be received and that the submitter be thanked. No change to the policy is recommended.

### Impact of recommendation on the LTP (financial and non-financial)

No impact

## Papakāinga submission 1

### Issues raised from submissions:

Papakāinga developments that have lodged a Papakāinga outline development plan and been granted consent under the Building Act should be eligible for an exemption/remission from development contributions. Option 1) Proposes an exemption from charging. Option 2) Allow remissions. Option 3) Council does not charge development contributions upfront and allows a postponement.

### Staff analysis:

Option 1. This option is not supported as there is an impact that needs to be recognized in the uptake of capacity and future modelling. It would be clearer to provide a remission. Option 2. Development contributions are based on the impact a development has on infrastructure. Where a development has a less than average impact the Policy is able to take that into account (i.e. as the policy does for retirement villages). To assess the impact as accurately as possible is preferable to granting a remission. Option 3. The Policy currently allows for contributions to be paid at the time of building consent even if contributions are assessed on a land use resource consent, payment is not required until prior to the issue of CCC

### Staff recommendation:

That Papakāinga be defined within the Policy to clarify that where there is demonstrably lower impact this is recognized in any assessment.

### Impact of recommendation on the LTP (financial and non-financial)

No impact

## Papakāinga submission 2

### Issues raised from submissions:

Papakāinga developments that have lodged a Papakāinga outline development plan and been granted consent under the Building Act should be eligible for an exemption from development contributions.

### Staff analysis:

Development contributions are based on the impact a development is anticipated to have on infrastructure. Where a development has a less than average impact the Policy can take that into account (i.e. as the policy does for retirement villages).

### Staff recommendation:

That Papakāinga be defined within the Policy to clarify that where there is demonstrably lower impact this will be recognized in any assessment.

### Impact of recommendation on the LTP (financial and non-financial)

No impact

## Seal Extensions

### Issues raised from submissions:

That seal extension budgets have been underfunded for many years with dust and safety issues increasing dramatically through rural subdivisions. Argued that development contributions are not used to fund seal extensions, but are absorbed into general revenue operating costs.

### Staff analysis:

The calculation of development contribution charges is based on the growth component of past and future works included in a Long-Term Plan. Development contributions are only used for the recovery of growth related capital expenditure, they are not used for operational costs. The funding of seal extensions will be considered through LTP deliberations. Should projects be changed then any growth component will be included in the final modelling of development contributions, with the Development Contributions Policy being updated.

### Staff recommendation:

That the final modelling of development contributions includes the outcomes of LTP deliberations, with the Development Contributions Policy being updated to reflect any resulting changes.

### Impact of recommendation on the LTP (financial and non-financial)

No impact

## Funds used for operating purposes

### Issues raised from submissions:

Submitter asserts that development contributions are used to fund operating costs.

### Staff analysis:

Development contributions are only used for the recovery of growth related capital expenditure, they are not used for operational costs.

### Staff recommendation:

That the submission be received and that the submitter be thanked. No change to the policy is recommended.

### Impact of recommendation on the LTP (financial and non-financial)

No impact

# Whangarei District Council Policy

## Development Contributions Policy

*Policy 0036*

Version	Date	Status	Prepared	Reviewed for Audit/ Council	Approved
0	15 Jan 2018	Draft	L Dahl	D Kula	
0.1	08 Feb 2018	Draft	L Dahl	D Kula	

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## Part One

### 1. Introduction

Whangarei District Councils' 2018 Development Contributions Policy (DCP) has been prepared in conjunction with Council's 2018-2028 Long Term Plan. This policy applies within the territorial boundaries of Whangarei District Council.

The Local Government Act 2002 (LGA) requires that Council adopt a policy on development contributions or financial contributions.

Whangarei District Council's (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 are the primary beneficiaries of the infrastructure should pay an appropriate portion of the cost and that the ratepayers in general should not bear a disproportionate portion of the costs. Council has more fully explored its rationale in choosing development contributions to fund growth related infrastructure in its Revenue and Financing Policy.

Council's Financial and Infrastructure Strategies reflect long-term planning and assumptions around infrastructure provision and funding. The 2017 Growth Model and Whangarei District Growth Strategy, Sustainable Futures 30-50 provide substantial long-term analysis of the anticipated growth and guide spatial planning for the future. The key findings from the Growth model include:

- Whangarei District's estimated resident population grew from 83,700 in 2013 to 89,700 in 2017. This resulted in an increase of 6,000 people, representing an average annual increase of 1,500 people or 1.8% per annum (7.16% over four years).
- The medium projection for the District sees an increase from 90,500 people in 2018 to 102,000 in 2028, resulting in an extra 11,700 people, averaging 1,170 additional people per year or 1.3% growth per annum.
- Total dwellings in the Whangarei District are forecast to increase from 35,200 in 2013 to 43,570 in 2028, resulting in an extra 8,370 dwellings, averaging 837 additional dwellings per year.
- The highest percentage increases in population between 2018-2028 are expected to be in Marsden Point/Ruakaka, Port Limeburners, Waipu, Bream Bay and Te Hihi.
- The total business floor area is expected to increase from 1,274,600 m<sup>2</sup> in 2018 to 1,367,000 m<sup>2</sup> in 2028, averaging an increase of 9,240 m<sup>2</sup> per annum.

Council is required to plan for the future in a prudent and efficient manner. This policy is a sustainable response to local governments overarching purpose of existing to meet the current and future needs of the community for good quality local infrastructure, local public services and local regulation in a manner most cost effective for households and businesses.

The purpose of the legislation which allows a Council to use development contributions as a funding source is to enable Councils 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.

This document is the Development Contributions Policy 2018 (the Policy). This Policy updates and replaces the previous 2015 Development Contributions Policy and becomes operative from 1 July 2018.

This Policy is to be read in conjunction with Council's 2018-2028 Long Term Plan (LTP).

#### **This policy sets out the:**

- reasons Council has chosen to use development contributions as a funding source
- methodology and rationale used for calculating the development contribution charges
- the assessment of contributions payable on developments
- how and when development contributions are to be calculated and paid

#### **1.1 Date of effect**

This Policy applies to any application or a consent or authorisation lodged on or after 1 July 2018. For applications lodged before 1 July 2018 but granted on or after that date, the policy in force at the date of lodgement or the date had been received (whichever is later) shall apply.

## 1.2 Revising the policy in the future

Council will review this Policy, including the schedule of contributions, in association with the LTP review cycle (tri-annually) or more frequently if required. Any review will be as required under S106 of the LGA.

## 1.3 Public inspection

This Policy, along with supporting information (including the full methodology demonstrating how the development contribution calculations were made) is available at Council offices. This Policy and the LTP are available at [www.wdc.govt.nz](http://www.wdc.govt.nz). This policy is to be read in conjunction with Council's LTP. Council's Financial Contributions Policy is contained within the Whangarei District Plan and is available on Council's website and at Council's offices.

## 1.4 How to find your way around the policy

This Policy is divided into two parts:

Part 1: The operational part of the Policy – this is the, 'what', 'where', 'when' and 'how much?' part of the Policy.

Part 2: Substantive Policy – This answers and explains why Council has chosen to use development contributions as a funding source and explains in terms of the legislation the significant assumptions, the methodology for calculating the charges and other legislative matters.

## 1.5 Highlights of changes from the previous policy

Development contribution charges have been reviewed and amended to reflect the growth element of capital expenditure that Council seeks to recover as set out in the 2018 – 2028 Long term Plan, and the expenditure schedules within this Policy.

Council has reviewed and adjusted the Wastewater Household Unit Equivalent size in the Ruakaka and One Tree Point catchments, this has resulted in the average flow rate being reduced to 0.5m<sup>3</sup> or 500 litres from 800 litres per day. This is as a result of measured flows and hydraulic modelling which has revealed lower flow rates in within these catchments due to soil conditions.

Council has undertaken a review of the catchment areas for all activities. This has resulted in the Ruakaka and One Tree Point catchments being combined into a new catchment called Marsden Point- Ruakaka, the combined catchment reflects the common flow rates, soil conditions, and shared treatment plant. This is administratively efficient.

Minor corrections have been made to the City Transport and Rooding catchment boundaries these generally reflect the extent of commercial and living 1 zoning.

For administrative efficiency, the reserve land and facilities charges have been amalgamated into one contribution charge. The underlying projects and programmes remain unchanged and there is no reduction in transparency.

## 2. Development contribution assessment

### 2.1 Activities areas development contributions are collected for:

#### Community Facilities

- Parks and Reserves

#### Network infrastructure

- Transport & roading
- Water Supply
- Wastewater

#### Community infrastructure

- Libraries (past completed projects only)

See catchment maps and charges schedules

## 2.2 Developments that attract development contributions

Development contributions can only be required in respect of “developments” as defined in s197 of the LGA i.e. a subdivision, building, land use or work that generates a demand for reserves, network infrastructure or community infrastructure.

In accordance with S199 of the LGA a development contribution may be required when Council considers that:

- the effect of the proposed developments (including service connections) is to require new or additional assets or assets of increased capacity and as a consequence Council incurs capital expenditure to provide appropriately for:
- reserves
- network infrastructure
- community infrastructure.

The effect includes cumulative effects that a development may have in combination with other development.

Development contributions may also fund past expenditure that has already been incurred in anticipation of growth.

## 2.3 When Council may require development contributions

Subject to section 2.2 above, the Council may require development contributions when granting:

- building consents lodged under the Building Act 2004 including certificates of acceptance
- resource consent lodged under the Resource Management Act 1991 (RMA), including subdivision applications, and land use applications
- requests for authorisation for service connections.

Assessments will generally take place at the earliest consent and all subsequent consents relating to the same development. The Council not requiring development contributions on the first consent for a development does not prevent it assessing contributions on a subsequent consent or authorisation for the development.

An applicant may request a calculation of contributions when a Project Information Memorandum (PIM) or Project Assessment (PA) under the Building Act 2004 and a Certificate of Compliance under the RMA is lodged. This affords the applicant an early indication of a development contribution liability. However, contributions will only be required when granting a consent or authorisation noted above.

## 3. The assessment process

Applications will be assessed by applying a sequenced methodology as follows:

1. Is the application for a “development” as defined in section 197.
2. Does the development proposed place demand, either individually or cumulatively with other developments, on reserves, network infrastructure or community infrastructure, and will the Council incur (or has it already incurred) capital expenditure on reserves, network infrastructure or community infrastructure to meet that demand?
3. Is the Council prohibited from requiring a development contribution under section 200 of the LGA? and;
4. Does the policy provide for development contributions to be required in the circumstances of this development?
5. Identify the catchments in which the proposed development is located;
6. Calculate how many Household Unit Equivalents (HUEs) represent the impact attributable to the demand by activity for the relevant catchments;
7. Identify what credits are applicable, by activity;
8. Deduct the credit HUEs from the demand HUEs. This is to obtain the net increase in demand by activity for the development;
9. Determine the charge for each activity by applicable catchment from the schedule of charges;
10. Total the results for each activity;
11. Add GST.

## 4. Invoices and payments

### 4.1 Invoicing

The applicant, at their discretion, may pay for development contributions on the initial assessment or anytime preceding the time frames outlined in Section 4.2, by requesting an invoice be generated.

Invoices must be paid in full within 30 days of issue. Invoicing and payments are in accordance with the Council's financial and debt recovery practices.

This does not limit Council's powers where development contributions have not been paid under S208 of the LGA. Development contributions are invoiced in accordance with the Policy applicable at the time the application for consent or authorisation for service connection was lodged, accompanied by all required information.

#### **Applications lodged prior to 1 July 2015**

For applications lodged under policies in force between 1 July 2005 and 8 August 2014 invoices will be issued at the rate applicable at the time of invoice as stated in the applicable policies.

#### **APPLICATIONS LODGED AFTER 8 August 2014**

Applications lodged after 8 August 2014 will be assessed under the policy and rate applicable at the time of lodgement of the application.

### 4.2 Timing of payments

Development contributions are required to be paid at the following times:

- for contributions required when granting subdivision consent, prior to issue of a S224(c) certificate under the Resource Management Act 1991
- for contributions required when granting building consent, when the first inspection of building work is requested
- for Land Use consents without an associated building consent when Council's monitoring staff are satisfied the consent has been given effect
- when an authorisation for a service connection is granted, but prior to the actual connection.

### 4.3 Enforcement of payments

Should payment not be received as required by this Policy, Council may utilise its powers under S208 of the LGA. This being that until a development contribution required in relation to a development has been paid Council may:

- a. In the case of a development contribution required under S198 (1) of the LGA
  - (i) withhold a certificate under S224(c) of the Resource Management Act 1991
  - (ii) prevent the commencement of resource consent under the Resource Management Act 1991
- b. In the case of a development contribution required under S198 (1) of the LGA; withhold a code compliance certificate under S95 of the Building Act 2004
- c. In the case of development contributions required under S198(1) of the LGA; withhold a service connection to the development
- d. In each case, register the development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the land in respect of which the development contribution was required.

Council may avail itself of any and all, other legal methods of collecting unpaid development contributions as it sees fit.

## 5. Determining the Number of Household Unit Equivalents

### 5.1 Residential

#### 5.1.1 Residential subdivision

- a. Council considers that subdivision is the most appropriate time to apply development contributions. Council has provided services to the lot and the building process may be commenced.
- b. Each new residential lot created by subdivision attracts development contributions at the rate of one HUE. (See Table 1)
- c. Where two or more vacant lots held in one certificate of title are severed into separate titles and no previous contributions had been paid on them, including financial contributions under the RMA, development contributions will apply.
- d. The first single dwelling built on a vacant allotment with a registered title in existence prior to 1 July 2005 will not attract development contributions (except as noted below), and will as of right have an inherent credit of one HUE.
- e. If an existing lot does not have connections to Council's water or wastewater services, then on application for connection development contributions will be assessed.

#### 5.1.2 Second dwellings

- a. Additional dwellings over and above the first dwelling will attract development contributions at the rate of one HUE for each additional dwelling unit. This includes integrated, attached and detached units, sleep outs and minor dwellings as defined in the Whangarei District Plan. Council may apply a pro-rata development contribution rate to an additional dwelling, if the dwelling is less than 100 square meters of gross floor area (GFA), recognising the lower level of impact generated by the additional dwelling.
- b. Should an application be lodged to expand an additional dwelling to over 100 square meters of GFA the balance of development contributions up to a full HUE will be assessed.
- c. Council will apply this rate to multiple dwelling units e.g., apartment blocks, townhouses or other similar situations where there are more than two dwellings on a lot, where it can be demonstrated that there is a lesser impact than an average HUE.

#### 5.1.3 Home based commercial activities

Home-based businesses and dwellings, changed to business-use will be assessed for additional demand over and above the existing use. Development contributions, if applicable; will be required in accordance with the charges for non-residential activities.

### 5.2 Non-residential

#### 5.2.1 Non-residential Subdivision

Non-residential subdivision will attract development contributions for each new allotment created at the rate of one non-residential HUE per new allotment, in accordance with Table 1.

This will be applied as a credit when a construction or Land Use activity takes place on the lot. If credits assessed on an underlying subdivision are in excess of contributions assessed at the time of Land Use, the balance of credit will remain with the allotment as a credit for future land use.

#### 5.2.2 Non-residential land use

Non-residential land use will attract development contributions based on the demand a proposed new building or activity will place on Council's network infrastructure. It is noted that Council does not require contributions for Community Infrastructure from non-residential development as Council considers that non-residential Land Use impacts are at such a low level that it is administratively inefficient to require contributions.

### Transport and roading

To establish transport and roading contributions Council will use the figures in Table 4. However, Council may consider a report from a suitably qualified traffic engineer. Council reserves the right to have independent reports peer reviewed (the cost of peer review may be at the applicant's expense).

### Water

The applicable catchment is identified and water demand is calculated, where possible on average demand by type of activity. See Table 5 for usage

## **Wastewater**

The applicable catchment is identified and wastewater demand is calculated, on peak demand by type of activity derived from Table 5.

When Council is not satisfied that the demand for an activity is readily identifiable, Council may, at its discretion, accept a report from a suitably qualified person.

Where an activity is not adequately described within Tables 4 and 5 then a 'first principle basis assessment' may be applied for non-residential development. This means that an individual development is assessed on its actual (proposed) demand.

## **Other**

Development contributions will not be charged for existing lawful structures on a site unless a change of use occurs that increases demand on network infrastructure.

When an existing structure is removed, or demolished, that building area (GFA) will be credited towards any new development.

If there is no development on a site, 1 HUE credit for infrastructure and/or services available at the time of subdivision will be allocated against the new GFA.

Vacant allotments which have previously paid financial contributions under RMA are deemed to have a credit of one HUE for those which have previously been paid.

Activities that Council deems to not generate demand or impact on infrastructure will not attract development contributions.

Special conditions relating to a Land Use Consent may exist (i.e. a quarry or quarry extension) and these situations will be dealt with on a 'case by case' basis. It is advisable that applicants contact Council for clarification on how to proceed with this type of application.

## **5.3 Rural land use**

Residential developments in the rural area are treated the same as in the urban environment and will attract development contributions as set out in Table 1.

Non-residential sheds and other farm buildings such as hay sheds, minor store sheds, etc., will not attract development contributions if they are assessed to have no additional impact on infrastructure.

Industrial or commercial developments including milking sheds, packing houses, 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 in accordance with the charges and multipliers set out in Tables 1-4. As with residential development, only areas of use that directly or cumulatively create demand on services and infrastructure will be assessed for development contributions.

Some commercial development may be assessed under the application of the extraordinary circumstances and special assessments section of this Policy.

## **5.4 Commercial accommodation**

Commercial accommodation is assessed on the number of transitory accommodation rooms in the building. The calculation of HUE equivalents for commercial accommodation is based on each room proposed to be occupied, as being the equivalent to 40% of a household unit. Therefore, the conversion factor for commercial accommodation is 0.4 per accommodation room plus one HUE for each full time independent dwelling unit (i.e. managers' unit). For example, the total development contributions arising from commercial accommodation with 20 rooms and 1 managers' unit would be  $20 \times 0.4 + 1$  giving a total of 9 HUEs.

The following activities will be assessed as HUES per single room (at the converted rate):

- Transport and Roading
- Water Supply
- Wastewater.

In this example reserves contributions and community infrastructure charges would be added to the above charges for the managers' unit, as Council deems this to be a full time habitable dwelling unit (and hence a residential land use under section 5.1 of this Policy).

For motel/hotel type development a room is assessed as being for a maximum of 2.7 people.

## 5.5 Papakāinga developments

Papakāinga developments are recognised as potentially having a lower level of impact than an average household. Applications will be subject to a case by case assessment based on the overall impact of the development.

## 5.6 Service connections

An application to connect to Council's reticulated services will attract development contributions where Council considers that the connection will generate additional impact on infrastructure, but not where a financial or development contribution has previously been paid for that activity.

Service connections include applications for larger connections and change of use.

Development contributions will not apply to public utility applications for water meter connections if the water connection is in place and has been consented to with all associated fees being paid.

If a service was not available to a previously established development or subdivision and it becomes available by way of Council or a third-party provision, development contributions will apply for the new service to the extent the connection places demand on Council infrastructure.

## 5.7 Special assessment calculations

When Council considers that an application for a development indicates that the development will generate impact on infrastructure to a level outside of the inherent averaging used for the cost allocation methodology a 'special assessment' may be applied. Council reserves the right to undertake a special assessment however as a rule, assumes that a special assessment will only be done when the demand for an activity is expected to be greater than double the identified average value for that type of activity. This may in some cases require that the applicant provides Council with detailed calculations of the development's existing and proposed impact on infrastructure. It is expected that this will be supplied by a suitably qualified person (i.e. a traffic report provided by a qualified traffic engineer). This data will then be converted into HUEs. 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.

Activity types that could require a special assessment may be, sports or convention centres that may generate large volumes of traffic at specific peak times or trucking and courier activities that may have a consistent above average roading use. Other activities like concrete plants may attract a special assessment.

# 6. Credits

## 6.1 General principles of credit

Credits HUEs are a term used to describe the existing or historical level of impact associated with a site and, are allocated to the historical demand associated with a site. This may be in terms of:

- Existing residential dwelling units on site
- Historical credits of one HUE per activity on vacant land (Dependant on existence of connections)
- Gross floor area of non-residential buildings on the site
- The previous lawfully established activity or lawfully consented buildings on a site
- Credits will not be given if the original activity was non-residential and did not pay or was unlikely to have paid a contribution. This applies to activities that were permitted and did not require any form of consent, but that have placed additional demand on Councils services.

Credits will be assessed using the same methodology as assessing additional demand in Section 5.

Credits remain with the site they were originally established on and are not transferable from one activity to another (i.e. credits for water will only be applied to a water contribution, reserves to reserves etc.). For the purposes of clarity, surplus development contribution credits are not redeemable by other means (either land or money).

Council established a base line of demand on 1 July 2005 with the implementation of its first Development Contributions Policy and all credits are benchmarked against this date.

### 6.1.1 Residential



- Any vacant residential section is assumed to have one HUE credit to the extent that it is serviced (if physical connections are not in place no credit may be assumed).
- Any undeveloped existing allotment with a registered title is deemed to have one (1) HUE credit for reserves, network and community infrastructure (note this does not include small road severances or titles that are unable to be built on) to the extent that the title is serviced.
- Cross leases that are separated into 'Fee Simple' titles will not attract contributions if there are no related works on site that will increase demand for Council infrastructure.

### **6.1.2 Non-residential**

Non-residential credits are for network infrastructure based on lawfully established developments.

- Credits will be applied based on an assessment undertaken in a similar manner to the assessment of new commercial development.
- Tables 2- 4 will be used and applied on either a specific activity basis where applicable and/or on the GFA of existing development
- Any undeveloped existing allotment with a registered title is deemed to have one HUE credit for network infrastructure to the extent that it is serviced (if physical connections are not in place no credit may be assumed).
- Credits will not be given if the original activity was non-residential and did not pay or was unlikely to have paid a contribution, this applies to activities that were permitted and did not require any form of consent, but that may have placed additional demand on Councils services. For clarity if an application is received that gives rise to an assessment, the entire activity will be assessed for contributions.
- For existing non-residential buildings that are extended or demolished and re-built to the same or higher intensity, the assessment of credits will be based only on the existing development prior to rebuilding. Sites that contained buildings that were demolished or destroyed prior to 1 July 2005 will be deemed to be vacant lots and will be assessed as having the equivalent of one non-residential subdivision credit.

## **7. Development agreements**

Council will in accordance with S207B consider any written request for a private developer agreement without unnecessary delay.

Where Council undertakes to enter into a development agreement that agreement shall comply with the requirements of S 207B.

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, including the developer, the growth community, existing local and district-wide communities and present and future affected individuals directly and indirectly associated with a development.

## **8. Postponements, reviews, remissions, reductions and refunds**

### **8.1 Postponement of development contributions**

For the purposes of this Policy there are no specified postponements on payment of development contributions. Council however reserves sole discretion to enter into agreements to delay payments in extraordinary circumstances.

### **8.2 Reconsideration process**

Any request for reconsideration must be in writing and lodged within 10 working days after the date on which a person receives notice from Council of the assessment of development contributions. A request may be emailed to the Council, posted to the Council or presented at the counter of the Councils offices.

The request must contain the grounds on which the person believes that:

- a. the development contribution was incorrectly calculated or assessed under the Policy or a previous policy; or
- b. Council incorrectly applied this Policy or a previous policy; or
- c. 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 will notify of the outcome of any reconsideration request within 15 working days of receiving all the relevant information relating to the request.

If Council considers that it does not have sufficient information or the applicant requests more time to supply supporting information, then the 15-working day period will start from the time that Council notifies that it has received sufficient information to undertake the reconsideration process.

1. Staff will prepare a provisional report undertaking a full review of the original assessment including taking into account the:
  - Grounds on which the request for consideration was made including any new information
  - Purpose and principles of development contributions under S197AA and 197AB of LGA 2002
  - Provisions of the development contributions policy
  - Other relevant matters.
2. The reconsideration request and provisional report will be reviewed by the relevant General Manager.
3. Exemptions and Objections Sub-Committee will hold a meeting and the request for reconsideration outcome will be determined.
4. The Applicant is advised of the outcome of the request within 15 working days of the council having received all required information and their right to object to such outcome.

A person may not lodge a request for reconsideration if an objection in accordance with S199c has been lodged.

However, a person may lodge an objection irrespective of whether a reconsideration process in accordance with S199A has been requested.

### **8.3 Objection process**

The right of objection is conferred under S199c and Schedule 13A of The Local Government Act 2002 as amended.

Objections made under S199c are to be lodged within 15 days of the person receiving notice of the proposed requirement of a contribution (or the outcome of a recommendation, where this has been requested) and in accordance with Schedule 13A of the Act.

### **8.4 Remissions and reductions of development contributions**

This Policy provides for remissions or reductions to be applied or granted, as advised in Section 8 of this Policy.

### **8.5 Refunds of development contributions**

The refund of development contributions money and return of land will occur in accordance with S209 and S210 of the LGA.

For the purposes of S210 (1) (a) of the LGA2002, the specified period for refunding a development contribution required for a specified reserve purpose shall be 20 years.

For the avoidance of doubt, and except in relation to money or land taken for a specific reserves purpose, Council will not refund a contribution where a specific capital project does not proceed, except when the activity for which the development contribution was taken is not provided.

Refunds will only be issued to the payer on the development to which they apply and the amount of any refund will be the contribution paid, less any costs already incurred by Council in relation to the development and its discontinuance. Any refund would exclude any other costs already incurred by Council, but may include any interest earned depending on the circumstances of the case.

## **9. Other matters relating to development contributions**

### **9.1 Acceptance of reserve land/ works in place of development contributions**

The LGA provides that a development contribution for reserves may be money or land, or both:

Under this Policy the contribution shall in every case be money unless, at the sole discretion of Council, a piece of land offered by the developer would adequately substitute, in whole or in part, the purposes for which the contribution is sought.

- In general, Council, will only accept reserve land as a development contribution where it is specifically a recreational, scenic or historic reserve and will be vested as such
- Esplanade reserves for the purpose set out in section 229(a) of the Resource Management Act 1991 and drainage reserves are not considered by Council to be within the ambit of reserves for development contributions. Esplanade reserves for this purpose and drainage reserves will continue to be dealt with under the RMA, as they are at present and will not be discounted against development contributions for Reserves in any way
- If a contribution is to be taken in land this must be agreed with Council under a private development agreement as detailed in Section 7.

In the case of works; 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.

## 9.2 Council projects and development contributions

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.

## 9.3 Exemptions

Development contributions will not be required under this policy where there is a legislative exemption.

## 9.4 Goods and services tax (GST)

The total end-to-end process for calculation of development contributions is exclusive of GST. Once all the calculations are complete, GST shall be added to the final invoice as required by the Goods and Service Tax Act 1985.

## 9.5 Development contributions charge revisions - Capping

In this Policy some individual activity charges have been capped to provide a net per HUE charge. Table 1 shows both the uncapped contribution charges calculated to fund the growth element of the LTP capital projects and the revised (capped) charges adopted by Council to reflect the special considerations explained in Section 13.

# 10. Charges

**Table 1: Development Contribution Charge Schedule**

Catchments	DC catchment(s) Charge	DC Community Wide Charge	DC Total Contribution per HUE (Uncapped)	DC Total Contribution per HUE (capped)	Capped Amount
<b>Parks and Reserves</b>					
Whangarei City	\$133	\$1,831	\$1,964	\$1,964	\$
Urban Villages	\$141	\$1,831	\$1,973	\$1,973	\$
Satellite town	\$	\$1,831	\$1,831	\$1,831	\$
Growth Nodes (30-50 Growth Strategy)	\$	\$1,831	\$1,831	\$1,831	\$
Rural Villages	\$	\$1,831	\$1,831	\$1,831	\$
Coastal Villages	\$84	\$1,831	\$1,915	\$1,915	\$
Countryside	\$	\$1,831	\$1,831	\$1,831	\$
<b>Transport and Roading</b>					
North Rural	\$5,657	\$7,293	\$12,950	\$12,950	\$

North Coastal	\$2,004	\$7,293	\$9,297	\$9,297	\$
Whangarei City	\$475	\$7,293	\$7,768	\$7,768	\$
South	\$4,571	\$7,293	\$11,864	\$11,864	\$
Ruakaka	\$739	\$7,293	\$8,032	\$8,032	\$
<b>Wastewater</b>					
WW Hikurangi	\$291	\$	\$291	\$291	\$
WW Waipu Cove-Langs Beach*	\$11,563	\$	\$11,563	\$11,563	\$
WW Ngunguru	\$5,487	\$	\$5,487	\$5,487	\$
WW Oakura	\$18,593	\$	\$18,593	\$18,593	\$
WW Portland	\$232	\$	\$232	\$232	\$
WW Marsden Point-Ruakaka	\$10,724	\$	\$10,724	\$10,724	\$
WW Waipu	\$2,996	\$	\$2,996	\$2,996	\$
WW Waiotira	\$13,543	\$	\$13,543	\$13,543	\$
WW Tutukaka	\$	\$	\$	\$	\$
WW Whangarei Heads*	\$36,827	\$	\$36,827	*\$21,568	\$15,259
WW Whangarei	\$3,175	\$	\$3,175	\$3,175	\$
<b>Water</b>					
Bream Bay North	\$5,591	\$	\$5,591	\$5,591	\$
Bream Bay South	\$6,120	\$	\$6,120	\$6,120	\$
Whangarei North	\$5,774	\$	\$5,774	\$5,774	\$
Whangarei	\$6,649		\$6,649	\$6,649	\$
Whangarei Heads	\$7,732	\$	\$7,732	\$7,732	\$
Mangapai	\$11,948	\$	\$11,948	\$11,948	\$
Maungakaramaea	\$6,684	\$	\$6,684	\$6,684	\$
<b>Libraries</b>					
Past project completed - Community Infrastructure as defined in the LGA prior to 08/08/2014					
Whangarei City	\$194	\$144	\$338	\$338	\$
Rural	\$	\$144	\$144	\$144	\$
*Council has capped all wastewater contributions to a maximum \$21,568 per HUE					

- All charges are GST exclusive – See S. 9.4 Goods and Services Tax (GST)

**Table 2: Base demand units for Residential Household Unit Equivalency (HUE)**

<b>Activity</b>	<b>Base Unit</b>	<b>Demand per HUE</b>	<b>Comments</b>
Parks and Reserves	per capita basis	1	
Transport & Roding	Vehicle Movements Per Day (VPD)	10	
Water Supply – City	m <sup>3</sup> per day	0.75m <sup>3</sup> (or 750 litres)	Based on average flow (design average) See Table
Wastewater –	m <sup>3</sup> per day	0.80m <sup>3</sup> (or 800 litres)	Based on peak flow
Wastewater Marsden Point Ruakaka	m <sup>3</sup> per day	0.50m <sup>3</sup> (or 500 litres)	Based on peak flow
Libraries (Historic Projects)	per capita basis	1	

The average household assumes an occupancy rate of 2.7 people per dwelling as per Statistics New Zealand projected average household size for the Whangarei District.

**Table 3: Base demand units for Commercial Household Unit Equivalency (HUE)**

<b>Activity</b>	<b>Base Unit</b>	<b>Demand per HUE</b>	<b>Comments</b>
Parks and Reserves	per activity	N/A	
Transport & Roding	Vehicle Movements Per Day (VPD)	10	See Table 4 for demand per 100m <sup>2</sup>
Water Supply – City	m <sup>3</sup> per day	0.75m <sup>3</sup> (or 750 litres)	See Table 5 for demand per 100m <sup>2</sup>
Wastewater –	m <sup>3</sup> per day	0.80m <sup>3</sup> (or 800 litres)	Based on Table 5 peak flow
Wastewater Marsden Point Ruakaka	m <sup>3</sup> per day	0.50m <sup>3</sup> (or 500 litres)	Based on peak flow
Libraries (Historic Projects)	per activity	N/A	

**Table 4: Transport & Rooding**Average Vehicle per Day (VMPD) of 100m<sup>2</sup> of Gross Floor Area (GFA) converted to HUEs.

Average Vehicle Per Day (VPD)/100m <sup>2</sup> GFA converted to HUEs						
Attribute movements to the activity						
Independent Dwelling Unit <sup>1</sup>						1.00 <sup>1</sup>
Child Care Facilities <sup>2</sup>						1.2 <sup>2</sup>
Petrol Stations <sup>3</sup>						7.9 <sup>3</sup>
Rest Homes <sup>4</sup>						2.3 <sup>4</sup>
Land Use Activity	VPD/100m <sup>2</sup>	% of activity@ 50%	% of activity@ 20%	% of ac@ 3%activity	Reduced VPD/100m <sup>2</sup>	HUEs Per 100m <sup>2</sup>
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
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 <sup>2</sup> )	59	30%	50%	20%	15.10	1.51
Retail - Small (< 500m <sup>2</sup> )	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
<sup>1</sup> Per dwelling unit over 100m <sup>2</sup> , <sup>2</sup> Per child, <sup>3</sup> Per pump, <sup>4</sup> Per bed						

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 driven 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 a level of activity has shared drivers and this is reflected in these calculations.

Most 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:

1. 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.
2. 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.
3. 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.

Should an activity not be covered by the categories within Table 1, or have demand significantly at variance from those values shown in the table, Council may accept an assessment of traffic generation, this will usually be from a qualified Traffic Engineer.

**Table 5: 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 0.75m<sup>3</sup> or 750 litres per day.

**Average commercial land-use water usage**

USE	Ltr/1m <sup>2</sup>
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
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 industry.

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 m<sup>2</sup> of GFA. If the proposed building has a GFA of 400 m<sup>2</sup> the water use is calculated to be 1.3 litres x 400m<sup>2</sup> = 520 litres. This is then divided by the HUE base rate (750 litres) to identify the contributions. Therefore,  $520 \div 750 = 0.693$  x \$6,649.00 = \$4607.75.

## 11. Additional Information

### Wastewater

Wastewater is based on “peak” flow and the base figures established from residential flows per household across the district. Peak flow residential wastewater usage is 0.80m<sup>3</sup> or 800 litres per day in all catchments except for Marsden Point-Ruakaka, where, due to the sandy soil conditions (based on recent flow measurements and hydraulic modelling) the flow rate per connection is 0.50m<sup>3</sup> or 500 litres per day.

### Commercial land-use wastewater usage

Calculation of wastewater use for a business land-use activity is calculated using the same methodology applied to water use.

Note that wastewater is based on peak flow in recognition that Council must provide adequate capacity for an activity to safely and effectively discharge wastewater.

### Calculation of Parks and Reserves Contributions

Council has calculated the reserves contribution at a maximum within any catchment of \$2,080 per new residential allotment. If the market value of a lot is likely to fall below \$28,000 a valuation supplied by a registered valuer may be provided and the proposed contributions above will be calculated at 7.5% of the market value.

For clarity, no reserves contribution will exceed the cap set by section 203(1) of the LGA 2002 of 7.5% of the value of the land.

Council may in rare circumstances, undertake a special assessment. This may occur where the demand for a particular project is significantly greater than the identified average value for that type of activity, or the activity is not identified within the schedules. In these instances Council may consider a development agreement an appropriate mechanism to achieve an acceptable outcome.

## Part Two: Background and Methodology for Calculating the Contribution Charges

### 12. Legislative requirements

This document sets out Council's policy on development contributions, in accordance with S102 and S106 of the LGA. This Policy meets the requirements and includes all necessary information as set out in S197-211 and Schedule 13 and 13A of the LGA.

#### Introduction

Council has determined in its Revenue and Financing Policy to use development contributions as a funding source for growth related demand for additional reserves, network infrastructure and community infrastructure, or for increasing the capacity of existing infrastructure.

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. Non-growth infrastructure will be funded by rates and other sources to the extent that these costs would have been incurred even if there had been no growth and/or there is a benefit to the wider community. Ratepayers contribute to the cost of growth including funding the difference between the calculated wastewater charged and the capped maximum wastewater charges.

Council has adopted the Whangarei District Growth Strategy (Sustainable Futures 30|50) which sets out a vision for sustainable development within the District. This strategy underpins Council's future decision-making with regard to the way in which to develop the district. Council's Infrastructure Strategy guides Council decision making in the short and long term.

Council has adopted a Development Contributions Policy as required by S102 (2) (d) of the LGA. Development contributions will be used to fund a portion of the growth component of capital expenditure.

S106 of the LGA requires Council to explain, in terms of matters outlined in S101(3), why it has decided to use development contributions to meet the capital expenditure set out in Appendices 1, 2 & 3. In making this decision, Council has also given due consideration to S101 (1) and (2) of the LGA.

Growth within the District drives a significant portion of Council's capital works. Council considers it equitable that those undertaking a development should make a contribution 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 in relation to 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.

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 required for current demand (backlog). Development contributions fund only the growth element of infrastructure capital projects.

In determining how to allocate costs associated with providing Council's capital projects, Council has considered a range of options for funding against the factors set out in S101(3) of the LGA. 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. See Council's LTP and Revenue and Finance Policy.

The LGA (S199) provides that development contributions may be required in relation to development if the effect of the development, either individually or cumulatively, is to require new or additional assets or assets of increased capacity, and as a consequence Council incurs capital expenditure to provide appropriately for:

- Reserves
- Network infrastructure
- Community infrastructure.

From the three major groups, Council has identified the following five sub-groups as activities for which development contributions will be charged:

- Parks and Reserves



- Transportation & Roading
- Water
- Wastewater
- Libraries (Past projects).

### 13. Rationale for funding growth with development contributions

S106 of the LGA requires that a policy adopted under S102 (1) of the LGA must, in relation to the purposes for which development contributions or financial contributions may be required, explain in terms of S101 (3) considerations why Council has determined to use development contributions as a funding source to meet the expected capital expenditure required to meet the increased demand for community facilities resulting from growth. Council has determined that the growth community should bear a proportionate cost of the provision of infrastructure that is required largely because of new households and businesses.

Council considers that using development contributions to fund required infrastructure for growth promotes sustainable development in that it requires developers to consider the true cost of their developments because of their financial stake in the infrastructure. Council also considers that for ratepayers to solely bare the cost of growth related capital works would cause unsustainable rate increases and would be inequitable.

Council's Revenue and Financing Policy contains further analysis of Councils decision-making in relation to S106 (2) (c) of the LGA.

#### Overview

In determining whether development contributions are an appropriate funding source for different activities, Council considers, for each of its activities:

- how they relate to community outcomes
- who benefits from that activity
- the period over which those benefits are expected to occur
- who created the need for that activity to be undertaken
- the costs and benefits, including consequences for transparency and accountability, of funding that activity distinctly from other activities
- how any decision about funding this activity will impact on the social, economic, environmental and cultural wellbeing of the community.

#### 13.1 Consideration of community outcomes – S101 (3) (a) (i) of the LGA

Council's Community Outcomes are identified in the 2018-2028 LTP. In the process of determining the funding sources for the growth-related components of capital projects, a local authority needs to consider the community outcomes to which the activity primarily contributes in relation to its associated activities, programmes and projects.

The table below shows the activity areas for which development contributions are required and indicates the level of contribution of each activity area to each Community Outcome. Council has taken these Outcomes into account in determining how to fund each listed activity. A more complete explanation of the Community Outcomes to which each of the activities primarily contributes can be found in the relevant Asset/Activity Management Plan and/or activity statement within the LTP.

#### Community Contributions:

Outcome	Water	Waste Water	Transportation	Parks and Reserves
Efficient and resilient core services	High	High	High	Medium
Positive about the future	Medium	Medium	High	Medium
Caring for the environment	Medium	High	Medium	High
Proud to be local			Medium	High

### 13.2 Distribution of benefits – S101 (3) (a) (ii) of the LGA

In consideration of S101 (3) (a) (ii) of the LGA, Council recognises that there are benefits for the greater community that flow from the extra capacity provided by infrastructure. These benefits flow to the existing community and the new growth community. For each activity area including programmes and/or individual projects that require capital expenditure, Council makes a judgement about whether the assets being created or modified will provide capacity to, and therefore benefit, the existing community, the growth community, or both of those groups.

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.

The capital expenditure and benefit allocation in this policy is analysed in the following way:

- renewal expenditure: this 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 of the community including the growth community
- new services 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.

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 other. 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.

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.

There is recognition of transitional benefits to both the existing community and the incoming growth community that may occur in some circumstances as a result 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 takes account of this transitional benefit where appropriate and allocates it between the growth community and the existing community.

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.

The process of cost and benefit allocation is undertaken using a modelling tool, this model records:

The judgements made about the drivers of a project i.e. the reasons Council has undertaken the project and who will benefit from the project.

The model assists in making and recording the allocation of costs between the beneficiaries.

The model apportions the cost of infrastructure that can be attributed to the existing and growth communities.

### 13.3 Period over which benefits occur – S101 (3) (a) (iii) of the LGA

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

### **13.4 The extent to which actions or inactions of particular individuals or a group contribute to the need to undertake an activity – S101 (3) (a) (IV) of the LGA**

#### **Who creates the need for the community facilities?**

Council has estimated the extent of growth within the District, both residential and non-residential and has translated that to the expected equivalent number of households which constitute that growth (Household Unit Equivalents or HUEs). For each activity, this then creates a profile of the demand that can be expected for that Activity, and the services and assets necessary to accommodate that demand over time. Council has also identified the capital expenditure necessary to provide the capacity to meet the needs of the growth community. This is identified in the S.201 and S.201A schedules within this policy

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 which requires Council to incur capital expenditure. Council 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
- people from outside of the District community i.e. tourists or holiday home owners, creating additional demand on the facilities.

Council considers that new residential and non-residential developments are actions of the development (growth) community that directly contribute to the District's need for an increase in infrastructure.

#### **Examples of projects funded, in part, by development contributions:**

Funding for the proposed Lower Hatea River Crossing is provided in part by development contributions to the extent that the development is driven by new growth. However, Council considers that growth is neither the sole driver nor that the growth community is the sole beneficiary of the development. Growth 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 will benefit the existing community and improve traffic conditions for the community as a whole. Council, through workshops and meetings, has formally considered the extent to which these groups 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.

The Wilson's Dam project, while primarily driven by growth, is also driven by Council's requirement to provide an improved level of water quality, an enhanced level of reticulation and the requested ability by the existing local community to connect to a safe and reliable water source. Council has given consideration to its obligation to provide these services for both the existing and growth communities through formal workshops and apportioned levels of funding accordingly.

The Whangarei Heads sewerage scheme was driven by several factors including: health concerns of the community; the existing community's desire for an improved Level of Service; and a requirement to service the growing coastal community. In considering this project Council has used a measured methodology to identify the apportioned level of funding directly proportional to the individual levels of impact and benefit, and has considered the extent to which each of these communities contributed to the need to undertake this activity.

### **13.5 Separation of other activities – S101 (3) (a) (v) of the LGA**

#### **The costs and benefits, including consequences for transparency and accountability of funding the activity distinctly from other activities.**

The benefits of funding additional infrastructure capacity to meet demand from development include greater transparency and efficiency by requiring an appropriate share of the actual costs to be paid by the growth community. The need to identify the reasons, and appropriate cost allocations for undertaking projects ensures the decision making as to why a project is being undertaken is more transparent and accountable. An additional benefit also arises, in that the use of development contributions ensures existing ratepayers are not paying for infrastructural capacity that they do not require. This contributes substantially to intergenerational equity.

Council has for each activity determined catchments taking into account section 197AB and section 101(3) of the Act. It has endeavoured to balance service delivery considerations, growth patterns, administrative efficiency, benefits, costs and wider considerations of public good and fairness.

For some activities, 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. Although development contributions do not incur significant administrative cost once systems are established, the use of small local catchments to collect development contributions is not always cost-effective because of the requirement to collect and maintain detailed data at a localised level. Council is also conscious that 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.

It is Council's view that using development contributions to partially fund the cost of growth for community facilities in proportion to the benefit received by the growth community provides benefits of greater transparency, greater accountability and intergenerational equity.

### **13.6 Overall impact of development contribution allocations on the community – S101 (3) (b) of the LGA**

The implementation of this Policy will enable Council to provide appropriate levels of network infrastructure, community infrastructure and reserves that are necessary to service the growing community. Ensuring appropriate levels and balance between the various sources of funding for the provision of network and community infrastructure is central to Council being able to meet the current and future needs of communities for good quality local infrastructure in a way that is most cost effective for households and businesses.

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

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

In capping some charges Council has considered issues of public health, public and environmental good and sustainability, as well as considerations of fairness and equity.

## **14. Financial contributions**

S106 (f) of the LGA requires Council to summarise the provisions that relate to financial contributions pursuant to the Resource Management Act 1991 (RMA) if this type of contribution will be required.

### **14.1 Financial contributions as a funding source**

The number of resource consents that have had financial contributions imposed as a condition of consent under S108 (2) (a) of the RMA is decreasing. Financial contributions apply to a limited number of applications which are yet to be completed. Funding from this source is expected to be minimal over the term of this Policy. Council has from 2014 received on average of \$66,000 per annum, this amount will decrease over the term of this Policy.

Financial contributions which, prior to the adoption of the first Development Contributions Policy in 2005, were a significant source of funding for growth infrastructure, are now a minimal source of funding. It is noted that recent amendments to the Resource Management Act mean that Financial Contributions will be phased out of the District Plan and Councils will no longer be able to require financial contributions from 18 April 2022.

The Whangarei District Plan contains provisions regarding financial contributions. These are set out in Chapters 9 and 80 of that document.

The policy objectives are:

- all costs arising from land subdivision and development are identified and recognised
- the sustainable and efficient allocation of costs and resources in the delivery of services to new development.

Council may require financial contributions in the following asset areas:

Item	Purpose	Part of District
1	Reserves and community services	Whole District

2	Sewerage	Whole District where a reticulated system is available, except Langs Beach, McLeods Bay to Urquharts Bay, and Waikaraka to Parua Bay.
3	Sewerage	Area covered by Langs Beach Scheme.
4	Sewerage	McLeods Bay to Urquharts Bay Scheme: Area 1.
5	Sewerage	Waikaraka to Parua Bay Scheme: Area 2.
6	Stormwater	Whole District where a reticulated system is available.
7	Water supply	Whole District where a reticulated system is available.
8	Road network	Whole District.

Council may require financial contributions pursuant to the RMA 1991 rather than development contributions, in some instances. These include:

- Applications lodged prior to 19 April 2005 that may have been assessed for financial contributions using the provisions of the Whangarei District Plan. These applications will pay only the financial contributions as originally assessed, unless the consent expires, is surrendered, has not been fully granted or is changed.
- Council reserves the right to continue to impose financial contributions under the RMA, as set out in Chapters 9 and 80 of the Whangarei 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.
- Where development contributions would normally be payable but the consent applicant e.g. the Crown has a statutory exemption from paying development contributions.

## **15. Special considerations by Council in determining development contributions**

### **15.1 Capping**

Council has, after deliberations and having regard to considerations of fairness and equity under section 197AB (g) and the overall impact on the commencing of development contributions under section 101(3) (b), of the LGA, elected to place a cap on development contribution charges for Wastewater - See Table 1.

Individual wastewater charges have been revised and then capped to a maximum HUE charge. The funding shortfall arising from these caps will be funded from other sources, predominantly general rates.

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 wastewater systems to promote sustainable development.

Council was also cognisant that where contributions have increased under the 2018 Policy, these are a reflection of 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 development contribution charges calculated to partially fund the growth element of the LTP capital expenditure projects are shown in Table 1 along with the revised/capped charges adopted by Council in light of the above considerations.

## **16. Allocation of Growth Related Expenditure to the Existing Community**

In identifying the growth component of capital expenditure in the LTP, Council has, for the reasons of administrative and economic efficiency, allocated some potential-growth related expenditure over all activities to the existing community as the value of undertaking a cost allocation exercise to determine the

proportionate growth component would have costs greater than benefits of the expenditure likely to be recovered. As an example, stormwater is an activity that Council has decided to fully fund by rates. There are also projects within activity areas for which contributions are charged, which fall below the administratively efficient threshold to calculate charges.

## **17. Capital expenditure**

### **17.1 Expenditure expected to be incurred as a result of growth**

The total estimated capital expenditure Council expects to incur, as a result of growth, to meet increased demand on network and community infrastructure, is summarised in Appendices 1, 2 and 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.). The calculations and documentation supporting the capital expenditure are available for examination at the offices of Whangarei District Council.

### **17.2 Expenditure incurred in anticipation of development**

S199 (2) of the LGA allows for Council to require a development contribution from any development for capital expenditure:

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

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. A schedule of these 'Past Projects with Residual Capacity' is included in Appendix I.

Included in Appendix 2 are those community infrastructure projects that were within the definition prior to the commencement of Section 51 of the LGA 2002 Amendment Act 2014 and which are complete or have been substantially progressed.

### **17.3 Council use of development contributions**

In accordance with S204(1) of the LGA, 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 section 205 of the LGA.

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.

## **18. Activity catchments**

Council has modelled a number of catchment scenarios and determined to use those catchments listed in Table 1 taking into account a range of considerations including the:

- Predicted growth within the catchments
- Projects planned within the catchments and who will benefit from those projects
- Administrative efficiency of managing assets at a practical level
- Geographical and technical aspects of projects
- Levels of Service
- Consistency
- and having regard to sections the S101 (3) and 197AB of the LGA.

In seeking to proportion 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 the projects. Council has separated out these areas and the associated projects as individual catchments.

After considering the distribution of benefits and impact for 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.

Capital projects within the catchments will attract defined, catchment related development contribution charges. These discreet catchment areas and schedules of projects are identified in Appendices1-8.

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

## **19. Determination of development contributions charges**

This section of the Policy, in accordance with S201(1)(a) of the LGA, sets out in summary form an explanation and justification of how the development contributions have been calculated. The following methodology used is in accordance with Schedule 13 of the LGA.

### **19.1 Calculation summary**

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

1. Determined the activities for which development contributions will be required.
2. Determined the Levels of Service for each activity.
3. Recorded the catchment where the project provides capacity to meet demand.
4. Summarised in this Policy are the capital projects (with growth component identified) that are included in determining the development contributions charges. Including completed projects that were constructed to provide capacity for future demand and that have a remaining surplus capacity (see Appendices1 -4).
5. Deducted from the project costs all reasonably anticipated funding from third parties and allocated the costs between growth and non-growth.
6. Recorded the capacity and life of the projects, the growth cost share that will be assigned to the demand reported in the Growth Model.
7. Allocated costs to each unit of demand.
8. Assessed each activity, (and programme and project where appropriate) that are using development contributions as part of their funding against the considerations in S101(3)(a) of the LGA.

In order to undertake a cost allocation analysis using the 'Outcomes/Impacts Methodology' to determine the share of cost to growth, Council has considered:

9. 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.
10. The outcomes of the cost allocation and summarised it in this Policy stating the proportion of capital expenditure to be funded by development contributions and other sources of funding (Appendix 1- 5).  
Council in its Growth Model considered the changes in household numbers and business floor areas and has determined:
11. For each activity and catchment, the changes in demand for service from the existing and growth communities over the capacity life of the project.
12. Included measures of both household and business demand.

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

13. 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.  
Council has aggregated the outcomes of the funding analysis for each project by activity and catchment to determine the development contributions charge for the activity and catchment and:
14. Presented the schedule of development contribution capped and uncapped charges (Table 1).

### **Audit and review**

Council has actioned the following:

- Internal reviews.
- External reviews of the projects, cost allocation analysis and funding analysis. Reviewing is required to test and verify the assumptions and accuracy of the project data used in analysis (External reviews are based on select areas).



## 19.2 Cost allocation methodology

The 'Cost Allocation Methodology' used in this Policy may be referred to as an 'Outcomes/Impacts Methodology'. This methodology is applied to the 10 years of capital expenditure set out in the LTP and expenditure on past projects with residual capacity for growth. This methodology has been applied to the programmes of capital expenditure delivering the levels of services defined in the LTP at an activity level.

Programmes are planned capital expenditure designed to deliver defined Levels of Service. Projects are planned or completed projects delivering the programme. The analysis to determine the cost of growth has been undertaken at both programme and project level as appropriate for that Level of Service.

The Outcomes/Impacts Methodology takes the planned costs of a proposed project and assigns them to categories with only the growth component or part of the growth component of a project being recouped through development contributions.

The categories within the methodology are:

- Renewal
- Backlog
- Growth
- Unallocated.

### **A summary of the cost allocation methodology is as follows:**

- 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. New Zealand Transport Agency) is identified and deducted
- catchments are established based on the considerations outlined in section 16 of this Policy
- 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'
- capacity, useful life information and funding periods are used to determine the period over which contributions are identified to be collected
- the funding model 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 S101(3) of the LGA
- this cost allocation information and methodology is available for inspection at the Whangarei District Council's Offices.

## 19.3 The funding model

The purpose of the funding model is to ensure an equitable assessment of the funding requirements to support the development contributions calculation. Primary functions of the funding model are to ensure a consistent and compliant methodology is used to calculate development contribution charges with regard to the LGA.

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 by 'Household Unit Equivalents' (HUEs). These development contribution charges are listed in Table 1.

### **The funding model takes account of:**

- 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.

The model complies with the requirements of Schedule 13 of the LGA; determining the development contribution charge necessary to fund the total cost of the capital expenditure supporting growth.

Schedules of planned projects and schedules of past projects with remaining capacity intended to support the new and future incoming community are contained in Appendices 1, 2 & 3.

It is noted that Council may vary these schedules from time to time in accordance with S201A(5).

## 20. Significant assumptions

S201(b) of the LGA requires the Policy to state significant assumptions underlying the calculation of the schedule of development contributions. Throughout the entire process of determining development contributions, Council has used the best available information.

### 20.1 Growth–S201 (b) of the LGA

Council adopted the Whangarei District Growth Model on 14 December 2017, with a minor correction being made on 16 May 2018 through deliberations on the draft Development Contributions Policy. This model provides the basis for updated growth projections for Council's Asset/Activity Management Plans, for the calculation of development contributions and other LTP purposes.

Council's growth assumptions underpinning the Asset/Activity Management Plans and capital expenditure budgets in the LTP have been made based on the best information currently available. Growth projections are subject to uncertainties as to the quantum, timing and location of growth therefore, regular reviews will be undertaken as a key component of planning future network and community infrastructure requirements.

Key Findings Include:

- Whangarei District's estimated resident population grew from 83,700 in 2013 to 89,700 in 2017. This resulted in an increase of 6,000 people, representing an average annual increase of 1,500 people or 1.8% per annum (7.16% over four years).
- The medium projection for the District sees an increase from 90,500 people in 2018 to 102,000 in 2028, resulting in an extra 11,700 people, averaging 1,170 additional people per year or 1.3% growth per annum.
- Total dwellings in the Whangarei District are forecast to increase from 35,200 in 2013 to 43,570 in 2028, resulting in an extra 8,370 dwellings, averaging 837 additional dwellings per year.
- The highest percentage increases in population between 2018-2028 are expected to be in Marsden Point/Ruakaka, Port Limeburners, Waipu, Bream Bay and Te Hihi.
- The total business floor area is expected to increase from 1,274,600 m<sup>2</sup> in 2018 to 1,367,000 m<sup>2</sup> in 2028, averaging an increase of 9,240 m<sup>2</sup> per annum.

Scenarios have also been included for the Long Term Plan period 2018-2028 and for the Asset Management period 2018-2048 (30 years). The Growth Model for the Whangarei District has been developed using Statistics New Zealand medium growth projection, with adjustments made where necessary to reflect known areas of higher growth within the District. The predicted rates of growth have been used to predict growth in terms of 'Household Unit Equivalents' (HUE). Predicted HUEs are shown per Activity and per Catchment within the funding model. A HUE is defined as being equivalent to one average household 'unit of demand'. 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 methodology is used, this approach is considered appropriate in terms of the principles of development contributions and in accordance with Schedule 13 of the LGA.

There is a risk that the growth and uptake predictions in the Growth Model will not eventuate, resulting in a change to the assumed rate of development. However, modelling suggests that the impact of any change to the growth projections on the total development contribution charge for each HUE would be minor. Council will continue to monitor the rate of growth and will update assumptions in the growth and funding models as required. There is also a risk that the lag between expenditure incurred by Council and contributions received from those undertaking developments 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 make charges lower in future policies.

Council will continue to monitor the rate of growth and will update outcomes in the growth and funding models as required including incorporating absentee owners to model the number of holiday homes, particularly in the coastal communities and incorporating the analysed trends from Council's Annual Monitoring Report.

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.

## 20.2 Capital projects

In order to support anticipated growth, Council has assumed the budgeted capital projects programme will be necessary. If the growth rates change, it is most likely that the capital projects programme will be re-sequenced or subtly accelerated or slowed rather than dramatically changed in some other way. New capital projects may also 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.

## 20.3 Estimated cost of capital expenditure

Council has used the best information available at the time of developing this Policy to estimate the cost of capital expenditure that will be funded in whole or part out of development contributions. It is likely that actual costs will differ from estimated costs due to factors beyond Council's control, such as changes in the price of raw materials, labour, etc. and the timing of capital projects taking place. Council makes every effort to incorporate these variables into cost calculations. The actual project costs will be input into the cost allocation model updating budgeted figures and will be included in subsequent Policy reviews. The capital expenditure will be reviewed with each amendment to the LTP and adjustments made to the schedules as appropriate.

## 20.4 Interest rates

The interest rates used within the development contributions funding model are currently set at 4.66% for interest paid, to account for the debt borrowing Council has undertaken to complete capital projects in anticipation of growth requirements. The interest rate for interest earned on funds received in advance of carrying out growth-related capital expenditure is set at 3.8%. Council's cost of borrowing in the LTP is set at 4.66%. Interest rates are subject to fluctuation and will be reviewed at each Policy review. Interest will not be included as capital expenditure once an asset is built.

## 20.5 Levels of service

Levels of Service (LOS) are the standard of services that Council provides for each activity. Council prepares Activity/Asset Management Plans for each activity that Council provides. Council defines Levels of Service through consultation with the community on the LTP. These plans define the relevant Levels of Service for an activity. The Activity/Asset Management Plans and the defined 'Level of Service' statements form the basis of identifying capital projects required to meet projected growth. 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.

## 20.6 Financial assumptions

**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 New Zealand Transport Agency (NZTA) 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
- all figures in the development contributions schedules are expressed in 2018 dollars and these will be amended as appropriate in accordance with the Producer Price Index Outputs for Construction on an annual basis.

**Appendix 1: S.201A (3) Assets for which Development Contributions will be used - Schedule of Growth Related Expenditure for Past Projects with Residual Capacity**

Activity	Catchment	Programme/Project Name	Expenditure Already Incurred	Expenditure to be Recovered from Development Contributions	Expenditure to be Recovered from Other Sources
Parks and Reserves	Whangarei City	Provision of new and renewed Playgrounds and Skate Parks	\$ 584,112	\$ 48,230	\$ 535,882
Parks and Reserves	Community Wide	1 Upgrade - Existing pre 2008	\$ 2,680,117	\$ 533,841	\$ 2,146,276
Parks and Reserves	Community Wide	2 Facilities - New parks Pre 2008	\$ 54,846	\$ 16,786	\$ 38,060
Parks and Reserves	Community Wide	3 Cobham Oval	\$ 4,357,655	\$ 611,897	\$ 3,745,758
Parks and Reserves	Community Wide	CBD Development	\$ 3,086,260	\$ 379,655	\$ 2,706,605
Parks and Reserves	Community Wide	Complete stage 1 - Town Basin	\$ 1,791,119	\$ 218,450	\$ 1,572,669
Parks and Reserves	Community Wide	District reserves	\$ 3,150,791	\$ 2,002,009	\$ 1,148,782
Parks and Reserves	Community Wide	Mountain Bike Trails NEW	\$ 83,706	\$ 8,060	\$ 75,646
Parks and Reserves	Community Wide	Parihaka Look out	\$ 444,627	\$ 113,313	\$ 331,314
Parks and Reserves	Community Wide	Pre 2014 Urban Park Land Purchase & Development	\$ 2,761,468	\$ 2,071,101	\$ 690,367
Parks and Reserves	Community Wide	SOP - Hatea Loop New Share Path Route	\$ 3,309,860	\$ 370,702	\$ 2,939,158
Parks and Reserves	Community Wide	SOP - William Fraser Memorial Park on Pohe Island - Park Development	\$ 624,225	\$ 103,538	\$ 520,687
Parks and Reserves	Community Wide	Sportsfields Development - Springs Flat 4 Sand Fields and Associated Facilities	\$ 2,263,820	\$ 260,167	\$ 2,003,653
Parks and Reserves	Community Wide	William Fraser Memorial Park on Pohe Island - Sportsfield & Carpark Development Stage 1	\$ 254,027	\$ 28,064	\$ 225,963
Parks and Reserves	Community Wide	William Fraser Memorial Park on Pohe Island - Sportsfield & Carpark Development Stage 2	\$ 153,088	\$ 16,913	\$ 136,175
Parks and Reserves	Community Wide	William Fraser Memorial Park on Pohe Island - Sportsfield Development Stage 3	\$ 1,124,941	\$ 124,281	\$ 1,000,660
<b>Parks and Reserves</b>		<b>Sub-Total</b>	<b>\$ 26,724,662</b>	<b>\$ 6,907,007</b>	<b>\$ 19,817,655</b>

**Appendix 1: S.201A (3) Assets for which Development Contributions will be used - Schedule of Growth Related Expenditure for Past Projects with Residual**

Activity	Catchment	Programme/Project Name	Expenditure Already Incurred	Expenditure to be Recovered from Development Contributions	Expenditure to be Recovered from Other Sources
Transport and Roding	North Coastal	LED streetlight Upgrade	\$ 7,502	\$ 353	\$ 7,149
Transport and Roding	North Coastal	Seal Extension Programme	\$ 3,519,458	\$ 851,873	\$ 2,667,585
Transport and Roding	North Coastal	Unsealed Road Metalling Programme	\$ 3,022,101	\$ 248,015	\$ 2,774,086
Transport and Roding	North Coastal	Sealed Road Pavement Rehabs	\$ 6,692,682	\$ 349,497	\$ 6,343,185
Transport and Roding	North Rural	Sealed Road Pavement Rehabs	\$ 3,740,028	\$ 195,307	\$ 3,544,721
Transport and Roding	North Rural	Seal Extension Programme	\$ 5,355,697	\$ 1,296,327	\$ 4,059,370
Transport and Roding	North Rural	Unsealed Road Metalling Programme	\$ 4,230,942	\$ 347,220	\$ 3,883,722
Transport and Roding	Ruakaka	Sealed Road Pavement Rehabs	\$ 3,149,498	\$ 164,469	\$ 2,985,029
Transport and Roding	Ruakaka	Seal Extension Programme	\$ 306,040	\$ 74,077	\$ 231,963
Transport and Roding	Ruakaka	New footpaths Programme	\$ 460,410	\$ 106,772	\$ 353,638
Transport and Roding	Ruakaka	Unsealed Road Metalling Programme	\$ 604,420	\$ 49,603	\$ 554,817
Transport and Roding	South	New footpaths Programme	\$ 230,205	\$ 53,384	\$ 176,821
Transport and Roding	South	Sealed Road Pavement Rehab	\$ 3,346,341	\$ 174,748	\$ 3,171,593
Transport and Roding	South	Unsealed Road Metalling Programme	\$ 4,230,942	\$ 347,220	\$ 3,883,722
Transport and Roding	South	Seal Extension Programme	\$ 6,120,797	\$ 1,481,517	\$ 4,639,280
Transport and Roding	Whangarei City	CBD Refurbishment & Strategic Footpath Renewals	\$ 1,942,815	\$ 465,086	\$ 1,477,729
Transport and Roding	Whangarei City	Kerb and Channel Shoulder Widening	\$ 837,105	\$ 630,136	\$ 206,969
Transport and Roding	Whangarei City	SOP Lower James street	\$ 500,000	\$ 120,345	\$ 379,655
Transport and Roding	Whangarei City	Sealed Road Pavement Rehabs	\$ 2,755,811	\$ 143,910	\$ 2,611,901
Transport and Roding	Whangarei City	New footpaths Programme	\$ 1,611,437	\$ 373,699	\$ 1,237,738
Transport and Roding	Whangarei City	LED streetlight Upgrade	\$ 67,521	\$ 3,173	\$ 64,348
Transport and Roding	Community Wide	Associated Improvements Ongoing Programme	\$ 463,426	\$ 58,939	\$ 404,487
Transport and Roding	Community Wide	Cycleway - Raumanga to Onerahi	\$ 877,216	\$ 209,044	\$ 668,172
Transport and Roding	Community Wide	Dent/ Quay St Realignment	\$ 9,049,901	\$ 2,062,594	\$ 6,987,307
Transport and Roding	Community Wide	Five Finger Roundabout	\$ 4,471,041	\$ 1,423,401	\$ 3,047,640
Transport and Roding	Community Wide	Lower Harbour Crossing	\$ 33,089,803	\$ 10,895,791	\$ 22,194,012
Transport and Roding	Community Wide	Maunu Road	\$ 68,324	\$ 5,926	\$ 62,398
Transport and Roding	Community Wide	Mill / Nixon / Kamo Intersection Upgrade	\$ 10,739,720	\$ 2,285,602	\$ 8,454,118
Transport and Roding	Community Wide	Minor Road Seal Extension Programme	\$ 303,827	\$ 75,252	\$ 228,575
Transport and Roding	Community Wide	Minor Safety Projects programme	\$ 17,691,073	\$ 1,610,771	\$ 16,080,302
Transport and Roding	Community Wide	Porowini Ave -Maunu Rd - Central Ave Upgrade	\$ 8,361,424	\$ 247,360	\$ 8,114,064

Transport & Roding continued.

**Appendix 1: S.201A (3) Assets for which Development Contributions will be used - Schedule of Growth Related Expenditure for Past Projects with Residual**

Activity	Catchment	Programme/Project Name	Expenditure Already Incurred	Expenditure to be Recovered from Development Contributions	Expenditure to be Recovered from Other Sources
Transport and Roding	Community Wide	Port Marsden Highway Construction	\$ 6,841,400	\$ 504,884	\$ 6,336,516
Transport and Roding	Community Wide	Replacement of Bridges and Other Structures	\$ 4,025,491	\$ 345,472	\$ 3,680,019
Transport and Roding	Community Wide	Road Reconstruction Programme	\$ 409,203	\$ 40,340	\$ 368,863
Transport and Roding	Community Wide	Sealed Road Pavement Rehab Programme	\$ 7,917,200	\$ 481,058	\$ 7,436,142
Transport and Roding	Community Wide	Sealed Road strengthening programme	\$ 15,563,812	\$ 2,340,422	\$ 13,223,390
Transport and Roding	Community Wide	Sealed Road Widening programme	\$ 8,597,930	\$ 936,392	\$ 7,661,538
Transport and Roding	Community Wide	SOP Cycleways - Programmed Work (Unsub)	\$ 63,070	\$ 14,596	\$ 48,474
Transport and Roding	Community Wide	Speddings Road Link	\$ 4,845,644	\$ 759,947	\$ 4,085,697
Transport and Roding	Community Wide	Structures Component Renewals	\$ 1,498,742	\$ 157,570	\$ 1,341,172
Transport and Roding	Community Wide	Subdivision Contributions till 2015	\$ 764,554	\$ 381,642	\$ 382,912
Transport and Roding	Community Wide	Traffic Services Renewals/Upgrade 2006-12	\$ 1,396,722	\$ 153,739	\$ 1,242,983
Transport and Roding	Community Wide	Traffic Signals Upgrades	\$ 1,091,463	\$ 167,057	\$ 924,406
Transport and Roding	Community Wide	Transport Planning Studies and Strategies	\$ 246,802	\$ 21,551	\$ 225,251
Transport and Roding	Community Wide	Walking & Cycling Improvements	\$ 362,509	\$ 83,434	\$ 279,075
<b>Transport and Roding</b>		<b>Sub-Total</b>	<b>\$ 191,472,049</b>	<b>\$ 32,739,515</b>	<b>\$ 158,732,534</b>

**Appendix 1: S.201A (3) Assets for which Development Contributions will be used - Schedule of Growth Related Expenditure for Past Projects with Residual Capacity**

Activity	Catchment	Programme/Project Name	Expenditure Already Incurred	Expenditure to be Recovered from Development Contributions	Expenditure to be Recovered from Other Sources
W&D Wastewater	WW Hikurangi	Wastewater Pump Stations Upgrades	\$ 54,696	\$ 28,146	\$ 26,550
W&D Wastewater	WW Hikurangi	WWTP PS Remote Monitoring	\$ 12,646	\$ 1,474	\$ 11,172
W&D Wastewater	WW Marsden Point-Ruakaka	Pump Station and Rising Main for Rama Rd	\$ 1,022,466	\$ 1,022,466	\$ -
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka - Rama Rd Irrigation Consents	\$ 359,880	\$ 359,880	\$ -
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka - Rama Rd Irrigation Scheme Land Purchase	\$ 7,742,222	\$ 7,742,222	\$ -
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka - Rama Rd Irrigation Scheme Stage 1	\$ 100,780	\$ 100,739	\$ 41
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka South reticulation extension	\$ 350,000	\$ 350,000	\$ -
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka Trunk Sewerage System - Ruakaka Bridge PS & Main	\$ 54,971	\$ 54,971	\$ -
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka Trunk Sewerage System - Sime Rd P/S & Main	\$ 257,667	\$ 257,667	\$ -
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka WWTP - Ocean outfall Preliminary consenting	\$ 1,940,779	\$ 1,940,779	\$ -
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka WWTP - Stages 1&2 Consents	\$ 610,420	\$ 610,420	\$ -
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka WWTP - Stages 1&2 Works	\$ 1,954,573	\$ 1,949,023	\$ 5,550
W&D Wastewater	WW Ngunguru	Ngunguru WWTP Upgrade	\$ 1,469,615	\$ 223,612	\$ 1,246,003
W&D Wastewater	WW Oakura	Oakura WW - Extend Reticulation	\$ 3,007,876	\$ 861,712	\$ 2,146,164
W&D Wastewater	WW Oakura	Oakura WWTP	\$ 3,155,739	\$ 1,122,527	\$ 2,033,212
W&D Wastewater	WW Portland	Wastewater Pump Stations Upgrades	\$ 3,384	\$ 2,648	\$ 736
W&D Wastewater	WW Waiotira	Wastewater Pump Stations Upgrades	\$ 23,964	\$ 11,426	\$ 12,538
W&D Wastewater	WW Waiotira	WWTP PS Remote Monitoring	\$ 6,323	\$ 737	\$ 5,586
W&D Wastewater	WW Waiotira	Waiotira WWTP Upgrade	\$ 77,352	\$ 73,922	\$ 3,430
W&D Wastewater	WW Waipu	Waipu Trunk Main Network Upgrade	\$ 257,019	\$ 116,567	\$ 140,452
W&D Wastewater	WW Waipu	Waipu WWTP Upgrade historic	\$ 819,636	\$ 809,742	\$ 9,894
W&D Wastewater	WW Waipu Cove_Langs Beach	Waipu Cove-Langs Beach WW Network Improvements 2006-2008	\$ 41,839	\$ 22,090	\$ 19,749
W&D Wastewater	WW Waipu Cove_Langs Beach	Waipu WWTP Upgrade	\$ 167,877	\$ 165,851	\$ 2,026
W&D Wastewater	WW Waipu Cove_Langs Beach	Waipu Trunk Main Network Upgrade	\$ 1,720,047	\$ 780,097	\$ 939,950
W&D Wastewater	WW Whangarei	Historic Whangarei WWTP - Upgrades	\$ 1,669,582	\$ 443,988	\$ 1,225,594
W&D Wastewater	WW Whangarei	Otaika Rising main	\$ 150,321	\$ 125,140	\$ 25,181
W&D Wastewater	WW Whangarei	Whangarei WWTP - Upgrades	\$ 886,596	\$ 241,536	\$ 645,060

## Wastewater continued

## Appendix 1: S.201A (3) Assets for which Development Contributions will be used - Schedule of Growth Related Expenditure for Past Projects with Residual Capacity

Activity	Catchment	Programme/Project Name	Expenditure Already Incurred	Expenditure to be Recovered from Development Contributions	Expenditure to be Recovered from Other Sources
W&D Wastewater	WW Hikurangi	Wastewater Pump Stations Upgrades	\$ 54,696	\$ 28,146	\$ 26,550
W&D Wastewater	WW Hikurangi	WWTP PS Remote Monitoring	\$ 12,646	\$ 1,474	\$ 11,172
W&D Wastewater	WW Marsden Point-Ruakaka	Pump Station and Rising Main for Rama Rd	\$ 1,022,466	\$ 1,022,466	\$ -
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka - Rama Rd Irrigation Consents	\$ 359,880	\$ 359,880	\$ -
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka - Rama Rd Irrigation Scheme Land Purchase	\$ 7,742,222	\$ 7,742,222	\$ -
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka - Rama Rd Irrigation Scheme Stage 1	\$ 100,780	\$ 100,739	\$ 41
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka South reticulation extension	\$ 350,000	\$ 350,000	\$ -
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka Trunk Sewerage System - Ruakaka Bridge PS & Main	\$ 54,971	\$ 54,971	\$ -
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka Trunk Sewerage System - Sime Rd P/S & Main	\$ 257,667	\$ 257,667	\$ -
W&D Wastewater	WW Whangarei	Whangarei City Wastewater - Network projects- (WWTP Peak Flow Management)	\$ 4,374,179	\$ 1,996,706	\$ 2,377,473
W&D Wastewater	WW Whangarei	Whangarei WWTP Upgrade- UV & AS plant	\$ 3,614,520	\$ 422,602	\$ 3,191,918
W&D Wastewater	WW Whangarei	Okara Pump Stn Upgrade	\$ 1,257,452	\$ 254,850	\$ 1,002,602
W&D Wastewater	WW Whangarei	Okara Rising main duplication	\$ 2,542,320	\$ 612,607	\$ 1,929,713
W&D Wastewater	WW Whangarei	Whangarei WWTP - Primary Screening & Degritting	\$ 2,743,377	\$ 502,567	\$ 2,240,810
W&D Wastewater	WW Whangarei	Whangarei City Wastewater - Network projects(Hatea Tank & UV Treatment)	\$ 5,195,274	\$ 1,601,403	\$ 3,593,871
W&D Wastewater	WW Whangarei	Whangarei City Wastewater - Projects (System Upgrades)	\$ 11,652,293	\$ 2,821,417	\$ 8,830,876
W&D Wastewater	WW Whangarei	Whangarei WWTP - Filtration System	\$ 1,500,621	\$ 345,908	\$ 1,154,713
W&D Wastewater	WW Whangarei	Wastewater Pump Stations Upgrades	\$ 2,652,766	\$ 1,365,101	\$ 1,287,665
W&D Wastewater	WW Whangarei	WWTP PS Remote Monitoring	\$ 613,344	\$ 71,460	\$ 541,884
W&D Wastewater	WW Whangarei Heads	Whangarei Heads SS Stages I & II	\$ 5,736,867	\$ 1,945,922	\$ 3,790,945
W&D Wastewater	WW Whangarei Heads	Whg Hds WW Scheme Stage III	\$ 18,922,994	\$ 4,179,869	\$ 14,743,125
W&D Wastewater	WW Whangarei Heads	Whangarei City Wastewater - Network projects(Hatea Tank & UV Treatment)	\$ 708,447	\$ 218,373	\$ 490,074
W&D Wastewater	WW Whangarei Heads	Whangarei City Wastewater - Projects (System Upgrades)	\$ 1,588,948	\$ 384,739	\$ 1,204,209
W&D Wastewater	WW Whangarei Heads	Whangarei WWTP - Filtration System	\$ 204,630	\$ 47,169	\$ 157,461
W&D Wastewater	WW Whangarei Heads	Okara Pump Stn Upgrade	\$ 187,895	\$ 38,081	\$ 149,814
W&D Wastewater	WW Whangarei Heads	Okara Rising main duplication	\$ 379,887	\$ 91,539	\$ 288,348
W&D Wastewater	WW Whangarei Heads	Whangarei WWTP - Primary Screening & Degritting	\$ 409,930	\$ 75,096	\$ 334,834
W&D Wastewater	WW Whangarei Heads	Whangarei WWTP Upgrade- UV & AS plant	\$ 588,410	\$ 68,796	\$ 519,614
W&D Wastewater	WW Whangarei Heads	Whangarei City Wastewater - Network projects- (WWTP Peak Flow Management)	\$ 833,177	\$ 380,325	\$ 452,852
<b>W&amp;D Wastewater</b>		<b>Sub-Total</b>	<b>\$ 93,625,601</b>	<b>\$ 36,843,912</b>	<b>\$ 56,781,689</b>

**Appendix 1: S.201A (3) Assets for which Development Contributions will be used - Schedule of Growth Related Expenditure for Past Projects with Residual Capacity**

Activity	Catchment	Programme/Project Name	Expenditure Already Incurred	Expenditure to be Recovered from Development Contributions	Expenditure to be Recovered from Other Sources
Water Services	Bream Bay North	Takahiwai Rd	\$ 562,387	\$ 379,611	\$ 182,776
Water Services	Bream Bay North	Bulk Meters and Pressure Management Actuals	\$ 77,016	\$ 77,016	\$ -
Water Services	Bream Bay North	Emergency Generators	\$ 48,549	\$ 11,429	\$ 37,120
Water Services	Bream Bay North	Ruakaka Treatment Plant Hydraulic Upgrade	\$ 4,487,416	\$ 1,938,591	\$ 2,548,825
Water Services	Bream Bay North	Ruakaka Treatment Plant Quality Upgrade	\$ 3,851,938	\$ 2,760,555	\$ 1,091,383
Water Services	Bream Bay North	Wilsons Dam	\$ 6,850,330	\$ 2,813,431	\$ 4,036,899
Water Services	Bream Bay South	Ahuroa UV	\$ 254,992	\$ 39,568	\$ 215,424
Water Services	Bream Bay South	Ruakaka Treatment Plant Hydraulic Upgrade	\$ 1,495,806	\$ 646,197	\$ 849,609
Water Services	Bream Bay South	Ruakaka Treatment Plant Quality Upgrade	\$ 1,283,979	\$ 920,185	\$ 363,794
Water Services	Bream Bay South	Wilsons Dam	\$ 2,283,443	\$ 937,810	\$ 1,345,633
Water Services	Mangapai	Mangapai Plant Upgrade	\$ 191,110	\$ 48,727	\$ 142,383
Water Services	Mangapai	Mangapai UV	\$ 142,856	\$ 15,916	\$ 126,940
Water Services	Maungakaramea	Maungakaramea UV	\$ 55,830	\$ 12,884	\$ 42,946
Water Services	Whangarei City	Austins Rd Water main extension	\$ 144,188	\$ 88,373	\$ 55,815
Water Services	Whangarei City	Cemetery Rd Firemain	\$ 188,122	\$ 62,311	\$ 125,811
Water Services	Whangarei City	Kamo Rising Main	\$ 1,230,021	\$ 726,260	\$ 503,761
Water Services	Whangarei City	Bulk Meters and Pressure Management Actuals	\$ 279,730	\$ 279,730	\$ -
Water Services	Whangarei City	Emergency Generators	\$ 194,196	\$ 45,714	\$ 148,482
Water Services	Whangarei City	Hatea River Main Upgrade	\$ 1,192,097	\$ 357,629	\$ 834,468
Water Services	Whangarei City	Poroti UV	\$ 379,711	\$ 149,067	\$ 230,644
Water Services	Whangarei City	Ruddells UV Upgrade	\$ 473,627	\$ 59,586	\$ 414,041
Water Services	Whangarei City	Whau Valley Land Purchase	\$ 647,054	\$ 323,527	\$ 323,527
Water Services	Whangarei City	Whau Valley UV	\$ 498,846	\$ 117,113	\$ 381,733
Water Services	Whangarei Heads	McLeods Bay Reservoir	\$ 250,343	\$ 243,333	\$ 7,010
Water Services	Whangarei Heads	Parua Bay Reservoir	\$ 362,368	\$ 336,327	\$ 26,041
Water Services	Whangarei Heads	Parua Bay Rising Main	\$ 455,191	\$ 231,542	\$ 223,649
Water Services	Whangarei Heads	Hatea River Main Upgrade	\$ 166,339	\$ 49,902	\$ 116,437
Water Services	Whangarei Heads	Poroti UV	\$ 52,983	\$ 20,800	\$ 32,183
Water Services	Whangarei Heads	Ruddells UV Upgrade	\$ 66,087	\$ 8,314	\$ 57,773



Water continued.

**Appendix 1: S.201A (3) Assets for which Development Contributions will be used - Schedule of Growth Related Expenditure for Past Projects with Residual Capacity**

Activity	Catchment	Programme/Project Name	Expenditure Already Incurred	Expenditure to be Recovered from Development Contributions	Expenditure to be Recovered from Other Sources
Water Services	Whangarei Heads	Whau Valley Land Purchase	\$ 90,287	\$ 45,143	\$ 45,144
Water Services	Whangarei Heads	Whau Valley UV	\$ 69,606	\$ 16,341	\$ 53,265
Water Services	Whangarei North	Hikurangi Supply Link	\$ 2,007,396	\$ 75,086	\$ 1,932,310
Water Services	Whangarei North	Hatea River Main Upgrade	\$ 27,723	\$ 8,317	\$ 19,406
Water Services	Whangarei North	Poroti UV	\$ 8,830	\$ 3,467	\$ 5,363
Water Services	Whangarei North	Ruddells UV Upgrade	\$ 11,015	\$ 1,386	\$ 9,629
Water Services	Whangarei North	Whau Valley Land Purchase	\$ 15,048	\$ 7,524	\$ 7,524
Water Services	Whangarei North	Whau Valley UV	\$ 11,601	\$ 2,724	\$ 8,877
<b>Water Services</b>		<b>Sub-Total</b>	<b>\$ 30,408,061</b>	<b>\$ 13,861,436</b>	<b>\$ 16,546,625</b>
		<b>Grand Total</b>	<b>\$ 342,230,373</b>	<b>\$ 90,351,870</b>	<b>\$ 251,878,503</b>



**Appendix 2: S.201A (3) Assets for which Development Contributions will be used - Growth Related Expenditure for Past with Residual Capacity – Community Infrastructure Projects**

Activity	Catchment	Project Name	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
Libraries	Citywide	New Central Library Building	\$ 2,089,716	\$ 550,854	\$ 1,538,862	\$ 217,452	2024/25
Libraries	Community Wide	New Central Library Building	\$ 6,269,150	\$ 1,652,563	\$ 4,616,587	\$ 860,973	2024/25
		<b>Grand Total</b>	<b>\$ 8,358,866</b>	<b>\$ 2,203,417</b>	<b>\$ 6,155,449</b>	<b>\$ 1,078,425</b>	

**Appendix 3: S.201A (1) Assets for which Development Contributions will be used - Schedule of Growth Related Expenditure for Future Projects included in LTP**

Activity	Catchment	Programme/Project Name	Planned Capital Expenditure	Planned Capital Expenditure Funded from Development Contributions	Planned Capital Expenditure Funded from Other Sources
Parks and Reserves	Coastal Villages	Provision of new playgrounds	\$ 105,568	\$ 94,186	\$ 11,382
Parks and Reserves	Urban Villages	Provision of new playgrounds	\$ 211,136	\$ 188,373	\$ 22,763
Parks and Reserves	Whangarei City	Provision of new playgrounds	\$ 105,568	\$ 94,186	\$ 11,382
Parks and Reserves	Community Wide	Sportspark and Surface improvement	\$ 3,472,926	\$ 449,568	\$ 3,023,358
Parks and Reserves	Community Wide	Equestrian	\$ 268,000	\$ 51,395	\$ 216,605
Parks and Reserves	Community Wide	Land Acquisitions	\$ 10,000,000	\$ 5,414,690	\$ 4,585,310
Parks and Reserves	Community Wide	New Skateparks	\$ 504,960	\$ 54,430	\$ 450,530
Parks and Reserves	Community Wide	Oakura Sportspark Hardcourt Developments	\$ 200,000	\$ 25,930	\$ 174,070
Parks and Reserves	Community Wide	Otaika Sportspark Development 4x	\$ 2,397,222	\$ 1,426,347	\$ 970,875
Parks and Reserves	Community Wide	Otangarei Sportspark New Toilets	\$ 198,000	\$ 4,023	\$ 193,977
Parks and Reserves	Community Wide	Ruakaka Sportspark 2x	\$ 1,270,000	\$ 478,548	\$ 791,452
Parks and Reserves	Community Wide	Takahiwai purchase Field expansions	\$ 370,000	\$ 68,175	\$ 301,825
Parks and Reserves	Community Wide	Whangarei Heads Development new Sportsfields 2x	\$ 820,000	\$ 419,196	\$ 400,804
Parks and Reserves	Community Wide	Whangarei Heads Field Renovations	\$ 85,000	\$ 25,873	\$ 59,127
Parks and Reserves	Community Wide	Sportsfields Land Purchases	\$ 1,100,000	\$ 646,467	\$ 453,533
<b>Parks and Reserves</b>		<b>Sub-Total</b>	<b>\$ 21,108,380</b>	<b>\$ 9,441,387</b>	<b>\$ 11,666,993</b>

**Appendix 3: S.201A (3) Assets for which Development Contributions will be used - Schedule of Growth Related Expenditure for Future Projects included in the LTP**

Activity	Catchment	Programme/Project Name	Planned Capital Expenditure	Planned Capital Expenditure Funded from Development Contributions	Planned Capital Expenditure Funded from Other Sources
Transport and Roding	North Coastal	Sealed Road Pavement Rehabs	\$ 4,202,250	\$ 192,933	\$ 4,009,317
Transport and Roding	North Coastal	Seal Extension Unsub	\$ 2,345,416	\$ 409,526	\$ 1,935,890
Transport and Roding	North Coastal	Unsealed Road Metalling Programme	\$ 4,748,385	\$ 301,285	\$ 4,447,100
Transport and Roding	North Rural	Sealed Road Pavement Rehabs	\$ 8,404,500	\$ 385,866	\$ 8,018,634
Transport and Roding	North Rural	Unsealed Road Metalling Programme	\$ 5,539,782	\$ 351,499	\$ 5,188,283
Transport and Roding	North Rural	Seal Extension Unsub	\$ 3,569,111	\$ 623,192	\$ 2,945,919
Transport and Roding	North Rural	Seal Ext Wright & McCardle Rd 2018-21	\$ 430,000	\$ 39,026	\$ 390,974
Transport and Roding	Ruakaka	McEwan Road	\$ 1,064,000	\$ 195,391	\$ 868,609
Transport and Roding	Ruakaka	One Tree Point Road	\$ 840,000	\$ 253,693	\$ 586,307
Transport and Roding	Ruakaka	Ruakaka Beach Road Upgrades	\$ 1,568,000	\$ 287,945	\$ 1,280,055
Transport and Roding	Ruakaka	New footpaths Programme	\$ 800,000	\$ 102,546	\$ 697,454
Transport and Roding	South	New footpaths Programme	\$ 400,000	\$ 51,273	\$ 348,727
Transport and Roding	South	Sealed Road Pavement Rehabs	\$ 8,404,500	\$ 385,866	\$ 8,018,634
Transport and Roding	South	Unsealed Road Metalling Programme	\$ 5,539,782	\$ 351,499	\$ 5,188,283
Transport and Roding	South	Seal Extension Unsub	\$ 4,282,934	\$ 747,831	\$ 3,535,103
Transport and Roding	Whangarei City	Sealed Road Pavement Rehabs	\$ 21,011,250	\$ 964,665	\$ 20,046,585
Transport and Roding	Whangarei City	New footpaths Programme	\$ 2,800,000	\$ 358,909	\$ 2,441,091
Transport and Roding	Community Wide	Transport Planning Studies and Strategies	\$ 1,400,000	\$ 58,086	\$ 1,341,914
Transport and Roding	Community Wide	Minor Improvement Projects programme	\$ 50,563,980	\$ 5,053,571	\$ 45,510,409
Transport and Roding	Community Wide	Port Nikau Roding Projects	\$ 7,000,000	\$ 2,842,211	\$ 4,157,789
Transport and Roding	Community Wide	Riverside Drive/Onerahi Road	\$ 20,000,000	\$ 6,467,649	\$ 13,532,351
Transport and Roding	Community Wide	South End Ave Intersection Upgrade	\$ 701,155	\$ 490,808	\$ 210,347
Transport and Roding	Community Wide	Springflats Roundabout	\$ 380,000	\$ 217,771	\$ 162,229
Transport and Roding	Community Wide	Subdivision Contributions	\$ 500,000	\$ 249,220	\$ 250,780
Transport and Roding	Community Wide	Urban Intersections Upgrade	\$ 12,000,000	\$ 3,364,753	\$ 8,635,247
Transport and Roding	Community Wide	Walking & Cycling Improvements - Subsidised	\$ 20,137,928	\$ 2,552,683	\$ 17,585,245
<b>Transport and Roding</b>		<b>Sub-Total</b>	<b>\$ 188,632,973</b>	<b>\$ 27,299,697</b>	<b>\$ 161,333,276</b>

**Appendix 3: S.201A (3) Assets for which Development Contributions will be used - Schedule of Growth Related Expenditure for Future Projects included in the LTP**

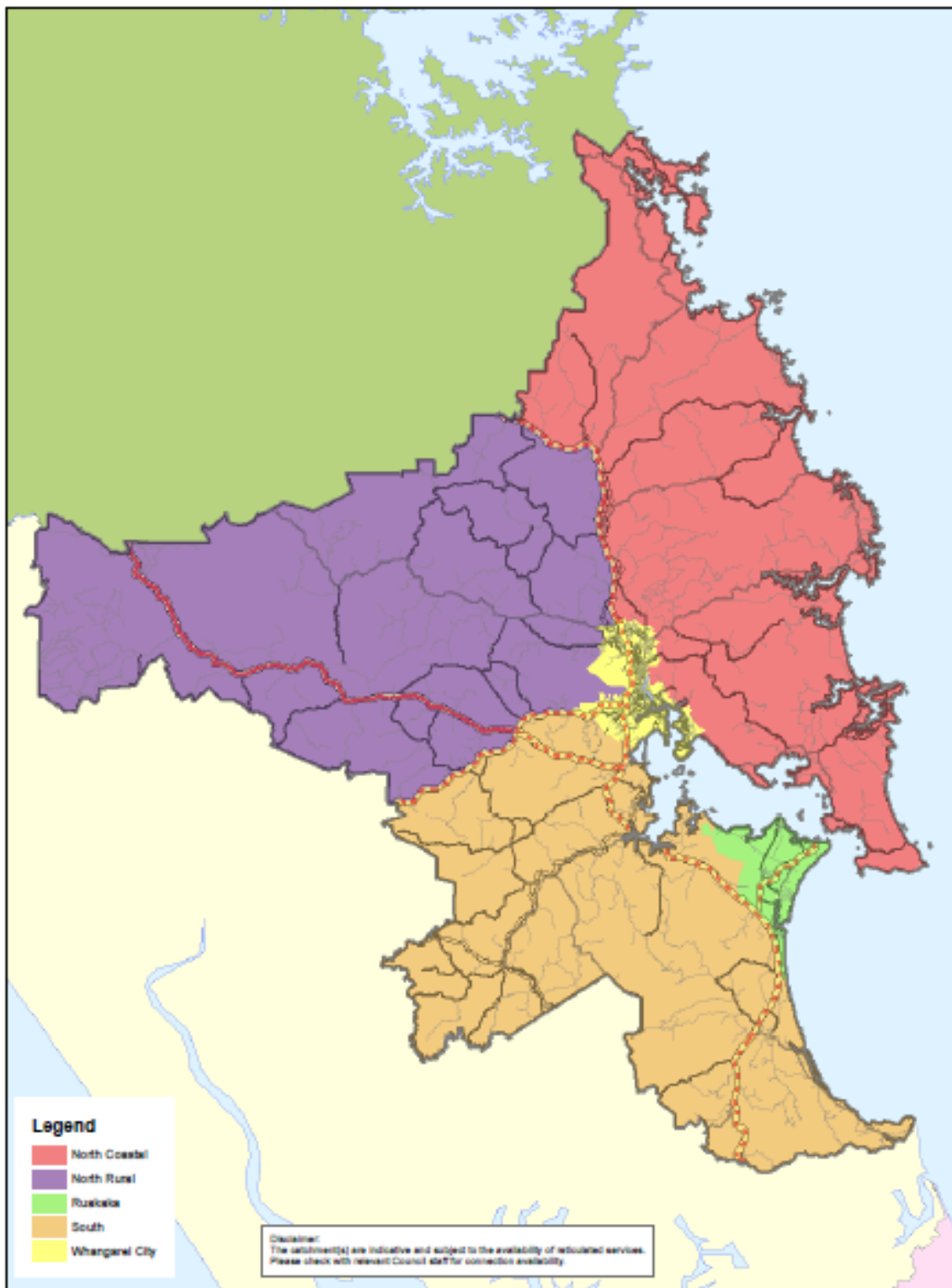
Activity	Catchment	Programme/Project Name	Planned Capital Expenditure	Planned Capital Expenditure Funded from Development Contributions	Planned Capital Expenditure Funded from Other Sources
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka Rising Main	\$ 850,000	\$ 617,462	\$ 232,538
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka - Rama Rd Irrigation Scheme Stage 2	\$ 350,000	\$ 350,000	\$ -
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka - Rama Rd Irrigation Scheme Stage 3	\$ 350,000	\$ 350,000	\$ -
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka WWTP - Stage 3	\$ 93,000	\$ 56,568	\$ 36,432
W&D Wastewater	WW Marsden Point-Ruakaka	Ruakaka WWTP - Stage 4	\$ 605,000	\$ 596,343	\$ 8,657
W&D Wastewater	WW Ngunguru	Ngunguru UV system upgrade	\$ 200,000	\$ 32,641	\$ 167,359
W&D Wastewater	WW Ngunguru	Ngunguru Wastewater Treatment Plant-Upgrades	\$ 950,000	\$ 334,893	\$ 615,107
W&D Wastewater	WW Ngunguru	Ngunguru Wetland renewal/upgrade-subsurface	\$ 500,000	\$ 112,593	\$ 387,407
W&D Wastewater	WW Oakura	Oakura - Network extension	\$ 498,000	\$ 89,385	\$ 408,615
W&D Wastewater	WW Oakura	Oakura- Disposal Area increase	\$ 239,000	\$ 71,700	\$ 167,300
W&D Wastewater	WW Oakura	Oakura Wastewater Treatment Plant-Upgrades	\$ 450,000	\$ 110,005	\$ 339,995
W&D Wastewater	WW Waipu	Waipu WWTP Upgrade	\$ 1,095,930	\$ 261,639	\$ 834,291
W&D Wastewater	WW Waipu Cove_Langs Beach	Waipu Cove/Langs Beach Network Improvement	\$ 10,645,000	\$ 4,855,964	\$ 5,789,036
W&D Wastewater	WW Waipu Cove_Langs Beach	Waipu WWTP Upgrade	\$ 257,070	\$ 61,372	\$ 195,698
W&D Wastewater	WW Whangarei	Sewer capacity increase Kamo	\$ 900,000	\$ 465,984	\$ 434,016
W&D Wastewater	WW Whangarei	Sewer capacity increase Maunu	\$ 4,162,000	\$ 2,154,919	\$ 2,007,081
W&D Wastewater	WW Whangarei	Whangarei City Wetland Upgrade	\$ 248,115	\$ 2,646	\$ 245,469
W&D Wastewater	WW Whangarei Heads	Whangarei Heads Wastewater Network - Upgrades	\$ 9,141,000	\$ 3,622,206	\$ 5,518,794
W&D Wastewater	WW Whangarei Heads	Whangarei City Wetland Upgrade	\$ 43,785	\$ 467	\$ 43,318
W&D Wastewater	Community Wide	Pump Station Remote Monitoring	\$ 236,000	\$ 21,315	\$ 214,685
W&D Wastewater	Community Wide	WW General - Odour Control programme	\$ 200,000	\$ 17,072	\$ 182,928
<b>W&amp;D Wastewater</b>		<b>Sub-Total</b>	<b>\$ 32,013,900</b>	<b>\$ 14,185,174</b>	<b>\$ 17,828,726</b>

**Appendix 3: S.201A(3) Assets for which Development Contributions will be used - Schedule of Growth Related Expenditure for Future Projects included in the LTP**

Activity	Catchment	Programme/Project Name	Planned Capital Expenditure	Planned Capital Expenditure Funded from Development Contributions	Planned Capital Expenditure Funded from Other Sources
Water Services	Bream Bay North	Ruakaka Treatment Plant Algal Upgrade	\$ 375,000	\$ 71,429	\$ 303,571
Water Services	Bream Bay South	Waipu Reservoir - additional capacity	\$ 1,100,000	\$ 510,400	\$ 589,600
Water Services	Bream Bay South	Waipu water supply system - Extra capacity	\$ 770,000	\$ 438,103	\$ 331,897
Water Services	Bream Bay South	Ruakaka Treatment Plant Algal Upgrade	\$ 125,000	\$ 23,810	\$ 101,190
Water Services	Maungakaramea	Maungakaramea Reservoir - Extra capacity	\$ 760,000	\$ 101,333	\$ 658,667
Water Services	Whangarei City	Onerahi Trunk Main - Replacement and upgrade	\$ 3,100,000	\$ 979,237	\$ 2,120,763
Water Services	Whangarei City	Three Mile Bush Reservoir - new location	\$ 2,080,178	\$ 877,235	\$ 1,202,943
Water Services	Whangarei City	Vinegar Hill trunk main - upgrade	\$ 1,300,000	\$ 804,055	\$ 495,945
Water Services	Whangarei City	Fairway Dr pump station upgrade	\$ 395,000	\$ 98,155	\$ 296,845
Water Services	Whangarei City	Kamo Reservoir (Dip Rd) Additional	\$ 1,940,000	\$ 431,968	\$ 1,508,032
Water Services	Whangarei City	Station Road trunk main - Extra capacity	\$ 902,100	\$ 416,296	\$ 485,804
Water Services	Whangarei City	Ruddells treatment Upgrade	\$ 1,204,000	\$ 230,553	\$ 973,447
Water Services	Whangarei City	Wairua River Source and Treatment at Poroti	\$ 11,471,066	\$ 7,014,607	\$ 4,456,459
Water Services	Whangarei City	Whau Valley New Water Treatment Plant	\$ 23,284,299	\$ 8,192,619	\$ 15,091,680
Water Services	Whangarei Heads	Wairua River Source and Treatment at Poroti	\$ 1,934,879	\$ 1,183,187	\$ 751,692
Water Services	Whangarei Heads	Ruddells treatment Upgrade	\$ 168,000	\$ 32,170	\$ 135,830
Water Services	Whangarei Heads	Fairway Dr pump station upgrade	\$ 90,000	\$ 22,364	\$ 67,636
Water Services	Whangarei Heads	Whau Valley New Water Treatment Plant	\$ 4,157,910	\$ 1,462,968	\$ 2,694,942
Water Services	Whangarei North	Ruddells treatment Upgrade	\$ 28,000	\$ 5,362	\$ 22,638
Water Services	Whangarei North	Fairway Dr pump station upgrade	\$ 15,000	\$ 3,727	\$ 11,273
Water Services	Whangarei North	Kamo Reservoir (Dip Rd) Additional	\$ 60,000	\$ 13,360	\$ 46,640
Water Services	Whangarei North	Station Road trunk main - Extra capacity	\$ 27,900	\$ 12,875	\$ 15,025
Water Services	Whangarei North	Wairua River Source and Treatment at Poroti	\$ 414,617	\$ 253,540	\$ 161,077
Water Services	Whangarei North	Whau Valley New Water Treatment Plant	\$ 277,194	\$ 97,531	\$ 179,663
<b>Water Services</b>		<b>Sub-Total</b>	<b>\$ 55,980,143</b>	<b>\$ 23,276,884</b>	<b>\$ 32,703,259</b>
		<b>Grand Total</b>	<b>\$ 297,735,396</b>	<b>\$ 74,203,142</b>	<b>\$ 223,532,254</b>

Financial contributions as a funding source are expected to be so minimal as not to be material to Councils funding of infrastructure projects.

## Appendix 4: Transport and Roothing Catchments

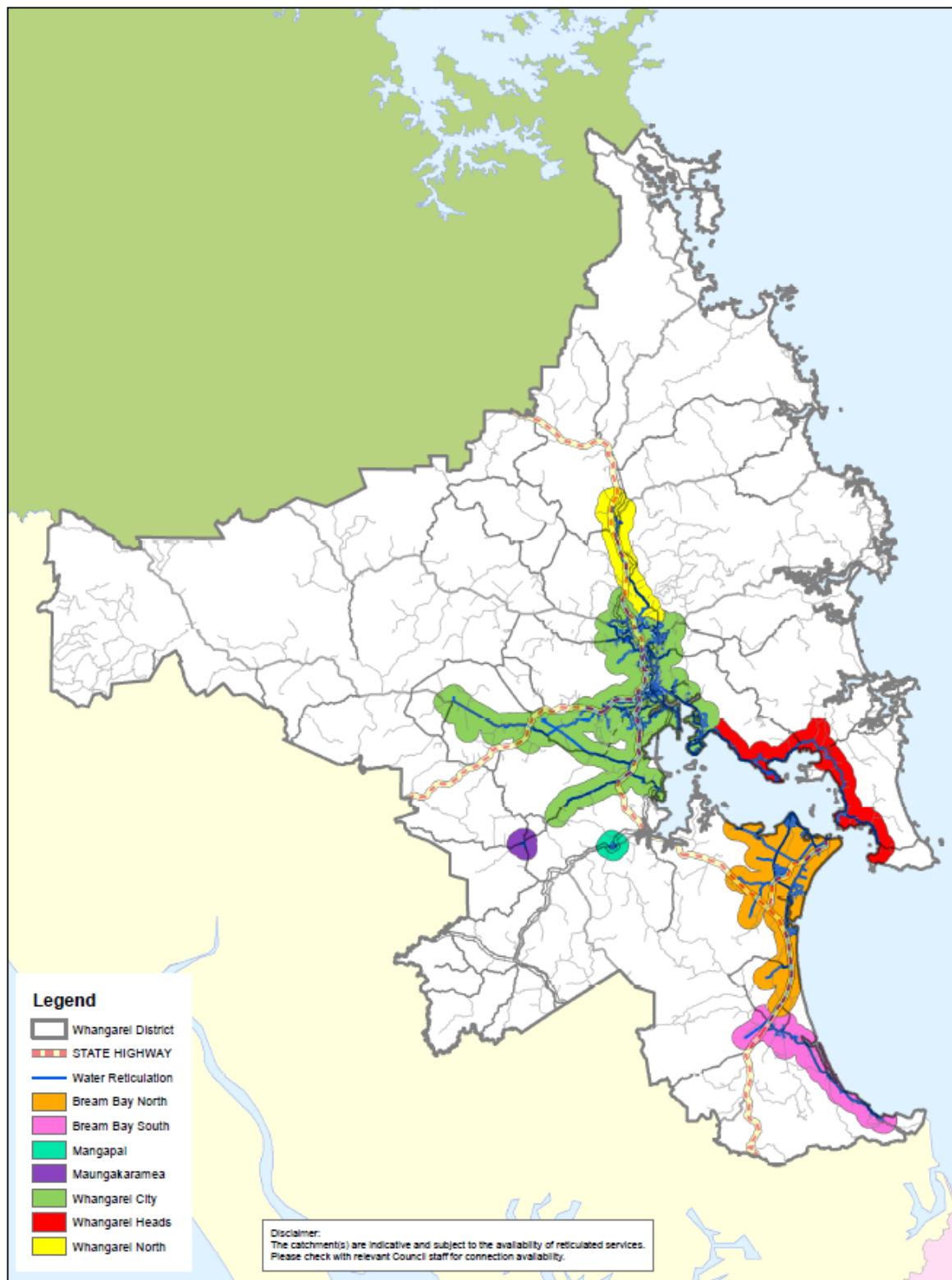


Transport and Roothing Catchment

Date: 15/11/2017



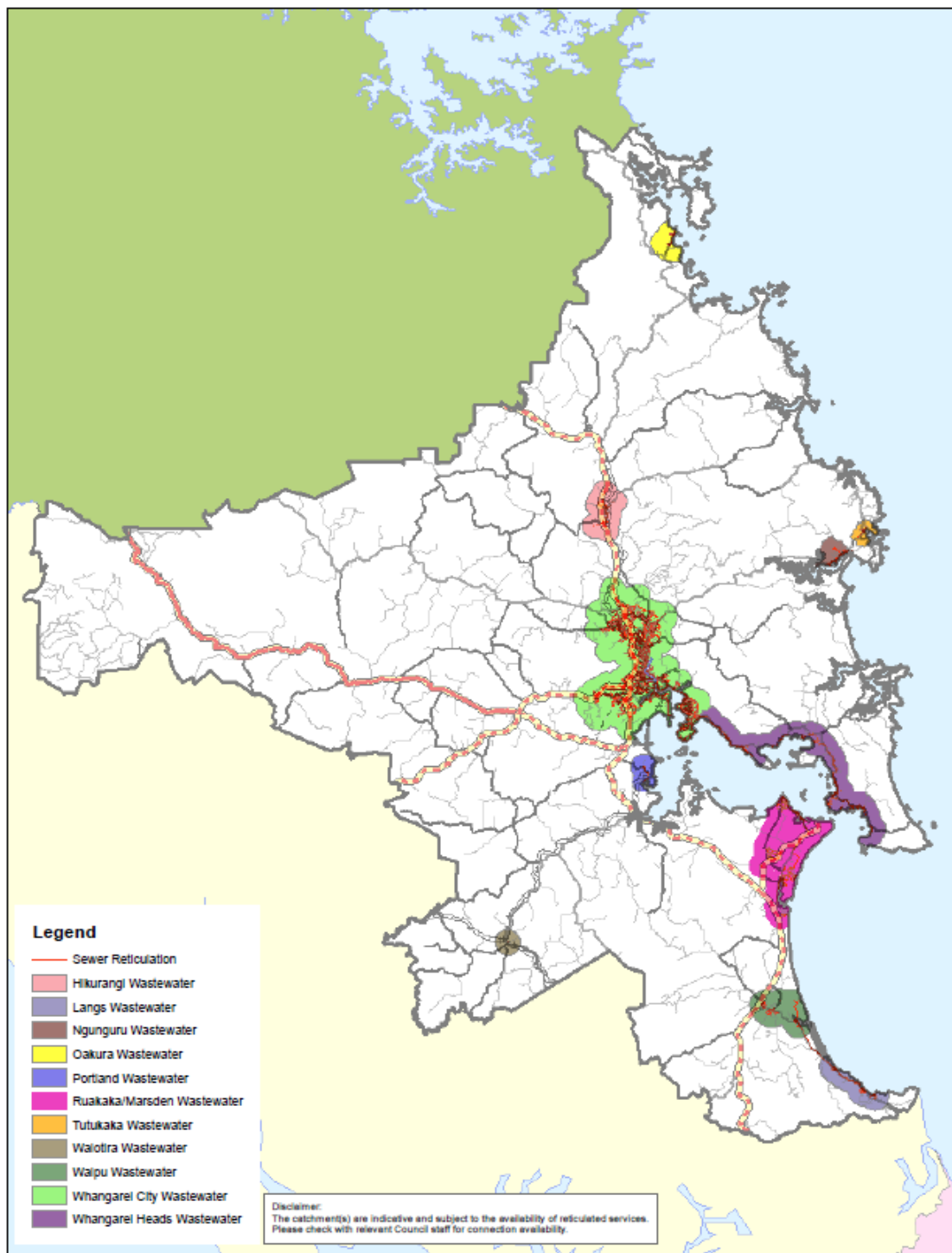
## Appendix 5: Water Catchments



Water Catchment

Date: 2/03/2015

## Appendix 6: Wastewater Catchments



Wastewater Catchment

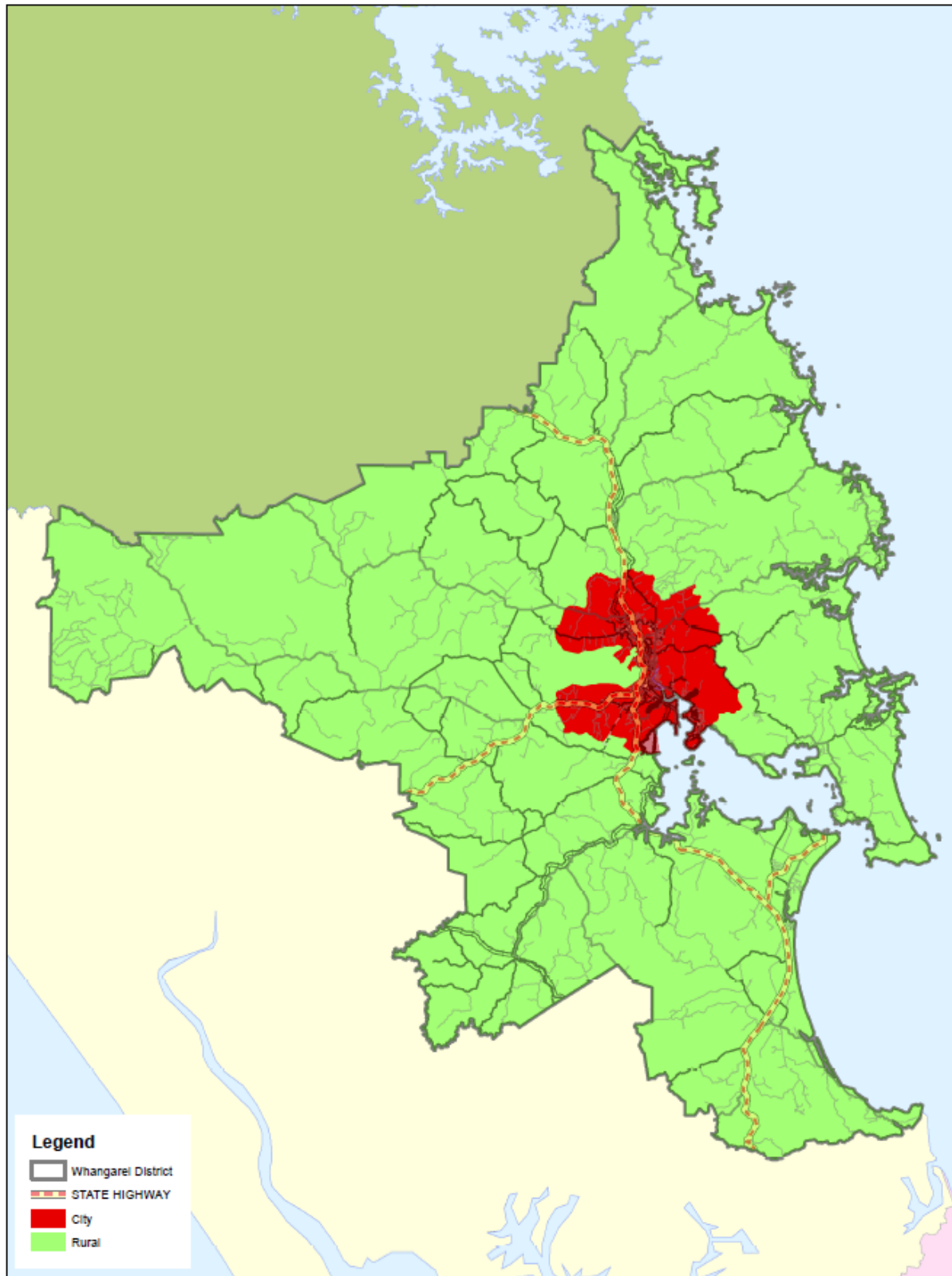
Date: 15/11/2017

## Appendix 7: Parks and Reserves Catchments



Parks and Reserves

## Appendix 8: Library Catchments (Past project only)



Library Catchment

Date: 2/03/2015

## Glossary of Terms

### 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 including
  - » water
  - » wastewater
  - » transport & roading
- community infrastructure
  - » provision of libraries (past projects only)

### Allotment

As defined in the Whangarei 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)

### Base Units

The demand of an average household unit for each activity

### Catchment

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

### Commercial

Any activity, whether temporary or permanent, involving payment, exchange or other consideration.

### 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 the following assets when owned operated, or controlled by a territorial authority:

- (a) community centres or halls for the use of a local community or neighbourhood, and the land on which they will be situated
- (b) play equipment that is located on a neighbourhood reserve
- (c) toilets for public use

### 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.

### **Credits**

Where development contributions or financial contributions for a particular property have previously been assessed and 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 or service connection where a development contribution may be assessed under this policy.

### **Development Agreement**

Means a voluntary contractual agreement made under sections 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 Maori 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 under 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) and Council's policy is set out in S5 of the District Plan. 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 will be made. This being that an assessment will be made, where possible on the actual (potential) demand a commercial development will place on infrastructure

**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

**HUE**

Household Unit Equivalent. A measured 'unit of demand' relating to a development and used in calculating its development contributions.

**Industrial**

Activities including associated land, infrastructure and buildings used for the manufacturing, fabricating, processing, packing or storage of goods, substances, energy or vehicles, and the servicing and repair of goods and vehicles whether by machinery or hand.

**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 2018-2028

**Methodology**

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

**Network Infrastructure**

means the provision of roads and other transport, water, wastewater, and stormwater collection and management

**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 it relates to the provided capacity for the period between implementation and the current year.

**Private Development Agreement**

Any private agreement signed between a developer and Whangarei District Council.

**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, including the cost of providing improvement necessary to enable that land to function as a reserve usable for its intended purpose as defined in the Reserves Act 1977.

**Residential**

The use of land and buildings by people for accommodation purposes, 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 a single family (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**

Use of land, a building or parts of a building where goods are sold or displayed for sale, by retail, or are offered for hire.

**Rural**

Deemed to have the same definition as Rural Environment in the Whangarei District Plan.

**Service Connection**

A physical connection to a service provided by, or on behalf of Whangarei District Council.

**Subdivision**

Deemed to have the same meaning as 'subdivision' under the Resource Management Act 1991

**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



## 6.4 Rates Remission and Postponement Policies

**Meeting:** Whangarei District Council  
**Date of meeting:** 28 June 2018  
**Reporting officer:** Alan Adcock (General Manager – Corporate/CFO)

### 1 Purpose

To adopt Council's rates remission and postponement policies, as required under Sections 85-90 of the Local Government (Rating) Act 2002 and Sections 109-110 and Schedule 11 of the Local Government Act 2002.

To adopt Council's policy for early payment of rates, as required under Section 55 of the Local Government (Rating) Act 2002.

### 2 Recommendation

That Council:

1. Adopts the rates remission and postponement policies, including changes, as required under Sections 85-90 of the Local Government (Rating) Act 2002 and Sections 109-110 and Schedule 11 of the Local Government Act 2002.
2. Adopts the policy for early payment of rates, as required under Section 55 of the Local Government (Rating) Act 2002

### 3 Background

Under Section 102 of the Local Government Act 2002, a local authority may adopt and/or amend already adopted rates remission or postponement policies and must use the special consultative procedure for this.

The changes that were consulted on are described below:

- Clarify the wording, renumber and standardise the format for all policies.
- Combine policies for the emission of Uniform Annual General Charges and/or Targeted Rates on Separately Used or Inhabited Parts of Rating Unit combine policies for family member occupation, contiguous use, business and residential purpose.
- Simplify the calculation of the remission of sewerage disposal rates: educational intuitions.
- Add community organisations that formerly did not qualify for remission of rates for community, sports and other organisations.

- Permit on-charging of any fees incurred on properties applying for postponement and remission on specific farmland properties.
- Add policy for remission of general rates for qualifying residential properties (replacing stepped rates).
- Add policy for remission or postponement of rates for miscellaneous purposes
- Add policy for remission of sewerage disposal rates: non-residential.
- Make no changes to rating policy for Māori Freehold Land as these will be addressed across the region.

Feedback on these policies was sought concurrently with the Long Term Plan 2018-2028. The feedback received on these changes and the new policy was reported to Council at the Deliberations Meeting held on 17 May 2018. Council noted the feedback, but resolved to make no changes from this feedback to these policies.

## **4 Significance and engagement**

Agenda must consider Council's Significance and Engagement Policy (POLICY0081). It includes significance criteria relating to the below factors and utilises a spectrum from inform to empower to demonstrate types of engagement:

- impact on Council's direction
- level of service
- level of public impact/interest
- impact on Council's capability (non cost)
- net financial cost/revenue.

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

## **5 Attachments**

1. Rates remission and postponement policies
2. Policy for early payment of rates

# **Whangarei District Council Policy**

## **Rates Remission and Postponement Policy**

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author	Revenue Manager	Review date	June 2018

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<b>POLICY 17/101 REMISSION OF UNIFORM ANNUAL GENERAL CHARGES (UAGC) AND/OR TARGETED RATES APPLIED ON A UNIFORM BASIS TO CERTAIN SEPARATELY USED OR INHABITED PARTS OF RATINGS UNITS (SUIPS).</b>	<b>3</b>
<b>POLICY 17/102 REMISSION OF UNIFORM ANNUAL GENERAL CHARGES (UAGC) AND/ALL TARGETED RATES ON UNSOLD SUBDIVIDED LAND AND REMISSION OF GENERAL RATES ON UNSOLD COMMERCIAL LAND</b>	<b>5</b>
<b>POLICY 17/103 REMISSION OF PENALTIES</b>	<b>6</b>
<b>POLICY 17/104 REMISSION OF EXCESS WATER SUPPLY RATES</b>	<b>7</b>
<b>POLICY 17/105 REMISSION OF SEWERAGE DISPOSAL RATES: EDUCATIONAL INSTITUTIONS</b>	<b>8</b>
<b>POLICY 17/106 REMISSION OF SEWERAGE DISPOSAL RATES: NON-RESIDENTIAL</b>	<b>9</b>
<b>POLICY 17/107 REMISSION OF RATES FOR COMMUNITY, SPORTS AND OTHER ORGANISATIONS</b>	<b>10</b>
<b>POLICY 17/108 POSTPONEMENT OF RATES – EXTREME FINANCIAL HARDSHIP</b>	<b>11</b>
<b>POLICY 17/110 POSTPONEMENT AND/OR REMISSION OF RATES AND CHARGES ON PROPERTIES AFFECTED BY FIRE OR NATURAL CALAMITY</b>	<b>15</b>
<b>POLICY 17/111 REMISSION OF RATES ON UNOCCUPIED MAORI FREEHOLD LAND</b>	<b>16</b>
<b>POLICY 17/112 POSTPONEMENT OF RATES ON MAORI FREEHOLD LAND</b>	<b>17</b>
<b>POLICY 17/113 REMISSION OF RATES ON VOLUNTARILY PROTECTED LAND</b>	<b>18</b>
<b>POLICY 17/114 REMISSION OR POSTPONEMENT OF RATES AND PENALTIES FOR MISCELLANEOUS PURPOSES</b>	<b>19</b>
<b>POLICY 17/115 REMISSION OF GENERAL RATES FOR QUALIFYING RESIDENTIAL PROPERTIES</b>	<b>20</b>

Policy title			
<b>Audience (Primary)</b>	External	<b>Business Owner (Dept)</b>	Corporate Services
<b>Policy Author</b>	Revenue Manager	<b>Review date</b>	June 2018

## Policy 17/101 Remission of Uniform Annual General Charges (UAGC) and/or targeted Rates applied on a Uniform Basis to certain Separately Used or Inhabited Parts of Ratings Units (SUIPS).

### Objective of the Policy

In some cases the requirement that the Uniform Annual General Charge (**UAGC**) and targeted rates set on a *uniform* basis be paid in relation to each Separately Used or Inhabited Part of a Rating Unit (**SUIP**) may result in inequity (refer definition of SUIP at the Funding Impact Statement of the current Annual Plan or Long Term Plan). Council levies the following targeted rates on a *uniform* basis:

- the Sewerage Disposal Targeted Rate (for residential properties and other non-residential properties with up to two pans);
- the District Wide Refuse Management Targeted Rate;
- the Water Supply Rate (only in respect of the uniform charge for those properties that are not metered); and
- the Roading Scheme Rate (relevant to defined geographic areas only).

The objective of the Policy is to enable Council to act fairly and reasonably by enabling Council to provide rates relief in certain circumstances where inequity may result, namely:

- a) **Category A:** Relief from the obligation to pay the UAGC and all uniform targeted rates where the rating unit is used by one ratepayer for both business and residential purposes.
- b) **Category B:** Relief from the obligation to pay the UAGC and all uniform targeted rates where the rating unit is used for residential purposes and an SUIP within the rating unit is occupied by a member of the ratepayer's immediate family on a rent free basis.
- c) **Category C:** Relief from the obligation to pay the UAGC and the District Wide Refuse Management targeted rate where SUIPs, including farming SUIPs, are used in conjunction with each other for a single purpose, but are not contiguous or adjacent.

### Criteria and conditions

The Council may remit the rates referred to above where a rating unit meets the following criteria:

1. In relation to Categories A and B the relevant rating unit is both owned and occupied by the ratepayer;
2. In relation to Categories C the relevant rating unit is owned and/or occupied by the ratepayer;
3. In relation to Category B, the rating unit is the ratepayer's principal residence and:
  - a. the relevant SUIP within that rating unit is a minor flat or other residential accommodation unit; and
  - b. that minor flat or other residential accommodation is occupied by a first degree relative of the ratepayer (grandparent, parent, child or sibling), or other dependent Council considers, in its absolute discretion, meets the policy intent.
4. In relation to Category C, the rating unit is used for a single purpose, for example farming, and the SUIPs within that rating unit are not contiguous or adjacent.
5. The ratepayer has applied for rates remission under this policy and provided information in the prescribed form on how the relevant criteria are satisfied and has completed relevant statutory declarations as may be required by Council.

Policy title			
<b>Audience (Primary)</b>	External	<b>Business Owner (Dept)</b>	Corporate Services
<b>Policy Author</b>	Revenue Manager	<b>Review date</b>	June 2018

6. Remissions will be granted for a maximum of three rating years and cannot be backdated to previous rating years.
7. If the circumstances of a ratepayer who has been granted a remission under this policy changes, such that the relevant criteria are no longer satisfied, the ratepayer must inform Council within 30 days. Council may redetermine that ratepayer's eligibility for a remission under this policy.

### **Delegations**

Decisions on remissions of rates under this policy will be delegated to officers as set out in Council's delegations manual.



Policy title			
<b>Audience (Primary)</b>	External	<b>Business Owner (Dept)</b>	Corporate Services
<b>Policy Author</b>	Revenue Manager	<b>Review date</b>	June 2018

## Policy 17/102 Remission of Uniform Annual General Charges (UAGC) and/all Targeted Rates on unsold subdivided land and remission of general rates on unsold commercial land

### Objective of the Policy

In some cases the requirement that the Uniform Annual General Charge (**UAGC**) and Targeted Rates be paid in relation to land that has been subdivided but not sold is a disincentive to development in the district. In addition, the liability for commercial rates of subdivided land rated as commercial but not sold is a disincentive to commercial development in the district. Council wishes to incentivise commercial and other development in the district.

The objective of the Policy is to enable Council to act fairly and reasonably by enabling Council to provide rates relief in certain circumstances where inequity may result, namely where land has been subdivided but has remained unsold for a period of 5 years.

### Criteria and conditions

1. In relation to **non-commercial subdivided land**, the Council may remit the UAGC and targeted rates referred to above where a rating unit meets the following criteria:
  - a. The subdivided rating units are owned by the same ratepayer; and
  - b. The relevant ratepayer subdivided the land; and
  - c. The land was lawfully subdivided and is vacant; and
  - d. The land is not able to be treated as a single rating unit in accordance with section 20 of the Local Government Rating Act 2002.
2. In relation to **commercial subdivided land**, the Council may remit up to 20% of the general rates and the UAGC and targeted rates referred to above where a rating unit meets the following criteria:
  - a. Criteria 1(i)-(iv) of this policy; and
  - b. The subdivided land is rated as commercial land.
3. In relation to both commercial and non-commercial subdivided land:
  - a. The remission is available for a maximum of five years after the date of subdivision and cannot be backdated to previous rating years.
  - b. The ratepayer has applied for rates remission under this policy and provided information in the prescribed form on how the relevant criteria are satisfied and has completed relevant statutory declarations as may be required by Council.
  - c. If the circumstances of a ratepayer who has been granted a remission under this policy changes, such that the relevant criteria are no longer satisfied, the ratepayer must inform Council within 30 days. Council may redetermine that ratepayer's eligibility for a remission under this policy.

### Delegations

Decisions on remissions of rates under this policy will be delegated to officers as set out in Council's delegations manual.

Policy title			
<b>Audience (Primary)</b>	External	<b>Business Owner (Dept)</b>	Corporate Services
<b>Policy Author</b>	Revenue Manager	<b>Review date</b>	June 2018

## Policy 17/103 Remission of Penalties

### Objectives of the Policy

Penalties are added where rates have not been received by the due date. Further penalties are added where previous years' arrears remain unpaid three months after the end of the rating year.

The objective of this policy is to enable Council to act fairly and reasonably in relation to penalties applied when rates have not been received by the due date.

### Criteria and conditions

Penalties on rates may be remitted when the ratepayer has applied for rates remission under this policy and provided information in the prescribed form on how the relevant criteria are satisfied and has completed relevant statutory declarations as may be required by Council and one or more of the following criteria are met:

1. Where the ratepayer meets the payment conditions agreed with Council to resolve rates arrears.
2. Where the ratepayer has an otherwise good payment history and has not received a penalty remission within the past and current financial year.
3. Where there are extenuating circumstances, such as significant family disruption, illness or accident.
4. Where the ratepayer pays rates by direct debit and future rates and rates arrears are addressed in an agreed timeframe.
5. If the ratepayer stops adhering to the agreed payment conditions, the remission of penalties can be cancelled, with relevant penalties being reinstated and becoming due and owing (except where relevant limitation periods preclude recovery).
6. The remission will apply to the period in which the application is approved and may not necessarily be backdated to previous years.
7. The ratepayer has applied for rates remission under this policy and provided information in the prescribed form on how the relevant criteria are satisfied and has completed relevant statutory declarations as may be required by Council.

### Delegations

Decisions on remission of penalties under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
<b>Audience (Primary)</b>	External	<b>Business Owner (Dept)</b>	Corporate Services
<b>Policy Author</b>	Revenue Manager	<b>Review date</b>	June 2018

## Policy 17/104 Remission of Excess Water Supply Rates

### Objectives of the Policy

Consumers are liable for water supplied through the water meter and are responsible for the maintenance of the supply system on their property. However, they may experience a leak or damage to the supply of which they cannot reasonably be expected to be aware. Council considers it is fair and reasonable to allow a reduction in charges in these circumstances.

The objective is to provide relief to ratepayers who have excessive water supply rates due to a fault (leak) in the internal reticulation serving their rating unit where they are unlikely to have known of the leak and it is unreasonable for them to pay those rates in the circumstances.

### Criteria and conditions

Council may remit excess water supply rates where the application meets the following criteria:

1. The ratepayer has applied for rates remission under this policy and provided information in the prescribed form on how the relevant criteria are satisfied and has completed relevant statutory declarations as may be required by Council.
2. Immediate action to repair or minimise water loss is taken on notification. Any remission will only apply up to the date the ratepayer became aware of or was notified of the leak.
3. A remission will not normally be granted where the leak is the result of poor workmanship or incorrect installation. The fault must be in the internal reticulation. This does not include leaking toilets, ajax valves, water troughs and the like where the ratepayer should be aware of the problem and able to take remedial action.
4. That residential ratepayers and small businesses with residential like usages 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. Excess consumption over and above that charged is considered for remission.
5. That commercial ratepayers 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. Excess consumption above that is charged at a marginal rate (as determined by the Water Services Manager) at the time of the leak.
6. In some circumstances, Council may agree payment conditions with the ratepayer to assist if the ratepayer has financial hardship.
7. Any remission under this policy is limited to one per current owner. Any further remissions for subsequent leaks on the same reticulation supply line may only be granted if the full reticulation system is replaced. Where there are special circumstances, any remission will only be given at the discretion of the Water Services Manager.

### Delegations

Decisions on remission of rates under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
<b>Audience (Primary)</b>	External	<b>Business Owner (Dept)</b>	Corporate Services
<b>Policy Author</b>	Revenue Manager	<b>Review date</b>	June 2018

## Policy 17/105 Remission of Sewerage Disposal Rates: Educational Institutions

### Objectives of the Policy

The purpose of this policy is to enable the Council to act fairly and reasonably where educational institutions may be required to pay a differential sewage disposal rate that is disproportionate to the institution's impact on the sewage infrastructure.

It is more equitable to allow a reduction based on the number of students actually using the facilities.

### Criteria and conditions

Council may remit differential sewage disposal rates where the application meets the following criteria:

1. The ratepayer has applied for rates remission under this policy and provided information in the prescribed form on how the relevant criteria are satisfied and has completed relevant statutory declarations as may be required by Council.
2. The ratepayer is one of the educational establishments defined in the Local Government (Rating) Act 2002 Schedule 1 Part 1 Section 6.
3. The calculated number of pans of any educational establishment in any one year subject to the relevant sewage disposal targeted rate will be the lesser of:
  - a) The **actual** number of toilet pans in the establishment, or
  - b) The **notional** number of toilet pans in the establishment. The notional number is calculated as one pan per 20 pupils/staff.
4. The number of students in an educational establishment is the number of students on its roll at 1 March in the year immediately before the year to which the charge relates.
5. The number of staff in an educational establishment is the number of teaching staff and administration staff employed by that educational establishment on 1 March immediately before the year to which the charge relates.
6. The policy does not apply to pan connections in school houses occupied by a caretaker, principal or staff.

### Delegations

Decisions on remission of rates under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
<b>Audience (Primary)</b>	External	<b>Business Owner (Dept)</b>	Corporate Services
<b>Policy Author</b>	Revenue Manager	<b>Review date</b>	June 2018

## Policy 17/106 Remission of Sewerage Disposal Rates: Non-Residential

### Objective of the Policy

The purpose of this policy is to enable the Council to act fairly and reasonably where non-residential ratepayers may be required to pay a differential sewage disposal rate that is disproportionate to the ratepayer's impact on the sewage infrastructure.

### Criteria and conditions

Council may remit differential sewage disposal rates where the application meets all of the following criteria:

1. The ratepayer has applied for rates remission under this policy and provided information in the prescribed form on how the relevant criteria are satisfied and has completed relevant statutory declarations as may be required by Council.
2. The rating unit is used solely for commercial and/or industrial purposes (excluding such properties with accommodation).
3. The calculated number of pans non-residential properties with toilet pans in excess of their requirements any one year subject to the relevant sewage disposal targeted rate will be the lesser of:
  - a. The **actual** number of toilet pans in the rating unit or SUIP, or
  - b. The **notional** number of toilet pans in the rating unit or SUIP. The notional number is calculated as one pan per 20 staff and customers - in the case of restaurants, bars and other food outlets. For restaurants, bars and other food outlets, the number of customers is 50% of the seating available or licensed capacity. If the notional number is less than two toilet pans, two toilet pans will be charged.

The number of staff and customers is the number of staff and customers at 1 March in the year immediately before the year to which the charge relates.

### Delegations

Decisions on remission of rates under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
<b>Audience (Primary)</b>	External	<b>Business Owner (Dept)</b>	Corporate Services
<b>Policy Author</b>	Revenue Manager	<b>Review date</b>	June 2018

## Policy 17/107 Remission of Rates for Community, Sports and Other Organisations

### Objectives of the Policy

Community and voluntary organisations provide facilities for residents which enhance and contribute to the district's wellbeing. Council wishes to encourage such groups by providing rates relief.

Doing so will enable Council to act fairly and equitably with respect to the imposition of rates on land used or occupied by societies or association of persons for organisations that have a strong community focus but do not currently meet the 100% or 50% non-rateable criteria under Schedule 1 of the Local Government (Rating) Act 2002.

### Criteria and conditions

Council may remit all or part of rates to a rating unit that is being used or occupied under the following circumstances:

1. Land owned or used by a society or association of persons, for community purposes, games or sports other than galloping races, harness races and greyhound races, and which does not meet the 50% non-rateable definition as a club license under the Sale and Supply of Alcohol Act 2012 is for the time being in force
2. Land owned or used by a society or association of persons, the object or principal object of which is to conserve the health or well-being of the community or to tend the sick or injured.
3. Land owned or used by a society or association of persons, for the purposes of a public hall, library, museum or similar institution.

The policy will not apply in respect of:

4. Societies or associations of persons operating for private pecuniary profit, or which charge tuition fees.
5. Societies or associations of persons whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.
6. To be considered for rates remission under this policy, the ratepayer must apply for rates remission under this policy, provide information in the prescribed form on how the relevant criteria and conditions are satisfied and complete relevant statutory declarations as may be required by Council.

The rates remission for the following uses is:

<u>Land Use</u>	<u>Remission%</u>	<u>Rates Excluded</u>
Community, games or sports	50%	Excludes water supply
Health, libraries or museum	100%	Excludes water supply and wastewater services
Public halls	100%	Excludes water supply.

### Delegations

Decisions on remission of rates under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
<b>Audience (Primary)</b>	External	<b>Business Owner (Dept)</b>	Corporate Services
<b>Policy Author</b>	Revenue Manager	<b>Review date</b>	June 2018

## Policy 17/108 Postponement of Rates – Extreme Financial Hardship

### Objectives of the Policy

From time to time Council is approached by ratepayers who are experiencing financial hardship. Staff will work with applicants to help meet their commitments with payment options, payment arrangements and penalty relief. This policy covers the circumstances where these options will not provide the desired outcome.

The purpose of this policy is assist ratepayers experiencing extreme financial circumstances which affect their ability to pay their rates and who wish to defer the payment of rates using the equity in their rating unit.

### Criteria and conditions

Council is able to postpone rates in accordance with the policy where the following criteria are met:

1. The ratepayer has applied for rates remission under this policy and provided information in the prescribed form on how the relevant criteria are satisfied and has completed relevant statutory declarations as may be required by Council.
2. The ratepayer is the current owner of the rating unit and has owned or resided on the property or another property within Whangarei District for not less than 2 years.
3. The residential rating unit is used solely by the ratepayer as the ratepayer's principal residence.
4. Council is satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
5. The ratepayer does not own any other rating units or investment properties or other investment realisable assets (whether in the district, in New Zealand or overseas) or have significant interests or ownership of a business(s) or shares.
6. Even if rates are postponed the ratepayer will be required to pay the first \$500 of the rate account.
7. The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
8. Council will add a postponement fee to the postponed rates for the period between the due date and the date the rates are paid. This fee is to cover Council's administrative and financial costs and may vary from year to year.
9. The policy will apply from the beginning of the rating year in which the application is made although the council may consider backdating past the rating year in which the application is made depending on the circumstances, and in its absolute discretion.
10. Any postponed rates will be postponed until:
  - a. the death of the ratepayer(s); or
  - b. until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
  - c. until the ratepayer(s) ceases to use the property as his/her residence; or
  - d. until a date specified by the council as determined by the council in any particular case.
11. The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
12. Postponed rates will be registered as a statutory land charge on the rating unit title.

### Delegations

Policy title			
<b>Audience (Primary)</b>	External	<b>Business Owner (Dept)</b>	Corporate Services
<b>Policy Author</b>	Revenue Manager	<b>Review date</b>	June 2018

Decisions on postponement of rates under this policy will be delegated to officers as set out in Council's delegation manual.



Policy title			
<b>Audience (Primary)</b>	External	<b>Business Owner (Dept)</b>	Corporate Services
<b>Policy Author</b>	Revenue Manager	<b>Review date</b>	June 2018

## Policy 17/109 Postponement on Specific Farmland Properties

### Objective of the Policy

Land may continue to be farmed, but in some situations, such as proximity to the coast, means the land value has increased significantly, and the rates set would be a disincentive to the continued use of the land in its current form. Council recognises that forced development in these situations is not necessarily desirable and there are advantages in the land remaining as farmland.

The objective of the policy is to afford relief to farmers whose farmland has increased in value by the factor of potential residential, commercial or other non-farming use, carrying with it rates disproportionate to a farming use when compared to other farming properties within the district.

### Conditions and Criteria

**Council may remit or postpone rates in accordance with this policy where the following criteria and conditions are met:**

1. The properties will be identified and the rates postponement values will be determined by Council's Valuation Service Provider in conjunction with a general revaluation. Council may at any time, on the written application of the owner of any farmland requesting that the property be considered for postponement values, forward that application to Council's Valuation Service Provider for their determination. If so determined, the postponement values will take effect from the commencement of the financial year following the date of the application.
2. The rates postponement value of any land is to be determined:
  - a. So as to exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial, industrial, or other non-farming use; and
  - b. So as to preserve uniformity and equitable relativity with comparable parcels of farmland that the valuations of which do not contain any such potential value.
  - c. May apply to one or more rating units in the same ownership and is therefore conditional upon all rating units remaining in the same ownership.
3. In this policy, "farmland" means a property rated under the category of "rural" in Council's differential rating system.
4. The farming operation should provide the majority of revenue for the ratepayer who should be the actual operator of the farm.
5. The area of land that is the subject of the application is not less than 30 hectares. Discretion will be allowed to extend the relief to owner-operators of smaller intensive farming operations where there is clear evidence that it is an economic unit in its own right.
6. No objection to the amount of any rates postponement value determined under this policy may be upheld except to the extent that the objector proves that the rates postponement value does not preserve uniformity with existing roll values of comparable parcels of land having no potential value for residential purposes, or for commercial, industrial or other non-farming development.
7. To be considered for rates postponement [or remission] under this policy, the ratepayer must apply for rates postponement [or remission] under this policy, provide information in the prescribed form on how the relevant criteria and conditions are satisfied and complete any relevant statutory declarations as may be required by Council.

### *Effect of Rates Postponement Values*

8. The postponed portion of the rates for any rating period shall be an amount equal to the difference between the amount of the rates for that period calculated according to the rateable value of the property and the amount of the rates that would be payable for that period if the rates postponement value of the property were its rateable value.
9. The amount of the rates for any rating period so postponed shall be entered in the rates records and will be included in or with the rates assessment issued by the council in respect of the rateable property.

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10. Any rates so postponed, and, as long as the property still qualifies for rates postponement, will be written off after the expiration of five years.

*Rates Set-before Postponement Values Determined*

11. Where Council has set rates in respect of any property for any year before the rates postponement value has been determined, the council may make and deliver to the owner an amended rate assessment for that year.

*Additional Charges*

Council will add a postponement fee to the postponed rates for the period between the due date and the date the rates are paid. This fee is to cover Council's administrative and financial costs and may vary from year to year.

*When Postponed Rates Become Payable*

12. All rates that have been postponed under this policy and have not been written off under this policy become due and payable immediately on:
- a. The land ceasing to be farmland;
  - b. The interest of the owner of any part of the land is transferred to or becomes invested in some person or other party other than;
    - i. the owners spouse; or
    - ii. the executor or administrator of the owner's estate.

For avoidance of doubt, where rates have been postponed and not written off in respect of land comprising one or more rating units in the same or common ownership, and one or more of the rating units meets the criteria for payment above, all postponed rates on all rating units will become payable.

*Postponed Rates to be a charge on the Rating Unit*

Where Council has postponed the requirement to pay rates in respect of a rating unit, postponed rates will be registered as a statutory land charge on the rating unit's Certificate of Title.

**Delegations**

Decisions on postponement of rates under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
<b>Audience (Primary)</b>	External	<b>Business Owner (Dept)</b>	Corporate Services
<b>Policy Author</b>	Revenue Manager	<b>Review date</b>	June 2018

## **Policy 17/110 Postponement and/or Remission of Rates and Charges on Properties Affected by Fire or Natural Calamity**

### **Objective of the Policy**

This policy recognises that where a rating unit has been affected to the extent that the land or buildings are irretrievably damaged, where it cannot be used, then the application of full rates could cause financial hardship.

The objective of the policy is to enable appropriate rate relief to be provided where the use that may be made of any land or buildings have been detrimentally affected by fire or natural calamity.

### **Criteria and conditions**

Council may remit and/or postpone rates wholly, or in part, in respect of any land or buildings affected by fire or natural calamity, where it considers it fair and reasonable to do so.

1. The repayment of any postponed rates will be determined at the time the application is approved, and will depend on the circumstances of the fire or natural calamity.
2. Any application for rates relief due to fire will not be accepted if council has any reason to suspect, on reasonable grounds, that the fire was deliberately caused by owner, occupier or a related party.
3. To be considered for rates postponement and/or remission under this policy, the ratepayer must apply for rates postponement and/or remission under this policy, provide information in the prescribed form on how the relevant criteria and conditions are satisfied and complete any relevant statutory declarations as may be required by Council.
4. If an application is approved, Council may direct its valuation service provider to inspect the rating unit and prepare a valuation that will take into account any factors that could affect the use of the land or buildings as a result of the fire or natural calamity. As there are no statutory rights of objection or appeal for valuations of this nature then the valuation service provider's decision will be final.

### **Delegations**

Decisions on remission and/or postponement of rates under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
<b>Audience (Primary)</b>	External	<b>Business Owner (Dept)</b>	Corporate Services
<b>Policy Author</b>	Revenue Manager	<b>Review date</b>	June 2018

## Policy 17/111 Remission of Rates on Unoccupied Maori Freehold Land

### Objectives of the Policy

Some Maori freehold land in the Whangarei District is unoccupied and unproductive. This land creates a significant rating burden on the Maori owners who often do not have the ability or desire to make economic use of the land. Often this is due to the nature of the ownership or it is isolated and marginal in quality.

A remission of all or part of rates may be granted in respect of multiple-owned Maori freehold land which is unoccupied or unproductive.

- To recognise situations where there is no occupier or no economic or financial benefit is derived from the land.
- Where part only of a block is occupied, to grant remission for the portion of land not occupied.
- To encourage owners or trustees to use or develop the land.
- Where the owners cannot be found, to take into account the statutory limitation of time for the recovery of unpaid rates.
- Any other matter in accordance with schedule 11 of the Local Government Act 2002.

### Criteria and conditions

1. The land must be multiple-owned and unoccupied Maori freehold land (as defined in the Local Government (Rating) Act 2002) which does not produce any income. (Multiple owned is defined as more than two registered owners. This includes beneficial owners where the registered owner is deceased, but the succession order has not yet been approved by the Maori Land Court).
2. The land or portion of the land must not be “used”. This includes leasing the land, residing on the land, maintaining livestock on the land, using the land for storage or in any other way.
3. In order to encourage the development of the land, the rating unit may be apportioned into useable and non- useable portions and the remission applied based on the percentage of non- useable land.
4. To be considered for rates remission under this policy, the ratepayer must apply for rates remission under this policy, provide information in the prescribed form on how the relevant criteria and conditions are satisfied and complete relevant statutory declarations as may be required by Council.
5. Where after due enquiry the owners of an unoccupied block cannot be found, the Council may apply a remission without the need for a request.
6. If circumstances changes in respect of the land, the council will review whether this remission policy is still applicable to the land. All land identified under this policy for remission, will be reviewed triennially.

### Delegations

Decisions on remission of rates under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
<b>Audience (Primary)</b>	External	<b>Business Owner (Dept)</b>	Corporate Services
<b>Policy Author</b>	Revenue Manager	<b>Review date</b>	June 2018

## Policy 17/112 Postponement of Rates on Maori Freehold Land

### Objectives of the Policy

The difficulty in establishing and contacting owners or occupiers of Maori land means that there are often rate arrears when ownership or use is finally established. Also new occupiers or owners may wish to use the land, but are reluctant to take on the outstanding rate arrears. In order to facilitate and encourage the use of the land, the arrears may be postponed if the current rates are met.

Council wishes to encourage the development and use of Maori freehold land where Council considers the full payment of the rate arrears would be a disincentive.

### Conditions and Criteria

Council will postpone rates in accordance with the policy where the application meets the following criteria:

1. The land must be Maori freehold land, as defined in the Local Government (Rating) Act 2002.
2. The ratepayer has applied for rates postponement under this policy and provided information in the prescribed form on how the relevant criteria and conditions are satisfied and has completed relevant statutory declarations as may be required by Council.
3. The owners or occupiers of the land (or portion of the land) must agree in writing to meet all future rates commitments whilst they are using the land.
4. The rates will remain as a statutory charge against the property until six years from the date they were assessed and will then be written off.
5. Council reserves the right to reapply the rates postponed should the agreement not be met.

### Delegations

Decisions on postponement of rates under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
<b>Audience (Primary)</b>	External	<b>Business Owner (Dept)</b>	Corporate Services
<b>Policy Author</b>	Revenue Manager	<b>Review date</b>	June 2018

## Policy 17/113 Remission of Rates on Voluntarily Protected Land

### Objectives of the Policy

In the past legislation provided for non-rateable status on the portions of land set aside under the Queen Elizabeth II (QEII) National Trust however, the Local Government (Rating) Act 2002 does not provide this relief. QEII National Trust helps private landowners in New Zealand protect special natural and cultural features on their land with open space covenants.

Council wishes to encourage and promote the conservation and protection of significant natural resources in the district. This will enable council to act fairly and equitably in the assessment of rates, in line with land forming part of a reserve under the Reserves Act 1977.

### Conditions and Criteria

Council may remit the rates where the application meets the following conditions and criteria:

1. Council is satisfied that the land is subject to permanent protection under subject to QEII Open Space Covenant or similar permanent conservation covenant. That the covenant must be registered on certificate of title(s).
2. No person(s) are using the land and no building structures are within the boundaries of the covenanted area.
3. The ratepayer has applied for rates remission under this policy and provided information in the prescribed form on how the relevant criteria and conditions are satisfied and has completed relevant statutory declarations as may be required by Council.

### Delegations

Decisions on remission of rates under this policy will be delegated to officers as set out in Council's delegation manual

Policy title			
<b>Audience (Primary)</b>	External	<b>Business Owner (Dept)</b>	Corporate Services
<b>Policy Author</b>	Revenue Manager	<b>Review date</b>	June 2018

## Policy 17/114 Remission or Postponement of Rates and Penalties for Miscellaneous Purposes

### Objective of the Policy

This policy is to address inequity in rating in specific circumstances.

Council wishes to be able to postpone or remit rates and/or penalties on rates in circumstances that are not specifically covered by other policies in the Rates Postponement and Remission Policy, but where the Council considers it appropriate to do so.

### Criteria and conditions

Council may postpone or remit rates and/or penalties on rates on a rating unit where it considers it just and equitable to do so, in its absolute discretion, because:

- a. There are special circumstances in relation to the rating unit, or the incidence of the rates (or a particular rate) assessed for the rating unit, which mean that the unit's rates are disproportionate to those assessed for comparable rating units; or
  - b. The circumstances of the rating unit or the ratepayer are comparable to those where a postponement or remission may be granted under the Council's other rates postponement or remission schemes, but are not actually covered by any of those schemes; or
  - c. There are exceptional circumstances that the Council believes that it is equitable to postpone or remit the rates and/or penalties on rates.
1. To be considered for rates remission under this policy, the ratepayer must apply for rates remission under this policy, provide information in the prescribed form on how the relevant criteria and conditions are satisfied and complete relevant statutory declarations as may be required by Council.
  2. Postponed rates will be registered as a Statutory Land Charge on the Certificate of Title.
  3. Council will add a postponement fee to the postponed rates for the period between the due date and the date the rates are paid. This fee is to cover Council's administrative and financial costs and may vary from year to year.
  4. Any postponement is valid for the year in which the application was made.
  5. Council has the final discretion to decide whether to grant a rates postponement or rates and/or penalties on rates remission under this policy.

### Delegations

Decisions on remission and/or postponement of rates under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
<b>Audience (Primary)</b>	External	<b>Business Owner (Dept)</b>	Corporate Services
<b>Policy Author</b>	Revenue Manager	<b>Review date</b>	June 2018

## Policy 17/115 Remission of General Rates for Qualifying Residential Properties

### Objective of the Policy

Council wishes to ensure there is fairness and equity in the rating system. This policy enables the remission of general rates of residential properties where the impact of high land values may result in certain ratepayers being required to pay a disproportionate share of general rates.

### Criteria and conditions

Council may remit certain levels of general rates to a residential rating unit under the following circumstances:

1. The ratepayer has applied for rates remission under the policy and provided information in the prescribed form on how the relevant criteria and conditions are satisfied and has completed relevant statutory declarations as may be required by the Council.
2. The land value of the residential rating unit exceeds 3.5 times the average residential land value, such value being assessed as at 1 July of each rating year and specified in the application form for the relevant rating year.
3. In relation to relevant qualifying residential rating units, ratepayers are eligible for remission of general rates as follows:
  - a. For that portion of the qualifying rating unit where the land value between 3.5 times the average residential land value and 7 times the average residential land value remission in the amount of 50% of the general rate per dollar value of land value for the residential category for the rating year that the remission applies.
  - b. For that portion of the qualifying rating unit where the land value is over 7 times the average residential land value remission in the amount of 75% of the general rate per dollar value of land value for the residential category for the rating year that the remission applies.
4. Council is satisfied that the impact of high land values (which is the basis of the general rates differential calculation) may result in the ratepayer being required to pay a disproportionate share of general rates.

### Delegations

Decisions on remissions of rates under this policy will be delegated to officers as set out in Council's delegation manual.



# **Whangarei District Council Policy**

## **Early Payment of Rates Policy**

Policy title			
<b>Audience (Primary)</b>	External	<b>Business Owner (Dept)</b>	Corporate Services
<b>Policy Author</b>		<b>Review date</b>	June 2017

## Policy 17/200

### Discount for Early Payment of Rates in Current Financial Year

#### Objectives

In accordance with section 55 of the Local Government (Rating) Act 2002, which empowers councils to accept early payment of rates in the current financial year, a discount is granted where the full annual rates are paid on the due date of the first instalment.

The objective of the early payment policy is to encourage ratepayers to pay their rates early and in one sum so as to minimise processing costs and improve cash flow.

#### Criteria and conditions

A discount will be allowed if the total rates assessed for the current year and all arrears are paid in full on or before the due date for the first instalment. In exceptional circumstances where an extended date for payment has been granted, on or before the extended date.

That the amount of the discount be set each year in accordance with that provided in Council's Annual Plan or Long Term Plan.

#### Delegations

Decisions on remissions under this policy will be delegated to officers as set out in Council's delegation manual.

## 6.5 Adoption: 2018 – 2028 Long Term Plan

**Meeting:** Whangarei District Council  
**Date of meeting:** 28<sup>th</sup> June 2018  
**Reporting officer:** Jill McPherson (Acting - General Manager Democracy and Strategy)

### 1 Purpose

To consider the 2018 – 2028 Long Term Plan for adoption.

### 2 Recommendation/s

That Council:

1. Adopt the 2018 – 2028 Long Term Plan.
2. Authorise the Chief Executive to make any necessary minor drafting, typographical or presentation corrections to the 2018 – 2028 Long Term Plan.

### 3 Background

#### Early Engagement

The development of the 2018 – 2028 Long Term Plan began in May 2017. During the planning phase, it was identified that Council needed to engage before it set its priorities. By engaging early, Council staff and Elected Members were well informed of public expectations before drafting the Council's 10 – year strategic direction.

#### Consultation Document

The Consultation Document focused on providing the community with information on the three key themes identified during early engagement. Projects for each theme were briefly outlined. The core project or area of expenditure, for each theme was discussed in detail. Options as to how Council progressed on these were put forward for engagement and community feedback was gathered.

The key themes where community feedback was gathered were:

- Focus on core assets (additional \$33.8 million on stormwater renewals)
- Getting ready for the future (Civic Centre location)
- Making our District an even better place to live (additional \$4.5 million for community led projects)

The Forecast Financial Statements included in the supporting material to the Consultation Document were based on Council's preferred option.

Council also consulted on the rating structure, with Council's preferred option being a Transport fixed rate on capital value, plus modified status quo.

The Consultation Document was used as the primary document for communicating Councils intentions over the next 10 years.

### Formal Consultation

On 28<sup>th</sup> February 2018 Council adopted the Consultation Document for the 2018 – 2028 Long Term Plan (LTP) along with the following supporting materials:

- Proposed Financial Strategy for 2018 – 2028
- Proposed Infrastructure Strategy for 2018 – 2048
- Proposed Statements of Service Provision
- Forecast Financial Statements for 2018 – 2028
- Significant forecasting assumptions
- Proposed Funding Impact Statement.

All items were made publicly available on 7<sup>th</sup> March 2018 for consultation in accordance with the special consultative procedure.

687 submissions were received, with 116 submissions being heard by Council. General support was noted for:

- Continued focus of core infrastructure, including stormwater
- More funding for roads/footpaths
- Increasing community-led resourcing
- More community assets
- Preference for modified status quo for rates

### Deliberations and subsequent changes to the 2018 – 2028 Long Term Plan

On the 16<sup>th</sup> May 2018, Council deliberated on the feedback from consultation. As a result of deliberations increased funding for both the stormwater renewals and community led projects were confirmed for inclusion in the 2018 – 2028 Long Term Plan.

Due to the community feedback received, Council also confirmed budget increases in the 2018 – 2028 Long Term Plan for:

- Seal Extensions (increase budget by \$5.2 million)
- Road Safety (increase budget by \$1.0 million)
- Springs Flat Roundabout (increase budget by net \$380,000)
- Major Events (increase budget by \$900,000)
- Community property (increase budget by \$500,000)
- Mowing Grants (increase budget by \$200,000)
- Facilities Partnership (increase budget by \$2.3 million)
- Pohe Island facility development (increase budget by \$600,000)
- Rubbish bins (increase budget by \$1.5 million)

On consideration of the location for the new Civic Centre, Council resolved to call for expressions of interest on an unspecified CBD location and the Forum North/RSA location.

On consideration of the rates structure review, Council resolved to implement the modified status quo option. Changes to rating structure include:

- Redefinition of Separately Used and/or Inhabited Parts of a Rating Unit changing test from used or capable of being used to used or intended to be used
- Status quo for rating methods and sector splits

These inclusions are summarised in the 'Changes we made in response to feedback' section of the 2018 – 2028 Long Term Plan.

#### Internal review and subsequent changes to the 2018-2028 Long Term Plan

Five notable amendments were identified during an internal review of the draft 2018 – 2028 Long Term Plan. They were:

- Changes in the timing of some capital works after a review of ability to deliver them
- Transfer of grants to three organisations from reserves to operational budget
- Cost increase for the new Whau Valley Water Treatment plant
- Increased budget for swimming pool inspections
- Changes in interest payments associated with changes in capital projects timing.

#### Final Audit review and subsequent changes to the 2018 – 2028 Long Term Plan

Mis-statements identified through Audit have been addressed prior to finalising the document. None were considered material by Audit NZ at the time of writing this report.

## **4 Significance and engagement**

### **4.1 Significance**

The adoption of an LTP is a specific requirement of section 93 of the Local Government Act 2002 and the process to be followed and/or matters to be considered are covered by Part 6 of the Act which encompasses the Council's decision making (sections 76 to 81), consultation processes (sections 82 to 90) and planning (sections 93 and 94).

The Consultation Document which formed the basis of consultation with the community outlined options and the potential impact of those options. While the preferred option marks a change in approach, with associated funding implications, this is centred around maintaining existing assets, levels of service capability and direction. After considering feedback from the community Council confirmed the preferred options through deliberations.

Projects and funding streams that were included into the 2018-2028 Long Term Plan as a result of consultation are not considered to trigger significance. While no one decision was considered significant at the time of writing, two projects within the Infrastructure Strategy were identified as having the potential to trigger significance once detailed costings are known, and a preferred option identified. One of these is within the 2018 –

2028 period and Council will consider significance as part of future decisions on the project.

#### **4.2 Engagement**

An engagement plan was outlined in the agenda for adoption of the Consultation Document. The public were engaged through the special consultative procedure and the results of that engagement have been incorporated into the LTP following deliberations by Council. The 2018-2028 Long Term Plan is now being presented to Council for adoption.

## **5 Attachment**

2018 – 2028 Long Term Plan (to be distributed under separate cover prior to the meeting)

## 6.6 Rates Resolution 2018-2019

**Meeting:** Whangarei District Council  
**Date of meeting:** 28 June 2018  
**Reporting officer:** Alan Adcock (General Manager – Corporate/CFO)

### 1 Purpose

To set the rates and charges for Whangarei District for the year commencing on 1 July 2018 and ending on 30 June 2019, under the Local Government (Rating) Act 2002 (LGRA).

### 2 Recommendations

That Council resolves:

- Having adopted the 2018-2028 Long Term Plan, including the 2018-2019 Funding Impact Statement, Council sets the following rates and charges in accordance with the Local Government (Rating) Act 2002 for the financial year 1 July 2018 to 30 June 2019:

#### General Rates

Rate	Basis of assessment	Including GST
<b>General Rates</b>	Basis of Assessment – Sec 13, 14, 15 & Schedule 2	
Uniform Annual General Charge	Per separately used or inhabited part of a rating unit	\$458.00
Residential category	Per \$ of land value	\$0.0034605
Multi – Unit category	Per \$ of land value	\$0.0069211
Rural category	Per \$ of land value	\$0.0032835
Commercial and Industrial category	Per \$ of land value	\$0.0224932
Miscellaneous category	Per \$ of land value	\$0.0034605

#### Targeted Rates

Rate	Basis of assessment	Including GST
<b>District Wide Refuse Management Rate</b>	Basis of Assessment – Sec 16, 17,18 & Schedule 2 & 3	
District Wide Refuse Management Rate (All rateable properties)	Per separately used or inhabited part of a rating unit	\$179.00
<b>Sewerage Rates</b> (Connected to wastewater system)	Basis of Assessment – Sec 16, 17,18,19 & Schedule 2 & 3	

Residential	Per separately used or inhabited part of a rating unit	\$709.00
Other – non-residential	Per pan or urinal	\$457.00
<b>Water Rates</b>	Basis of Assessment – Sec 16, 17,18 & Schedule 2 & 3	
Consumption charge <i>Note: where an invoice for water by meter relates to a period that spans two financial years, the consumption 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>	Volume of metered water consumed per cubic metre	\$2.26
Annual supply charge (metered)	Provision of service per separately used or inhabited part of a rating unit	\$34.50
Annual availability charge	Availability of service per separately used or inhabited part of a rating unit	\$34.50
Annual Uniform charge (unmetered)	Provision of service per separately used or inhabited part of a rating unit	\$474.00
Backflow preventer charge	Provision of service per connection based on the nature of connection	
	15/20mm connection	\$78.62
	25mm connection	\$79.69
	32mm connection	\$94.27
	40mm connection	\$96.47
	50mm connection	\$100.09
	80/100mm connection	\$252.09
	150mm connection	\$295.11
	200mm connection	\$488.77
<b>Roading Scheme</b>	Basis of Assessment – Sec 16, 17, 18 & Schedule 2 & 3	
Whangaruru North Road Seal Extension (Year 4 of 5)	Per rating unit in a specified and defined area of benefit (see funding impact statement)	\$575.00
McKinley Road Seal Extension (Year 4 of 5)	Per rating unit in a specified and defined area of benefit (see funding impact statement).	\$575.00



<b>Flood Protection - Hikurangi Swamp</b>		
Hikurangi Swamp Major Scheme Rating District	Per hectare of land in the Hikurangi Swamp Special Rating area	
	Class A approx 2,935 ha	\$188.08
	Class B approx 1,443 ha	\$168.92
	Class C approx 1,472 ha	\$131.67
	Class D approx 1,767 ha	\$18.85
	Class E approx 983 ha	\$9.48
	Class F approx 31,058 ha	\$3.79
Hikurangi Swamp Drainage Rating District	Per hectare of land in the Hikurangi Swamp Drainage Rating District	
	Class A approx 5,037 ha	\$21.76
	Class F approx 11,755 ha	\$2.18

2. Council resolves that it approves the due dates, discount allowed and penalties set out as follows:

### **Discount for full payment of annual rates**

Council agrees to apply a policy for early payment of rates under Section 55 of the Local Government (Rating) Act 2002. Where the total year's land rates and any arrears are paid in full by the due date of the first instalment 20 August 2018 a discount of two percent (2%) will apply.

### **Penalty dates for rates paid in instalments**

Penalties added to unpaid rates are exempt from GST.

### **Due dates and penalty dates for land rates**

Council agrees the following due dates and to add penalties to rates not paid by the due date under 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, in accordance with the table below:

<b>Instalment</b>	<b>Due Date</b>	<b>Date penalty applied</b>
One	20 August 2018	23 August 2018
Two	20 November 2018	23 November 2018
Three	20 February 2019	25 February 2019
Four	20 May 2019	23 May 2019

### Due dates and penalty dates for water rates

Water accounts are processed monthly, two-monthly or six-monthly. Council agrees that the due dates of these accounts will be relative to the consumer's cyclic billing period and will show on the water rates invoice in accordance with the following table:

Month water rates invoice issued	Due date for payment
July 2018	20 August 2018
August 2018	20 September 2018
September 2018	23 October 2018
October 2018	20 November 2018
November 2018	20 December 2018
December 2018	21 January 2019
January 2019	20 February 2019
February 2019	20 March 2019
March 2019	22 April 2019
April 2019	20 May 2019
May 2019	20 June 2019
June 2019	22 July 2019

A penalty of ten percent (10%) will be applied to amounts of water rates unpaid after the due date, in accordance with the following table:

Month water rates invoice issued	Date penalty will be added
July 2018	23 August 2018
August 2018	25 September 2018
September 2018	26 October 2018
October 2018	23 November 2018
November 2018	24 December 2018
December 2018	24 January 2019
January 2019	25 February 2019
February 2019	25 March 2019
March 2019	26 April 2019
April 2019	23 May 2019
May 2019	25 June 2019
June 2019	25 July 2019

### Additional penalty charges

#### Additional penalty on arrears for land and water rates

In accordance with section 58 of the Local Government (Rating) Act 2002 Council agrees that a penalty of ten percent (10%) will be added to any unpaid rates (including penalties previously added and water rates) from the previous rating years that remain unpaid as at 5 July 2018. This penalty will be added on 3 September 2018.

### **3 Background**

This paper has been prepared in accordance with the revenue and financing policy included in the 2018-2028 Long Term Plan and funding impact statement contained within the 2018-2028 Long Term Plan.

Section 23 of the Local Government (Rating) Act 2002 (LGRA) requires that rates must 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 that financial year.

All Section or Schedule references in this agenda item are to provisions in the LGRA.

All rates and charges detailed for the 2018/2019 financial year include Goods and Services Tax (GST). Penalties added to unpaid rates are exempt from GST.

Pursuant to section 23(5) of the LGRA, within 20 working days of the making of this resolution, a copy will be sent to the Secretary of Local Government.

This resolution has been subject to a legal compliance review.

### **4 Summary**

Under section 23 of the LGRA Council is required to set its rates by resolution.

This agenda provides for Council to set rates for the year commencing on 1 July 2018 and ending on 30 June 2019.

### **5 Significance and engagement**

Council's 2018-2028 Long Term Plan has been developed in accordance with section 95 of the Local Government Act 2002 and contains the funding impact statement for the 2018-2019 year. The rates set have been established as part of the 2018-28 Long Term Plan process. The setting of Rates for the 2018-2019 financial year, in accordance with the year 1 of the 2018-2028 Long Term Plan is not considered to trigger Council's Significance or Engagement Policy. The decisions in this report are in accordance with sections 76-83 of the Local Government Act and the Local Government (Rating) Act.



## 6.7 2018 LGNZ Annual General Meeting Remits

**Meeting:** Whangarei District Council  
**Date of meeting:** 28 June 2018  
**Report Author:** Sheryl Mai (Her Worship the Mayor)

### 1 Purpose

To make recommendations on remits being considered at the 2018 Local Government New Zealand Annual General Meeting Conference.

### 2 Recommendations

#### 1. Drug testing in the community

That Council support the remit that recommends that Local Government New Zealand works with central government to develop a nationally consistent regime of waste water testing, to enable a solid basis for testing drug use in our communities.

#### 2. Heavy Commercial Vehicles (HCV) – Rural roads policy

That Council support the remit that recommends Local Government New Zealand pursue investigation of a Road Pricing Policy Statement for Land Transport to incentivise route selection for Heavy Commercial Vehicles that encourages the most economically efficient use of the transport network over both Local Roads and the State Highway network.

#### 3. Heritage Buildings

That Council support the remit that recommends that Local Government New Zealand lobbies for greater support for, and protection of, heritage buildings via the following mechanisms:

- Revision of the Building (Earthquake-Prone Buildings) Amendment Act to change the ‘25% building work’ clause instead to trigger earthquake strengthening once a threshold of “25% of the Capital Value or \$200,000, whichever is the greater” is reached to make this a more equitable provision for regional centres
- An increase in the heritage fund
- Provision of tax relief for heritage building upgrades.

#### **4. Climate Change – advocate to banks**

That Council support the remit that recommends that Local Government New Zealand, consistent with the Local Government Position Statement on Climate Change 2017 and the Local Government Leaders' Climate Change Declaration 2017, advocate to all major banks that they transition away from investments in fossil fuel industries, and consider opportunities for long-term investments in low or zero-carbon systems.

#### **5. Climate Change Adaptation Fund**

That Council support the remit that recommends that following on from the findings and recommendations of the Climate Change Adaptation Technical Working Group, that Local Government New Zealand calls on central government to establish a Climate Change Adaptation Fund to improve local level and community participation in responding to climate change.

#### **6. Local Alcohol Policies**

That Council support the remit that recommends that Local Government New Zealand seeks the Government's agreement to:

- Amend the Sale and Supply of Alcohol Act 2012 so that Local Alcohol Policies can more accurately reflect local community views and preferences.
- Review policy levers it can apply to reduce alcohol-related harm that will complement Local Alcohol Policy provisions established by Territorial Local Authorities and include consideration of mechanisms for addressing the density and location of off-licensed premises.

#### **7. Biofuels**

That Council support the remit that recommends Local Government New Zealand encourages the Government to investigate options to support the use of bio-diesel such as financial incentives; tax offsets; subsidies to bio-diesel manufacturers; and/or subsidies to renewable fuel manufacturers; and/or subsidies at the pump, in order to support the valuable New Zealand industries developing alternative and low carbon fuels.

#### **8. Walking the talk – single use plastics**

That Council support the remit that recommends that Local Government New Zealand:

- Asks central government to urgently develop and implement a plan to eliminate the use of single-use plastic bags and plastic straws
- Encourage member councils to take steps to phase out the use of single-use plastic bags and plastic straws at council facilities and events.

#### **9. A mandatory register of cooling towers**

That Council support the remit that recommends that:

1. Local Government New Zealand acknowledges the potentially fatal risks posed by legionella bacteria in industrial water cooling towers used for air conditioning and

manufacturing.

2. Local Government asks central government to resume its work related to reducing the risks posed by legionella bacteria in industrial water cooling towers.

This could include:

- Amending the Building Act 2004 and/or the Building (Specified Systems, Change the Use, and Earthquake-prone Buildings) Regulations 2005 to collect information for a mandatory register of cooling towers and a mandatory testing and reporting regime.
- Providing enforcement powers to councils to address the risks associated with cooling towers such as requiring regular testing, reporting and compliance with specified standards under Building Warrant of Fitness certification.
- Requiring medical professionals to report cases of legionellosis (Legionnaires Disease) to local District Health Boards' Medical Officers of Health (as is required with Campylobacter outbreaks).

## **10. Copper in brake pads**

That Council support the remit that recommends that Local Government New Zealand calls for central government to introduce legislation to limit or eliminate the copper content of vehicle brake pads to reduce contaminants in our urban waterways.

## **11. Reducing the waste stream**

That Council support the remit that recommends that Local Government New Zealand asks central government to address the China National Sword issue (action 1) and implement the local government waste manifesto (actions 2 – 6), to reduce New Zealand's waste by:

1. Adopting a New Zealand wide strategic approach to the collection, and processing of recyclable materials within New Zealand;
2. Reviewing the New Zealand Waste Strategy and align, where practicable, with the "Local Government Waste Management Manifesto" to set a clear programme for action;
3. Expanding the Waste Disposal Levy and progressively raise the levy rate in order to reduce total waste to landfills;
4. Officially adopting the National Waste Data Framework and oversee its implementation to enable better planning and monitoring;
5. Establishing a container deposit scheme in consultation with local government in order to lift recycling rates; and
6. Declaring tyres, e-waste, agricultural chemicals and plastics, as priority products under the Waste Minimisation Act 2008, to address problem waste streams.

## **12. Tyres stewardship**

That Council support the remit that recommends that Local Government New Zealand requests that the Government urgently implements a comprehensive and mandatory product stewardship programme for tyres.

### **3 Background**

The Local Government Annual General Meeting and Conference is being held 15-17 July in Christchurch. Her Worship the Mayor, Councillors Sharon Morgan, Gavin Benney, Crichton Christie and Chief Executive Rob Forlong will represent council at the Conference.

### **4 Discussion**

As part of the Conference, all Council's will be invited to vote on remits proposed from zones, sector groups or member authorities.

The attached remits will be considered at the Conference. Council are asked to make a recommendation on each remit and have the option of either supporting each remit, remaining neutral or opposing the remit.

### **5 Significance and engagement**

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via [report publication on the website.

### **6 Attachment**

LGNZ 2018 Remits



Who's  
putting local  
issues on  
the national  
agenda?

**We are.  
LGNZ.**

# 2018 Annual General Meeting

## Remits

## 1

## Drug testing in the community

**Remit:** That LGNZ works with central government to develop a nationally consistent regime of waste water testing, to enable a solid basis for testing drug use in our communities.

**Proposed by:** Tasman District Council

**Supported by:** Waitomo District Council  
 Ruapehu District Council  
 Bay of Plenty Regional Council  
 Nelson City Council  
 Upper Hutt City Council  
 Far North District Council

## Background information and research

### 1. Nature of the issue

- a. The technology exists now to test wastewater for the use of drugs which gives a very straight forward comprehensive picture on the drug use in respective communities. This has been trialled currently with three communities in New Zealand and in each community a different drug has shown as the major issue. Where councils or communities would like to apply these tests, a consistent methodology will enable decision makers within those communities to determine the best course of action.
- b. This will allow for the best utilisation of resources within the community to test for drugs. The aim is to provide all relevant services with the ability to identify the use of illegal and harmful substances and identify the practices to reduce harm.

### 2. Background to its being raised

- a. We are all familiar that from time to time, issues with the use of illegal drugs cause particular problems within our communities. Currently one drug that is causing significant concern is methamphetamine. However, we shouldn't assume that this is the only problem drug or in the future the problem drug may be different.
- b. Testing wastewater is a straightforward and effective way to demonstrate the scale and nature of problems with illegal drugs within our communities.

- c. The impacts of drivers being affected by methamphetamine have been raised within our community recently. However, there is wide spread evidence of this drug causing significant harm to families and communities. The simple straightforward test of this nature would be highly beneficial for use in communities when wanting to identify the scale and nature of this problem.

**3. New or confirming existing policy**

This is a new policy.

**4. How the issue relates to objectives in the current Work Programme**

This does not relate to the current work programme.

**5. What work or action on the issue has been done on it, and the outcome**

Three communities have trialled the technology and the primary drugs they detected are Christchurch (MDMA), Rosedale, North Shore (cocaine) and Whangarei (methamphetamine).

**6. Any existing relevant legislation, policy or practice**

Not that I am aware of.

**7. Outcome of any prior discussion at a Zone or Sector meeting**

This has not been discussed at Zone or Sector meetings.

**8. Evidence of support from Zone/Sector meeting or five councils**

This has the support of the six mayors listed above.

**9. Suggested course of action envisaged**

Developing nationally consistent regime for testing wastewater for illegal or harmful drugs.

## 2

## HCV – Rural roads policy

**Remit:** That LGNZ pursue investigation of a Road Pricing Policy Statement for Land Transport to incentivise route selection for HCV's that encourages the most economically efficient use of the transport network over both Local Roads and the State Highway network.

**Proposed by:** Ruapehu District Council

**Supported by:** Zone Three

### Background information and research

#### 1. Nature of the issue

The following issues have been identified:

- a) The current Road User Fees and Charges regime incentivises the shortest transport distance from Gate to Port or processing plant of primary produce without assessment of the most economic, efficient and sustainable transport route.
- b) This does not enable efficiency in the use of the transport network nor take into account resilience and safety.

#### 2. Background to its being raised

The cost of maintaining and renewing local road infrastructure has a significant impact on a territorial authority's budget decisions within its LTP. The consumption of low strength pavements on low volume rural road networks is not well considered by HCV fleet managers when route planning and pricing for harvesting aggregates, forests or other high intensity produce from the primary sector.

The Road Controlling Authorities Forum made up of NZTA and representatives from TA's and associated NGO's have funded Research and produced Guidelines to assist Funding Policy Decision makers in Local Government. It is considered that more can be done at a National Funding Policy level to promote efficient and effective use of limited resources for Land Transport.

**3. New or confirming existing policy**

New - Policy goal – That price incentives are in place to ensure the most economic use of the transport network.

**4. How the issue relates to objectives in the current Work Programme**

This issues relates to LGNZ's strategic priority one<sup>1</sup> regarding infrastructure and specifically around the policy priorities, actions and projects for transport. These include:

- Government Policy Statement for Land Transport 2018 and National Land Transport Programme presented to councils in an integrated manner for LTPs which addresses sector needs including freight, regional growth and tourism.
- Ongoing advocacy for new funding models for transport.
- Integrate policy positions from Mobilising the Regions including: integrated transport planning and decision making models into the above.

**5. What work or action on the issue has been done on it, and the outcome**

A large proportion of pavement consumption on local roads occurs on low volume roads, caused almost entirely from commodity cartage. The Special Interest Group – Low Volume Roads (SIG-LVR) of the Road Controlling Authorities Forum (NZ) (RCA Forum) has sought to provide a process for:

- Calculating pavement consumption on low volume roads caused by industrial land-use.
- Allocating the cost to industrial ratepayers, in an equitable way, using rules prescribed by local government legislation.

This work is now in circulation is being considered as one of the tools to equitably fund transport demands on Local Roads.

References

[http://rcaforum.org.nz/sites/public\\_files/images/160429-Notes%20of%20290416%20forum.pdf](http://rcaforum.org.nz/sites/public_files/images/160429-Notes%20of%20290416%20forum.pdf)

[https://rcaforum.org.nz/sites/public\\_files/images/Guidelines\\_equitable\\_funding\\_pavement\\_maintenance\\_LVR-July\\_2017.pdf](https://rcaforum.org.nz/sites/public_files/images/Guidelines_equitable_funding_pavement_maintenance_LVR-July_2017.pdf)

**6. Any existing relevant legislation, policy or practice**Land Transport Management Act 2003

- This governs the issuing of the GPS, the requirement that NZTA report annually on the use of funds from the land transport fund (including the contribution to the GPS outcomes and objectives) and the compliance of RLTP with the GPS.

Local Government Act 2002

- This specifies the LTP process and the inclusion of key roading funding and planning information as a mandatory activity.

**7. Suggested course of action envisaged**

That LGNZ pursue investigation of a Road Pricing Policy Statement for Land Transport to incentivise route selection for HCV's that encourages the most economically efficient, safe and resilient use of the transport network over both Local Roads and the State Highway networks.

**8. Discussion and conclusion**

For example; The full cost of government afforestation incentives are not taken into full account when calculating Return on Investment. In the case of forest harvest today, the incentives for investment were made in the 1990's in the national interest (primary exports and carbon agendas) and in many cases the costs today largely fall on property with higher capital values.

A potential exists to introduce road pricing to incentivise the best use of transport resources and provide for economic growth and productivity in the rural provincial sector.

In order to allow for more informed and effective decisions, the transport sector needs to be incentivised to use the best possible transport routes that are proven the safest most efficient and sustainable use of the network.

It is therefore recommended that LGNZ pursue an investigation into Road Pricing that can inform NZTA and the Ministry of Transport when considering any review of funding tools for New Zealand's transport infrastructure.

## 3

## Heritage buildings

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<b>Remit:</b>	<p>That LGNZ lobbies for greater support for, and protection of, heritage buildings via the following mechanisms:</p> <ul style="list-style-type: none"> <li>• Revision of the Building (Earthquake-Prone Buildings) Amendment Act to change the '25% building work' clause instead to trigger earthquake strengthening once a threshold of "25% of the Capital Value or \$200,000, whichever is the greater" is reached to make this a more equitable provision for regional centres.</li> <li>• An increase in the heritage fund.</li> <li>• Provision of tax relief for heritage building upgrades</li> </ul>
<b>Proposed by:</b>	Whanganui District Council
<b>Supported by:</b>	Zone Three

## 1. Background information and research

### 1. Nature of the issue

The following issues have been identified:

- The current Building (Earthquake-Prone Buildings) Amendment Act (the Act) contains a clause where any work that reaches 25% of the current Capital Value (CV) of the building subsequently triggers the need to earthquake strengthen the entire building. This has a significant impact on smaller centres with low CVs (e.g. where values can be below \$100,000). This poses an imminent and real threat to heritage buildings and the future character of New Zealand's town centres.
- Earthquake strengthening deadlines are approaching and regional centres in particular may struggle to undertake this work. This is because there is not the same economic return for these improvements. More funding is required to ensure that this can be delivered on time.
- There is no tax relief available for earthquake strengthening costs. This is a deterrent for delivering on this important safety and preservation work.

### 2. Background to its being raised

New Zealand's heritage buildings are a critical reminder of our past. Regardless of size or splendour even unassuming pubs and shops in the smallest of towns are slowly earning respect

and recognition for their reflection of our heritage and their important historical insight. This is true irrespective of whether this is a nostalgic nod to memories of youth or a more significant need for heritage preservation. If we lose these then we lose the valuable visual reminders which mark our unique identity as a country – and once these are gone, they are gone. This recognition has been the impetus for successful rejuvenation efforts throughout the country, for example, along the Otago Rail Trail where redundant buildings have been given a new lease of life – which has translated into economic benefit for new business ventures, while adding significantly to the tourism experience. These opportunities should be encouraged and incentivised by government and strongly supported by LGNZ.

#### Amendment to the Act

- Whanganui’s Earthquake-Prone Buildings Community Taskforce (the Taskforce) submitted on the Proposals for Earthquake-Prone Buildings Regulations in 2016.
- Part of this submission focused on the trigger point for earthquake strengthening of an entire building. This had been set at 25% of the current CV – meaning that in instances where a building has had an ‘earthquake strength assessment’ carried out then once the 25% threshold is reached through building work of any kind then complete earthquake strengthening is required.
- As a result, despite the legislation not requiring earthquake strengthening for many years, once this point is reached then the building owner or tenant is effectively penalised for what might amount to just a minor upgrade.
- The Taskforce challenged this clause and instead recommended that it be reworded so that work that reaches 25% of the CV, or a value of \$200,000 (whichever was the greater) become the trigger point instead.
- This is because most buildings outside of the major cities have low CVs. This is largely due to the age of the buildings and the nature of small town demand for retail and upper-storey living (with many of these CVs being below \$100,000).
- As a result, even small scale building work such as \$25,000 for a new bathroom or internal wall construction could enact this clause.
- Although the Taskforce’s submission received support from other communities it did not result in the requested changes to the legislation being made.
- The Taskforce has suggested that if the clause remains in its current form then it could cause a large number of heritage buildings (particularly in regional centres) to become dilapidated, and ultimately lost. This runs counter to the intent of the legislation and an urgent review of the determination is requested.

#### Increase in the heritage fund

- Heritage EQUIP provides grants for both retrofitting and major works<sup>2</sup>.
  1. Retrofit grants are designed to support smaller scale seismic strengthening projects. These are to address specific aspects of the building or to provide retrofit solutions for common hazards. They provide up to 50% of costs – up to a maximum of \$25,000.



2. Major works grants are for comprehensive seismic strengthening solutions including large-scale or staged projects. These provide up to 50% of costs, with no upper limit to the grant application.
- In 2016 the government announced a new \$12M fund to support earthquake strengthening work on privately owned heritage buildings where seismic upgrades were required.
- Although this was initially limited to only Category 1 and 2 listed buildings, this has since been broadened to other buildings on local council heritage registers.
- While the initial \$12M pool was a welcome funding mechanism for building owners, it is claimed that additional support will be required as earthquake strengthening deadlines approach.

#### Tax relief

- It is considered that commercial building owners should be allowed tax relief for earthquake strengthening costs.
- IRD currently provides no tax relief for expenditure.
- It is claimed that this discourages investment – especially for older buildings.
- The government could assist with the affordability of strengthening costs by allowing building owners to expense their construction costs by one of two ways:
  1. Allowing the cost of strengthening to be treated as an expense in the year in which the costs occur, with the deduction ring-fenced to rental income activity. This would allow owners to claim the tax benefit of the expenditure and would provide a real incentive to owners to carry out the strengthening.
  2. In lieu of the above option not being adopted then building owners should be allowed to capitalise the strengthening costs separately – with those costs depreciated or amortised over a period of, for example, 10 years. Although the first option is preferred and offers more benefit to owners, the second option would still allow the recovery of some tax relief over a defined period.

### **3. New or confirming existing policy**

These changes would build on and support existing policy. Tax relief advantages would require new provisions.

### **4. How the issue relates to objectives in the current Work Programme**

The current LGNZ work programme identifies the implementation of earthquake prone buildings regulations as a strategic policy priority under *Housing and Building*.

### **5. What work or action on the issue has been done on it, and the outcome**

The Taskforce has advocated strongly for the needs of regional New Zealand in relation to heritage and earthquake strengthening. Supplementary research alongside its submission suggests that the following outcomes are possible without intervention:

- Buildings will not be renovated until the very last moment. As a result, deterioration in the integrity of the building is likely to be significant and could lead to the building becoming unsalvageable.
- Buildings will slowly deteriorate – becoming even less attractive to rent. This will have an impact on regional town centres.
- Buildings are likely to be abandoned once the earthquake strengthening deadline is reached – particularly in the case of overseas landlords where the cost of either clearing the site or strengthening will far exceed the value left in the property.
- The 25-year strengthening timeframe allowed in the legislation for Zone B areas (such as Whanganui) is now seriously reduced in efficacy because of the '25%' clause.

#### **6. Any existing relevant legislation, policy or practice**

- Building (Earthquake-Prone Buildings) Amendment Act
- Income Tax Act 2007

#### **7. Outcome of any prior discussion at a Zone or Sector meeting**

This remit was presented to the Zone Three meeting on 20 April 2018. It was moved by Cr Helen Craig (Whanganui) and seconded by Mayor Don Cameron (Ruapehu). It was supported by all member councils:

- Central Hawke's Bay District Council
- Hastings District Council
- Hawke's Bay Regional Council
- Horizons Regional Council
- Horowhenua District Council
- Manawatu District Council
- Napier City Council
- New Plymouth District Council
- Palmerston North City Council
- Rangitikei District Council
- Ruapehu District Council
- South Taranaki District Council
- Stratford District Council
- Taranaki Regional Council
- Tararua District Council
- Wairoa District Council

In addition, Rangitikei District Council has acknowledged its specific endorsement of this remit.

## 8. Suggested course of action envisaged

It is recommended that:

- a) The Act be amended to allow for work up to 25% of the CV, or \$200,000, whichever is the greater.
- b) The Heritage Fund be increased to adequately meet demand.
- c) That IRD reviews its provisions in relation to tax relief for earthquake strengthening of heritage buildings with a view to introducing this assistance.

## 9. Discussion and conclusion

***“Heritage buildings keep our history alive, telling the story of our past and giving perspective for today. Heritage buildings provide both private and public value throughout New Zealand.”***

(credit Heritage Equip website: [heritageequip.govt.nz](http://heritageequip.govt.nz))

These recommendations are based on the value of heritage and the importance of ensuring that the rules are applied in a fair and equitable way, regardless of whether you live in a major city or a smaller regional centre. The current Act does not offer this even-handedness – meaning that those in smaller centres with low CVs can be charged with responsibility for full earthquake strengthening as a result of only small scale building works. A minor reframing of the Act to set a cost threshold of up to \$200,000 would ensure that a more equitable approach could be applied nationwide, without unduly penalising regional New Zealand where the economics of building conversion are not the same. By not addressing this discrepancy heritage buildings may miss out on investment and upgrades – eventually becoming rundown and potentially lost.

The value of heritage preservation is further championed through a request to increase the Heritage Fund. This boost would provide greater opportunity for more building owners to receive a subsidy so that requisite strengthening work can be undertaken. It would also mean that government could better manage the influx of applications that are likely to be submitted as deadlines approach. It is considered that this assistance will be particularly important for regional New Zealand where there is not the same economic return for this kind of work. Although building owners are generally passionate about restoration, with costs being so high and returns so low it is possible that many buildings will be left abandoned and ultimately demolished due to a lack of financial viability. Related to this is the concern that councils will then be burdened with the cost of demolition and rates arrears. Furthermore, removal of heritage buildings will irreparably impact on town streetscapes – resulting in less attractive replacement structures (or building gaps) and generating a loss of character, community and cultural identity.

Investment can similarly be encouraged through the provision of tax relief to support heritage building owners. Although this would have minimal financial impact on the government it would

have a significant effect on the retention and strengthening of earthquake-prone heritage buildings. It is recommended that this review occur as soon as possible to mitigate the size of this issue as a growing number of older buildings increasingly require investment.

## 4

## Climate change – advocate to banks

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<b>Remit:</b>	That LGNZ, consistent with the Local Government Position Statement on Climate Change 2017 and the Local Government Leaders' Climate Change Declaration 2017, advocate to all major banks that they transition away from investments in fossil fuel industries, and consider opportunities for long-term investments in low- or zero-carbon energy systems.
<b>Proposed by:</b>	Greater Wellington Regional Council
<b>Supported by:</b>	Greater Wellington Regional Council Porirua City Council Carterton District Council Masterton District Council Kapiti Coast District Council Palmerston North City Council

**Background information and research****1. Nature of the issue**

Climate change has been described as “a slow motion disaster that will change our lives, the economy, and our planet for ever”. The previous Parliamentary Commissioner for the Environment Dr Jan Wright said that climate change is “by far New Zealand’s worst environmental problem”. The effects of climate change are already being felt globally and in New Zealand through: increased frequency of extreme weather events including storms, cyclones, tornadoes and droughts; wildfires; and rising sea levels.

Climate Change will have major impacts on areas of responsibility of local government. Over the next few decades, tens of thousands of New Zealanders will be displaced from their homes by threatened inundation by rising sea levels. Local government has the responsibility to manage, at regional, city and district levels, land use planning including requirements for coastal protection or managed retreat to ensure future residential and business development and infrastructure is located away from areas that will be inundated. Local government therefore has a very high interest in measures being taken to reduce emissions of greenhouse gases, in accordance with NZ’s commitments under the Paris Agreement of 12 December 2015, and subsequent commitments by the Government.

## 2. Background to its being raised

Greater Wellington Regional Council has recently updated its Treasury Risk Management Policy and has included a section:

**“5.3 Investments in fossil fuels** The Council has a policy to divest from any direct investment in fossil fuel extraction industries and investigate existing non direct investment, with a view to preventing future investment where practical”.

The Council’s Treasurer has taken the opportunity to advise banks of this policy as part of Council’s on-going commitment to reducing carbon emissions and promoting this to the wider community. It has also advised the banks that as part of its on-going due diligence into this matter, it will continue to monitor the banks it transacts with to ascertain what they are doing to assist with reducing and discouraging the on-going use and investment in fossil fuel industries.

## 3. New or confirming existing policy

Local Government recognises, as stated in the Local Government Position Statement on Climate Change, 2017, and the Local Government Leaders’ Climate Change Declaration, 2017, that we must act on climate change now to avoid future risk. Local authorities have accepted that they are at the frontline of climate change adaptation and have a role to play in mitigation, and that their responsibilities will grow in addressing climate change as both anticipated and unforeseen problems are revealed. Local government has a strong interest in the impacts of climate change and what can be done to mitigate those impacts.

Support for this remit will reinforce the Local Government Leaders’ Climate Change Declaration 2017, which included: “A clear and consistent pathway toward a low carbon and resilient future needs to provide certainty for successive governments, businesses and communities to enable transformative decisions and investments to be made over time”.

## 4. How the issue relates to objectives in the current Work Programme

LGNZ has climate change as a project in its Work Programme.

This remit relates to the following objectives of the project:

- a. Climate Change Action: “Actions to reduce emissions”
- b. A Collaborative Approach: “A collaborative and joint response to climate change, including a clear pathway to a low carbon economy”
- c. Key work streams: “Mitigating the impacts of climate change”
- d. Supporting work: “The sector will contribute to the Productivity Commission’s inquiry into NZ’s transition to a low-emissions economy”.

## 5. What work or action on the issue has been done on it, and the outcome

On 19 October 2016, the NZ\$30 billion NZ Super Fund announced changes to become more resilient to climate change investment risk under a new strategy announced by the Guardians of New Zealand Superannuation.

CEO Adrian Orr said climate change was a material investment issue with risks for long-horizon investors. “In coming years the global energy system will transition away from fossil fuels. Some assets we invest in today may become uneconomic, made obsolete or face a dwindling market.”

“Climate change, and the coming transition to a low-carbon energy system, also present investment opportunities for long-term investors that we intend to capture”. Mr Orr said the strategy represented a significant and fundamental shift for the NZ Super Fund.

The New Zealand Super Fund has set an example for banks and other investment fund managers. The effect of this remit will be to reinforce to major banks the strategic importance and benefits of a shift of investments away from fossil fuel industries and towards long-term investments in low- or zero-carbon energy systems.

The banks that Council deals with have a range of appetites in terms of dealing with climate change issues, with them all formally acknowledging the issues of climate change.

The four Australian banks that Council deals with all have exposures in the billions of dollars to the coal mining sector. They all have some statement on environmental/climate/sustainability on their websites and in their financial statements. They all support the position on climate change and the need to reduce greenhouse gases.

Westpac is a leader having been recognised as the world’s most sustainable bank in 2016 for the ninth time and has a focus on energy efficient lending, and is the only bank to publish its exposures to both the fossil fuel and clean tech/environmental service sectors.

Kiwibank has little or no exposure to direct lending to fossil fuel industries as its focus is primarily on residential lending. They provide sustainable energy loans and their guiding principles espouse an ethical approach to their products and services.

The LGFA, while having not having a formal policy on climate change, is presently considering one as part of its work programme. They have no investments in fossil fuel industries.

## 6. Any existing relevant legislation, policy or practice

The current Government announced shortly after it took office in November 2017 that it will introduce a Zero Carbon Bill with the objective of NZ becoming a net zero-emissions economy by 2050. It will also establish an independent Climate Commission to set five-yearly carbon budgets and a Green Investment Fund to direct investment towards low-emission industries.

This remit could make an important contribution to assisting the Government to meet the objective of a net zero-emissions economy by 2050, by encouraging banks to divest from

investments in fossil fuel industries and instead direct investment to low- or zero-carbon energy systems.

**7. Outcome of any prior discussion at a Zone/Sector meeting**

The proposal for this Remit was discussed at the first Greater Wellington Region Climate Change Working Group meeting on Friday 16 March 2018, which included representatives of all 9 councils within the Greater Wellington Region. There was strong support for the remit from the councils. The next Zone 4 Meeting is not until after the deadline for submission of remits for the 2018 AGM of LGNZ, so it was agreed that Greater Wellington Regional Council will send the proposed remit to all councils within Zone 4 seeking their support. (Note: this paragraph will be updated once replies have been received from all councils and before the date for submission of 21 May 2018)

**8. Evidence of support from Zone/Sector meeting or five councils**

Can be found in folder in I drive.

**9. Suggested course of action envisaged**

The following action is envisaged, if this remit is passed:

- e. The President of LGNZ will write to the NZ Local Government Funding Agency, and all major banks in NZ which manage investment funds on behalf of local authorities, to advocate that they transition away from investments in fossil fuel industries and consider opportunities for long term investments in low- or zero-carbon energy systems.



## 5

## Climate Change Adaptation Fund

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<b>Remit:</b>	Following on from the findings and recommendations of the Climate Change Adaptation Technical Working Group, that LGNZ calls on central government to establish a Climate Change Adaptation Fund to improve local level and community participation in responding to climate change.
<b>Proposed by:</b>	Christchurch City Council
<b>Supported by:</b>	Metro Sector
	Hutt City Council
	Selwyn District Council

**Background information and research****1. Nature of the issue**

The impacts of climate change will be experienced New Zealand-wide with increased frequency and intensity of extreme events such as flooding, droughts, and increased coastal inundation. Over the past year this has been felt particularly keenly by local government in coastal areas. Adaptation to climate change is a necessary and ongoing process for decisions relating to infrastructure, urban development, biodiversity and land and water management.

The cost and affordability of adaptation for communities, businesses and councils is a significant issue. Some of the rationale for establishing an Adaptation Fund are as follows:

1. Responding to climate change is a significant and nation-wide issue

Climate change will touch all communities and impact on all councils throughout New Zealand. It will impact on many council roles, services and infrastructure. For some communities and councils these impacts will be significant.

2. Disproportional impacts and costs

The impacts and costs of adapting to climate change will not be felt evenly across the country. Often the most vulnerable communities are hardest hit. Many councils will have limited ability to adequately anticipate and respond to changes brought on by climate change, further raising inequalities. For some councils the costs will be beyond their means.

3. Cost is a barrier to proactive responses

For many communities and councils the cost of proactively responding to climate change is a significant barrier. While it is often more cost-effective to adopt proactive solutions, the up-front costs mean that only reactive, higher cost responses are taken. New Zealand will miss opportunities to save costs and be more exposed to higher cost recovery pathways.

In their Stocktake Report (2017), the Climate Change Adaptation Technical Working Group identified the cost and/or funding of adaptation is a key barrier for councils, and communities, in being able to implement adaptation measures in their areas.

4. Cost can be a barrier to fulfilling legal responsibilities

Councils have specific roles and legal responsibilities under the Resource Management Act 1991 and the Local Government Act 2002 to consider the impacts of climate change and the needs of future generations that may not adequately be fulfilled, or fulfilled in a timely manner, because of cost. Up-front costs can be barrier to long-term decision making and costs on future generations are heavily discounted, meaning future costs are poorly recognised and rarely managed. The impact is that we have an “adaptation deficit” where future generations will disproportionately carry the cost of the impacts of climate change.

5. Complementary to other approaches

A Climate Change Adaptation Fund is complementary to other actions and proposals of Local Government New Zealand and the Government, described below in the New or Confirming Existing Policy section. The Fund would help unlock opportunities to collaborate and share learnings across communities and could leverage other private and public investments in adaptation research and the practical implementation of solutions.

Funding can provide an incentive for communities to adapt and ensure that costs of adaptation are equitable. It will also enable more effective conversations to be had with communities around adaptation as funding is a significant barrier in willingness to adapt.

## 2. **New or confirming existing policy**

A useful precedent for this is the International Adaptation Fund, which helps developing nations better understand and proactively respond to climate risks. This fund provides a way for relatively well-resourced countries and organisations to support those most at risk. In a similar way a New Zealand Climate Change Adaptation Fund could also leverage support from private and public organisations to help our most vulnerable communities.

A useful example is the Civil Defence and Emergency Management Resilience Fund, which was established by the Government in 2011. This well-subscribed fund supports worthwhile education, capacity building and monitoring projects across the spectrum of natural hazards, but mostly, earthquake, flood, tsunami related projects. However, climate change adaptation is currently poorly resourced through this fund as the fund itself has a limited scope and very limited resources, especially considering that New Zealand’s economy is one of the most

vulnerable economies in the world to natural hazards. Consequently, current funds are insufficient and limited in focus to support critical and large scale adaptation projects needed to adequately prepare New Zealand for climate change. A contestable New Zealand Climate Change Adaptation Fund would be an important way to address these barriers and vulnerabilities.

### **3. How the issue relates to objectives in the current Work Programme**

This remit supports and confirms LGNZ's specific policy priority on seeking clarification from central government on funding for climate change adaptation.

More generally, climate change is a key area of work for LGNZ. For example, LGNZ's Policy Statement (2017) and its Climate Change Plan on a Page stated 'All local authorities (city, regional, district and unitary councils) are at the front line of climate change adaptation'. In addition, LGNZ has catalogued the pervasive impacts of climate change for local government roles and responsibilities, with a key focus on adaptation.

Supporting the development of a Climate Change Adaptation Fund will encourage dialogue on funding options, which LGNZ seeks through its Environmental policy priority. This would help to support the critical need for proactive collaboration between central and local government, and between city, district and regional councils.

The remit also supports the LGNZ Climate Change Project which promotes a collaborative approach to address the risks, challenges and opportunities of climate change. This includes local government requiring central government to establish adaptation funding for councils to access.

### **4. What work or action on the issue has been done on it, and the outcome**

As noted above, the Government's Climate Change Adaptation Technical Working Group has recently completed its Stocktake Report, focusing on how New Zealand can build resilience to rising sea levels, a warmer climate, extreme weather and other impacts of climate change. We understand a second report is underway, which will consider how New Zealand can effectively adapt to the impacts of climate change, in which recommendations will be made to central government. The report was expected to be completed in March 2018 but at the time of writing, had not yet been released publicly.

A research paper has also recently been completed on The Case for new Climate Change Adaptation Funding Instruments, which outlines some guiding principles and design issues in establishing an adaptation fund. The paper has key linkages with the work carried out by the Technical Working Group, and identified further areas for investigation in subsequent research.

In July 2017, the former Parliamentary Commissioner for the Environment, Dr Jan Wright, released the report *Stepping stones to Paris and beyond: Climate change, progress and predictability*. Amongst its many recommendations, the report calls for the government to focus on adapting to climate change, noting its inevitability. It states that 'New Zealanders have an expectation that central government will provide financial assistance for those affected by

natural disasters’ and notes ‘it is not too soon to consider the economic and fiscal risks of sea level rise, and to include the forward liability into planning and investment decisions.’ Dr Wright’s report was well-received, however at the time the Government opted not to action its recommendations.

At a regional level, councils are considering adaptation funding as part of their own individual climate change policies. For example:

- f. Hawke’s Bay Regional Council has completed initial work on developing a contributory fund for adaptation actions in the Clifton to Tangoio Coastal Hazard Strategy 2120.
- g. Christchurch City Council is in the early stages of engaging with the Southshore and South New Brighton communities around responding to the effects of climate change. Funding of adaptation actions will be a critical component of the project.

Although work is happening at a regional level, central government leadership and action is required.

**5. Any existing relevant legislation, policy or practice**

As noted above, local councils are primarily acting alone with respect to climate change adaptation funding, with some guidance from LGNZ’s policy work in this space. Central government action may stem from the Technical Advisory Group’s second report, which is expected to be publicly released soon.

**6. Outcome of any prior discussion at a Zone/Sector meeting**

Supported

Moved/Seconded: A.Turner/R. Wallace

**7. Evidence of support from Zone/Sector meeting or five councils**

Can be found in folder in I drive.

## 6

## Local Alcohol Policies

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<b>Remit:</b>	That LGNZ seeks the Government's agreement to: <ul style="list-style-type: none"> <li>• amend the Sale and Supply of Alcohol Act 2012 so that Local Alcohol Policies can more accurately reflect local community views and preferences.</li> <li>• review policy levers it can apply to reduce alcohol-related harm that will complement LAP provisions established by TLAs and include consideration of mechanisms for addressing the density and location of off-licensed premises.</li> </ul>
<b>Proposed by:</b>	Christchurch City Council and Napier City Council
<b>Supported by:</b>	Metro Sector Hutt City Council

**Background information and research****1. Nature of the issue**

Strong community concern about the effects of the increasing number of alcohol sale outlets in many communities resulted in changes to the Sale and Supply of Alcohol Act in 2012 which devolved responsibility for alcohol policy-making from a central body to local government. The 2012 legislation enables each territorial authority to develop a Local Alcohol Policy (LAP) in order to control where and when alcohol can be sold. As designed, LAPs can:

- restrict the granting of new licences in a community (or across the district);
- restrict the location of new premises with respect to proximity to other premises or sensitive sites;
- set maximum trading hours of alcohol sales from outlets e.g. pubs, night clubs, restaurants, sports clubs, supermarkets and bottle stores;
- identify conditions able to be placed on licences to minimise alcohol-related harm.

However, a LAP is only one of 11 criteria that a District Licensing Committee must have regard to in its decision-making and currently the provisions do not apply to existing licenses (apart from provisions reducing the maximum trading hours). Whilst a District Licensing Committee could impose conditions on a new licence to reflect the provisions of LAP, the LAP provisions do not automatically apply.

The biggest difficulty is the wide ground on which a LAP can be appealed and the costs councils face in defending appeals and subsequent legal avenues available to appellants. The promises of increased community input through the adoption of a LAP is largely to be realised.

The “reasonableness” test able to be applied to LAP provisions via an appeal, largely renders local preferences ultra vires. Community preferences need to be based on robust foundation evidence, which can be difficult to obtain. There is also no ability to include a “sinking lid” provision as there is with regard to Class 4 Gaming policies.

While the ability to establish a local alcohol licensing framework has been devolved to councils, it has not been accompanied by the required authority and resources. As a result, the majority of LAPs so far developed have been appealed by alcohol industry groups and, in most cases, have resulted in adopted LAPs which closely align with national legislation.

As Alcohol Healthwatch states, ‘the devolution of policy-making to local governments with limited financial and personnel resources to fight appeals appears to have been, in the most part, an impossible ask’. The lack of provisions within many of the adopted LAPs (and the requirement for District Licensing Committees to only have regard to an LAP in decision-making) creates a significant burden on communities to be involved in individual licensing decisions.

No council would advocate for a LAP process that is not fair, appropriate and robust, but the current ability for appellants to endlessly challenge a community’s preferences regarding the sale of alcohol is untenable.

## 2. Background to its being raised

From 2012 to 2017, the Christchurch City Council followed the current provisions of the Sale and Supply of Alcohol Act 2012 to introduce a LAP in Christchurch. Once a provisional LAP was adopted and notified, 19 appeals were filed. There were also eight interested parties. At considerable expense, the Council entered into a mediation process with all 19 appellants and eventually resolved 17 of the 19 appeals. Following conclusion of the mediation process, one appellant filed judicial review proceedings against the Council in relation to the failure to take into account an implied planning consideration. Ultimately the judicial review proceedings were successful. Following those proceedings, with the effluxion of time and no end date in sight, the Council decided to abandon its LAP process.

Overall, the Council’s costs were in the order of \$1.1 million. The majority of costs were incurred during the mediation process, judicial review proceedings and during the preparation for the appeals.

Suggested actions are as follows:

1. Review the Sale and Supply of Alcohol Act to ensure community views are able to be reflected in a LAP
  - repeal or review section 81 of the Sale and Supply of Alcohol Act 2012; and/ or
  - add a new subclause to section 4 of the Sale and Supply of Alcohol Act 2012 (the Object of the Act) “the views and preferences of communities regarding local alcohol licensing matters are appropriately responded to”.
2. Request the Government explore policy levers to address alcohol-related harm that are available to it but that aren’t able to be included in a LAP. These include:
  - review of the minimum age for purchasing alcohol
  - consideration of minimum pricing
  - consideration of changes to the taxing of alcohol

- consideration of providing funding to local authorities to offset the cost of LAP development

### **3. How the issue relates to objectives in the current Work Programme**

This issue relates to LGNZ's Social Issues portfolio, which is:

*Working alongside central government and iwi to address social issues in our communities including an ageing population, disparity between social groups, housing (supply and quality) and community safety.*

It can be said that good alcohol policy plays a strong role in preserving and improving community safety.

The issues with establishing LAPs have been identified by other councils, which we understand are also planning on submitting draft remits to the LGNZ Annual General Meeting on this issue.

### **4. Any existing relevant legislation, policy or practice**

The Sale and Supply of Alcohol Act 2012 provides for councils to develop a LAP if they wish. The Act details the matters able to be addressed through a LAP, which are limited to maximum opening hours and location of licensed premises as well as providing for the requirement of one-way-door provisions for on-license premises and special conditions to apply.

The Sale and Supply of Alcohol (Renewal of Licences) Amendment Bill (No 2) is currently before the House. This Bill addresses an anomaly in the current Act that effectively provides existing use rights for licences in place before a LAP is adopted and makes the introduction of amended trading hours through a LAP problematic. The Alcohol Regulatory and Licensing Authority (ARLA) has overturned the introduction of amended trading hours via LAPs on the basis they can't be applied to all licenses on an equal basis - due to existing licenses not being covered until renewal is required.

The Bill will address the practical issue of introducing new maximum trading hours but does not address the lack of weight able to be given to community preferences in an LAP or the seemingly low bar for reasonableness being applied by ARLA when considering appeals.

### **5. What work or action on the issue has been done on it, and the outcome**

As noted above, the Sale and Supply of Alcohol (Renewal of Licences) Amendment Bill (No. 2) is currently before the House. However, from the Christchurch City Council's point of view, the Bill doesn't adequately address the lack of weight that can be given to community preferences in an LAP or the definition of 'reasonableness' of appeals.

### **6. Outcome of any prior discussion at a Zone/Sector meeting**

Supported – suggested wording amended to ensure any changes to the Act deal with the proliferation of off-licenses as the LAP is not working. This amendment has been made.

Moved/Seconded: A.Turner/R.Wallace

## 7

## Biofuels

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<b>Remit:</b>	That LGNZ encourages the Government to investigate options to support the use of biodiesel such as financial incentives; tax offsets; subsidies to bio-diesel manufacturers; and/or subsidies to renewable fuel manufacturers; and/or subsidies at the pump, in order to support the valuable New Zealand industries developing alternative and low carbon fuels.
<b>Proposed by:</b>	Christchurch City Council
<b>Supported by:</b>	Metro Sector Hutt City Council Selwyn District Council

## Background information and research

### 1. Nature of the issue

With the decrease of global oil prices, and All-of-Government contracts negotiated on behalf of councils for the supply of diesel, the price councils now pay for diesel is substantially lower than the price of alternative fuels, such as biodiesel. While the lower cost of diesel is beneficial to councils and other consumers in the short- to medium-term, it is at the expense of the development of alternative fuels and associated technologies, and is acting against councils' activities in other areas to reduce emissions.

### 2. Background to its being raised

In November 2017, Christchurch City Council's Infrastructure, Transport and Environment Committee received a deputation from a biofuel supplier in New Zealand, which raised concerns about the impact of lower diesel prices on the alternative fuels industry. Following the deputation, the Committee requested that the Council write to the Minister for Greater Christchurch Regeneration, Hon Dr Megan Woods, to raise the issue. The letter invited the Government to consider potential solutions to support the use of bio-diesel and alternative fuels through mechanisms such as tax offsets, financial incentives for using bio-diesel, a subsidy to bio-diesel manufacturers, and or subsidies at the pump.

At the time of writing, the Christchurch City Council had not received a response from the Minister. Further interest from LGNZ in this area may stimulate further discussion or action in this area.



**3. How the issue relates to objectives in the current Work Programme**

This issue is very connected with LGNZ's Climate Change Project, as increasing the amount of alternative fuels used will meaningfully contribute to the reduction of emissions. The proposed remit is also aligned with the 2017 Local Government Leaders' Climate Change Declaration, where signatories committed to 'encourage Government to be more ambitious with climate change mitigation measures.'

**4. What work or action on the issue has been done on it, and the outcome**

The most recent work carried out by central government organisations relating to biofuels relates to information provision. The Energy Efficiency and Conservation Authority has a repository of information on its websites relating to biofuel and bioenergy, providing information for drivers, businesses, researchers and biofuel producers on its website. In addition, the Ministry of Business, Innovation and Employment publishes standards for biofuel quality requirements on its website.

**5. Any existing relevant legislation, policy or practice**

There is no existing relevant legislation, policy or practice on this matter, likely driven by the perceived lack of need and therefore the diminished commercial viability of biofuels at this stage.

Previously, the Biodiesel Grants Scheme ran from 1 July 2009 to 30 June 2012. The Scheme aimed to kick start the biodiesel production industry in New Zealand. With the decreased cost of diesel, the commercial viability of biofuels was diminished, and the fund was discontinued.

**6. Outcome of any prior discussion at a Zone/Sector meeting**

Remit supported as package that dealt with Climate Change

Moved/Seconded: A.Turner/G.Brownless

## 8

## Walking the talk – single use plastics

**Remit:**

- That LGNZ asks central government to urgently develop and implement a plan to eliminate the use of single-use plastic bags and plastic straws.
- That LGNZ encourage member councils take steps to phase out the use of single-use plastic bags and straws at council facilities and events.

**Proposed by:** Christchurch City Council

**Supported by:** Metro Sector

**Background information and research****1. Nature of the issue**

The environmental impact of single-use plastics has been well-traversed. Many studies and media reports have documented the risk to birds and sea-life and the proliferation of plastic-derived toxins and micro-particles in the seas, lakes and rivers from plastic bags that have been improperly disposed of.

It is estimated that New Zealanders use 1.6 billion single-use plastic bags each year, with each bag used for an average of 12 minutes before being disposed of. Plastic straws are similarly ephemeral, with an estimated 541 million straws thrown away by New Zealanders each year.

The extent of the issues posed by single-use plastic bags and plastic straws is such that a multi-pronged approach is required from central government, local councils, and citizens and should focus on limiting the use of single-use plastics and promoting responsible recycling.

**2. How the issue relates to objectives in the current Work Programme**

This issue relates to LGNZ's third policy priority, Environment:

*Leading, in collaboration with others, the challenge of enhancing environmental qualities, protecting freshwater resources and biodiversity and addressing the impacts of climate change and other threats.*

As noted above, single-use plastics present real risks to New Zealand's water quality, biodiversity, and water-based fauna in particular. Reducing the use of single-use plastics, even

in a non-regulatory sense, will go a long way to reduce the volume of plastic waste that ends up in our waterways.

### **3. What work or action on the issue has been done on it, and the outcome**

It is noted that a number of Mayors and Councillors from across the country were signatories to the aforementioned petition delivered to Parliament in February 2018.

Prior to this, in July 2017, LGNZ wrote to the previous Associate Minister for the Environment, Hon Scott Simpson, calling for the Government to introduce a levy on single use plastic bags. The letter was based on a remit to the 2015 LGNZ Annual General Meeting, which was supported by 89 percent of councils. This was intended to deter people from using single-use plastic bags, and was intended to, in time, reduce the number of bags that needed to be produced.

At the time, the then Associate Minister maintained his stance against a legislative approach, and instead undertook to establish a working group to explore options for reducing plastic bag consumption.

It is apparent that the plan to establish the working group was overtaken by the subsequent Foodstuffs and Progressive Enterprises announcements that they would be phasing out single-use plastic bags by the end of 2018.

At a local level, the Christchurch City Council received a staff report in 2016, further to a 1,500+ signature strong local petition that called on the Council to ban single-use plastic bags. The staff recommendations, later resolved by Council, encouraged the Council to champion non-regulatory initiatives, such as:

- a. Taking a leadership role by reducing where the Council itself uses plastic bags, such as in libraries and at Council-run events
- b. Expanding community education about alternatives
- c. Advocating to central government for a national response

Staff advice was that non-regulatory initiatives were preferable to a regulatory approach due to the limitations of the bylaw-making powers available to the Council and the practical difficulties of enforcing any bylaw banning single-use plastic bags. It was also determined that if regulatory reform was to occur, broader, nationwide action would be more appropriate as the issue is a matter of concern for the whole country.

### **4. Any existing relevant legislation, policy or practice**

#### Single-use plastic bags

The Associate Minister for the Environment, Eugenie Sage, has recently requested advice from officials on banning plastic bags, after a 65,000 signature-strong petition was delivered to Parliament in February 2018. The timeframe for when the Minister will consider this advice is

not yet known, nor are the options or next steps. It is suggested that LGNZ continues to push for central government action in this space, to maintain the momentum that has gathered to date.

New Zealand's two largest supermarket chains, Foodstuffs and Progressive Enterprises, are leading non-regulatory efforts to reduce the use of single-use plastic bags, announcing last year that they plan to phase out all single-use plastic bags in their respective New World and Countdown supermarkets by the end of 2018. Other large retailers, such as Bunnings, have adopted similar approaches by choosing to phase out plastic bags based on community interest.

In conjunction with the Packaging Forum, supermarkets are also continuing to promote a soft plastics recycling scheme, initiated in 2015 with support from the Government's Waste Minimisation Fund.

Following a Council decision in 2016, the Christchurch City Council has opted to take a non-regulatory approach to reducing the use of single-use plastic bags in Christchurch by:

- a. reducing the number of plastic bags it uses itself at Council-run events and at libraries;
- b. expanding its community education about waste minimisation;
- c. working proactively with retailers; and
- d. including more environmental considerations in its procurement policy.

#### Plastic straws

It's estimated that over 800 straws are given out weekly by some bars and restaurants, and Sustainable Coastlines has stated previously that straws, or parts of straws, are one of the top five items found during beach clean ups.

Non-regulatory approaches are underway to reduce the use of plastic straws. Examples include:

- a. Wellington City Council, which has been working with local communities and Sustainable Coastlines to raise awareness of the impact of plastic straws, with the aim of reducing usage overall.
- b. Mackenzie District Council, which has been driving a change of habit by encouraging local hospitality operators to provide straws only on-request.
- c. Industry-led initiatives, such as that led by Hospitality NZ, which is encouraging bars and restaurants to stop offering straws automatically with every drink; and switch to biodegradable paper or reusable straws where possible.

## **5. Outcome of any prior discussion at a Zone/Sector meeting**

Remit supported as package that dealt with Climate Change

Moved/Seconded: A.Turner/G.Brownless

## 9

## A mandatory register of cooling towers

**Remit:**

1. That LGNZ acknowledges the potentially fatal risks posed by legionella bacteria in industrial water cooling towers used for air conditioning and manufacturing;
2. That LGNZ asks central government to resume its work related to reducing the risks posed by legionella bacteria in industrial water cooling towers. This could include:
  - Amending the Building Act 2004 and/or the Building (Specified Systems, Change the Use, and Earthquake-prone Buildings) Regulations 2005 to collect information for a mandatory register of cooling towers and a mandatory testing and reporting regime.
  - Providing enforcement powers to councils to address the risks associated with cooling towers such as requiring regular testing, reporting and compliance with specified standards under Building Warrant of Fitness certification.
  - Requiring medical professionals to report cases of legionellosis (Legionnaires Disease) to local District Health Boards' Medical Officers of Health (as is required with Campylobacter outbreaks)..

**Proposed by:** Christchurch City Council

**Supported by:** Metro Sector  
Hutt City Council  
Selwyn District Council

**Background information and research****1. Nature of the issue**

Every few years Legionnaires' disease dominates headlines for a period as another "outbreak" occurs. In order to assist preventing such outbreaks we propose a mandatory nation-wide register of cooling towers to be updated annually, and overseen by the Ministry of Health via District Health Boards.

Regulatory action is required to help combat instances of legionellosis from water-based sources. Mandatory testing and reporting regimes will help building owners and authorities to ascertain the health of specific water cooling towers and will enable early intervention if

unacceptable levels of legionella bacteria are found to be present. A mandatory register of water cooling towers' locations will help healthcare professionals to isolate sources of legionellosis outbreaks, and will aid them to reach potentially affected individuals and communities in a timely manner.

## **2. Background to its being raised**

Legionella bacteria from the wet surfaces of water cooling towers, evaporative condensers (cooling plant) and scrubbers can cause a pneumonia called Legionnaires' disease, which is often severe and can be fatal. Although this is a nationwide issue, this issue is of particular concern to Christchurch City Council after in 2005, an outbreak of 19 cases of Legionnaires' disease (legionellosis) led to the deaths of three Christchurch citizens. The subsequent coronial investigation into their deaths in 2007 recommended better regulation of industrial, water-based cooling towers, with monthly testing and a mandatory register of cooling towers' locations to help pin-point sources of legionella bacteria more readily. The Ministry of Business, Innovation and Employment undertook to act on these recommendations at the time. However work to establish a testing regime and register seems to have been paused recently.

Outbreaks of legionellosis in New Zealand are sporadic but the disease's impact is often severe. Approximately 240 people contract legionellosis each year. This figure includes people who contract legionellosis from soil or potting mix, as well as those who contract the disease from water-based sources. One-third of patients with legionellosis become unwell enough to warrant admission to intensive care units<sup>1</sup>. The medical and social cost of the disease is consequently high.

Citizens are becoming increasingly aware of the risks posed by handling soil or potting mix after a number of well-publicised cases of legionellosis. However, the spread of the disease from water-based sources is more difficult to avoid or mitigate against, due to the comparatively 'invisible' nature. The spread of legionella from water-based sources is more insidious than cases caused by exposure to potting mix. This is because the source of the bacteria is not as readily identifiable by health professionals during a routine examination and patients can sometimes be misdiagnosed with other respiratory infections.

## **3. What work or action on the issue has been done on it, and the outcome**

As noted above, the Coroner made a number of recommendations to the Ministry of Health, District Health Boards and to the Government as part of their 2007 investigation into the deaths of three Christchurch residents from legionellosis:

*To the Ministry of Health and District Health Boards:*

- (i) *That the Legionellosis case definition for New Zealand be reviewed in light of the testing methods now available.*

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<sup>1</sup> <https://www.nzdoctor.co.nz/in-print/2014/november-2014/5-november-2014/legionnaires%E2%80%99-disease-likely-not-just-a-canterbury-phenomenon.aspx>

- (ii) *That appropriate samples where clinically indicated be collected for Legionella culture and PCR testing from suspected Legionellosis cases. Bronchial washing, bronchoalveolar washing lavage, pleural fluid, sputum, or lung tissue specimens are regarded as appropriate samples for Legionella culture and PCR testing. All these clinical samples where available should be forwarded to the Legionella Reference Laboratory for purposes of national surveillance of the disease.*
- (iii) *That if they have not already done so, District Health Boards consider including the urinary antigen test in the range of tests for Legionellosis.*

*To the Government through it appropriate Departments and Ministries: - that it gives consideration to legislation and/or regulatory amendments to achieve the following outcomes:*

- (i) *That the owners and/or operators of all cooling towers be required to register the towers with their Territorial Authorities.*
- (ii) *That Territorial Authorities create and maintain a single database of all cooling towers for heating and ventilating systems for both commercial and industrial processes.*
- (iii) *That all cooling towers, whether commercial or industrial, be brought within the Compliance Schedule/Building Warrant of Fitness regime administered by Territorial Authorities.*
- (iv) *That cooling towers be classified as a separate class of specified system for the Compliance Schedule/Building Warrant of Fitness regime.*
- (v) *That it be mandatory for all new and existing cooling towers to comply with AS/NZS 3666 or other comparable standard and that NZS 4303 no longer be optional for any towers, with pre 2004 towers that do not now comply being required to up-grade within a specified period.*
- (vi) *That testing for Legionella be undertaken at least monthly to AS/NZS 3896 and AS 4276.3.1 by an IANZ biologically accredited laboratory.*
- (vii) *That it be mandatory for the laboratories to notify Legionella test results greater than, or equal to, 100 cfu/ml within 48 hours to the local Medical Officer of Health, and the required control strategy from Table 3.1 of AS/NZS 3666.3 be implemented by the owner or operator.*
- (viii) *That Territorial Authorities and Medical Officers of Health be given powers to audit testing and test results and to ensure that appropriate corrective action is taken following results that do not meet the standard.<sup>2</sup>*

From our understanding, these recommendations have not been substantively addressed by central government in the 10 years since the Coroner's findings were released. In 2015, the Ministry of Business, Innovation and Employment stated that cooling towers were covered by Health and Safety guidelines and that it was up to councils to create their own registers<sup>3</sup>.

<sup>2</sup> FINDING OF CORONER T L SAVAGE IN THE MATTER of Inquests into the Death of ROSS ANDREW HERN, PETER RUSSELL JONES, VALMAI MARJORIE FINLAYSON (April 2008)

<sup>3</sup> <https://www.radionz.co.nz/news/national/290386/still-no-action-on-coroner's-legionnaires-call>

In 2015 Auckland Council introduced its own bylaw that requires all industrial cooling towers to be registered, tested and regularly maintained. One of the purposes of the [Property Maintenance and Nuisance Bylaw](#) is to:

*c) protect, promote and maintain public health and safety by requiring all industrial cooling tower water systems in Auckland to be registered with the council and regularly tested and where appropriate maintained to mitigate against the risk of exposure to Legionella bacteria often linked to outbreaks of Legionnaire's disease.*

Given the bylaw was introduced relatively recently, its efficacy is not yet widely known. It must be noted that for some councils, the cost and resource required to introduce a bylaw to address the risks of industrial cooling towers may be prohibitive. In addition, councils will need to ensure that any bylaws are consistent with and do not supercede the requirements of the relevant legislation (e.g. the Building Act 2004 or the Building (Specified Systems, Change the Use, and Earthquake-prone Buildings) Regulations 2005).

#### **4. Any existing relevant legislation, policy or practice**

The Building (Specified Systems, Change the Use, and Earthquake-prone Buildings) Regulations 2005 refer to mechanical ventilation and air conditioning systems in the definition of 'specified systems'. Under the Regulations, if a building has a 'specified system', the relevant Building Consent Authority will issue a Compliance Schedule that sets out the inspection, testing and maintenance requirements for the system. Building owners must maintain the systems in accordance with the Compliance Schedule, issuing a Building Warrant of Fitness to the Territorial Authority each year confirming that this has been done. The Regulations go some way in addressing the risks of ventilation and air conditioning systems harbouring bacteria, such as legionella, however industrial cooling towers are not included as a specified system and are therefore not subject to a compliance schedule. Industrial cooling towers are instead governed by Health and Safety at Work legislation, which is less prescriptive in its approach and does not require Compliance Schedules to be adhered to in the same way.

#### **5. Outcome of any prior discussion at a Zone or Sector meeting**

Remit supported as package that dealt with Climate Change

Moved/Seconded: A.Turner/G.Brownless



## 10

## Copper in brake pads

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<b>Remit:</b>	That LGNZ calls for central government to introduce legislation to limit or eliminate the copper content of vehicle brake pads to reduce contaminants in our urban waterways.
<b>Proposed by:</b>	Environment Canterbury
<b>Supported by:</b>	Regional Sector

## 1. Background information and research

### 1. Nature of the issue

Many urban centres have some level of waterway degradation as a result of urbanisation. Stormwater runoff is the major source of copper and other metals.

A necessary part of any water quality measurement strategy is to reduce or eliminate contaminants at the source. Some sources can be managed at a regional or local level with bylaws and district plans, however, the control mechanisms available to a local authority are not sufficient to tackle copper. The remit seeks central government action.

### 2. Background to its being raised

Research and modelling from various parts of New Zealand indicates that brake pads are the dominant source of copper in urban waterways. Many brake linings contain copper or bronze chips or powder to improve braking properties and provide mechanical strength. The debris worn from brake linings may be retained within the brake pad housing or released onto the road. Brake pad dust is frequently washed from wheels into the storm water network when a vehicle is cleaned.

Research shows that end-of-pipe stormwater treatment practices such as treatment basins, swales and filters are insufficient to achieve the outcomes sought. Therefore, councils across New Zealand see a need for national-scale mechanisms to take the most effective action to remove copper from stormwater.

### 3. New or confirming existing policy

In 2010, both Washington and California passed legislation-requiring brake pads sold or installed to have reduced levels of copper and other heavy metals. There is no such legislation in New Zealand.

#### **4. How the issue relates to objectives in the current Work Programme**

The issue fits under LGNZ's priority 3 – Environment: leading, in collaboration with others, the challenge of enhancing environmental qualities, protecting freshwater resources and biodiversity and addressing the impacts of climate change and other threats.

The issue fits within water 2050 Work stream 2: Water Quality.

#### **5. What work or action on the issue has been done on it, and the outcome**

The Christchurch City Council, Environment Canterbury and the Canterbury Water Management Strategy's Christchurch Melton Zone Committee are closely collaborating to improve water quality outcomes. These groups have worked together to investigate the issue and possible solutions. More detailed analysis is available should it be required.

Wet weather data that is available – from limited monitoring that has occurred during wet weather and from research by NIWA, Canterbury University and other centres – indicated that copper concentrations in storm water runoff are two to ten times in Canterbury land and water regional plan water quality standard. Research elsewhere suggests that is will be the case for most large urban centres.

Modelling software developed at the University of Canterbury was used in a study of urban catchment in Christchurch. It defined large carparks and highly trafficked roads as primary contributors of total suspended solids, and highly trafficked roads and industrial carparks as primary contributors of copper. Modelling also showed:

- Removal of copper contributors onto roads and carparks via implementation of copper-free brake pads is predicted to have significant reduction (78%) on catchment copper loads.

Copper free and low-copper brake pads are available for sale in New Zealand but there is no one source of information in New Zealand and there are varying prices and quality for all brake pads. Unlike in the US and Europe there is no requirement for labelling. As an importer of brake pads, New Zealand could easily achieve a 'quick win' for water quality by restricting imports to low copper or copper free brake pads with no significant implications for New Zealand industries. The United States Environment Protection Agency (in 2015) committed to reduce copper in brake pads to less than 0.5 percent by 2025.

**6. Evidence of support from Zone/Sector meeting or five councils**

Environment Canterbury proposed the remit at the 4 May Regional Sector meeting and sought support from members. The remit is:

LGNZ calls for central government to introduce legislation to limit or eliminate the copper content of vehicle brake pads.

The remit was supported unanimously by the members present.

**7. Suggested course of action envisaged**

That LGNZ work with central government to raise the issue and advocate for legislation change.

## 11

## Reducing the waste stream

<b>Remit:</b>	<p>That LGNZ asks central government to address the China National Sword issue (action 1) and implement the local government waste manifesto (actions 2 - 6), to reduce New Zealand's waste by:</p> <ol style="list-style-type: none"> <li>1. adopting a New Zealand-wide strategic approach to the collection, and processing of recyclable materials within New Zealand;</li> <li>2. reviewing the New Zealand Waste Strategy and align, where practicable, with the "Local Government Waste Management Manifesto" to set a clear programme for action;</li> <li>3. expanding the Waste Disposal Levy and progressively raise the levy rate in order to reduce total waste to landfills;</li> <li>4. officially adopting the National Waste Data Framework and oversee its implementation to enable better planning and monitoring;</li> <li>5. establishing a container deposit scheme in consultation with local government in order to lift recycling rates; and</li> <li>6. declaring tyres, e-waste, agricultural chemicals and plastics, as priority products under the Waste Minimisation Act 2008, to address problem waste streams.</li> </ol>
<b>Proposed by:</b>	Wellington City Council and Christchurch City Council
<b>Supported by:</b>	Zone Four

**Background information and research****1. Nature of the issue**

On 1 January 2018, a Chinese ban on foreign waste came into effect, meaning that all plastic, slag, unsorted waste paper and textile products that were once sent to China for processing needed to be sent somewhere else. The change in policy, made by the Chinese government for environmental reasons, has had a significant impact on global recycling processing companies, which have had to find alternative processing facilities (generally shifting operations to South East Asia). The issue being the low prices paid for the product

In the New Zealand context, it is estimated that seven of the 41 million kilograms of plastic waste exported from New Zealand to other countries in 2017 was sent to China (with the

balance being sent Hong Kong (13.5m kilogram), Indonesia, Thailand, Malaysia and Vietnam (19 million kilograms))[1].

At the time, the Ministry for the Environment provided a statement noting that options included finding alternative markets for these materials overseas, or improving on-shore processing. While committed to the idea of increasing processing of recyclable materials in New Zealand, the Associate Minister for the Environment, Hon Eugenie Sage, has so far declined the suggestion of using Ministry for the Environment funds to build a recycling processing facility in New Zealand, suggesting instead that funding other companies that are already doing this work would be preferable. However, processing recyclables is a low margin business built on the economies of scale, which cannot readily be achieved in New Zealand.

With a council-by-council approach to solid waste collection, processing and disposal, it is unlikely that the necessary economies of scale needed to profit from recyclables processing in New Zealand can be achieved. Central government direction is required to develop a New Zealand-wide approach to recyclables processing.

## **2. How the issue relates to objectives in the current Work Programme**

Waste minimisation, including through recycling and reduction in waste to landfill, is a key aspect of addressing the risks of climate change, which is a key area of work for LGNZ.

LGNZ Climate Change Project promotes a collaborative approach between local and central government to address the risks, challenges and opportunities of climate change. As noted above, local government is unlikely to achieve the required economies of scale to improve the volume of recyclables processed in New Zealand, given the council-by-council model of contracting services relating to recyclables. Therefore, a national approach is warranted.

## **3. What work or action on the issue has been done on it, and the outcome**

Some smaller scale recyclables processing plants are already operating in New Zealand, such as Flight Plastics in Lower Hutt, which processes PET plastic from plastic bottles, recycling it into punnets for fruit and other similar products. The \$12 million plant was opened in August 2017 with the aid of a \$4 million grant from the Government's Waste Minimisation Fund, which made it a more feasible proposal. Smaller operators have contested the economic realities of establishing similar infrastructure for other types of plastics.

WasteMINZ, New Zealand's largest representative body of the waste, resource recovery, and contaminated land sectors is working with councils and the Ministry for the Environment to understand the impact of the Chinese policy change; the availability of other markets for recyclables processing; and the potential for increasing recyclables processing in New Zealand. Christchurch City Council's Solid Waste Manager has been invited to a summit on the issue, held in May, which may inform the next steps and an approach to central government.

**4. Any existing relevant legislation, policy or practice**

Collecting solid waste is a core requirement for councils, set out in the Local Government Act 2002. However, how waste is collected; whether recyclables are separated; and how waste is processed is up to councils to decide.

**5. Outcome of any prior discussion at a Zone/Sector meeting**

Remit supported as package that dealt with Climate Change

The following documents may be requested from LGNZ for further background:

- Local Government Waste Manifesto (WasteMINZ)
- Rebooting Recycling – What Can Aotearoa Do? (WasteMINZ)

## 12

## Tyres stewardship

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<b>Remit:</b>	That LGNZ requests that the Government urgently implements a comprehensive and mandatory product stewardship programme for tyres.
<b>Proposed by:</b>	Palmerston North City Council
<b>Supported by:</b>	Metro Sector

**Background information and research****Proposal**

The proposal put forward is “that LGNZ requests that the Government urgently implements a comprehensive and mandatory product stewardship programme for tyres”.

**Background**

Under the Waste Minimisation Act 2008, the Minister for the Environment can declare a product to be a priority product. When this happens, a product stewardship scheme becomes mandatory and the priority product must be managed through accredited product stewardship schemes. No products have been designated as priority products by any Minister for the Environment, and thus far only voluntary product stewardship schemes exist in New Zealand.

There are three criteria which must be met for the Minister to declare a priority product:

- the product will or may cause significant environmental harm when it becomes waste, or
- there are significant benefits from reduction, reuse, recycling, recovery, or treatment of the product, and
- the product can be effectively managed under a product stewardship scheme.

In 2012 an industry-led Tyrewise initiative was developed to provide a framework for the development of a stewardship programme. In 2018 the Tyrewise model was broadly endorsed by the Local Government Waste Management Manifesto, developed by the Territorial Authority Forum, a local government group representing 64 city and district councils.

In 2014 the Ministry for the Environment consulted on *Priority waste streams for product stewardship intervention: A discussion document*. In the Foreword to this document, the then Minister for the Environment, Hon Amy Adams noted that:

[s]ince passing the WMA five years ago, the Government has encouraged voluntary product stewardship efforts as a first priority. Over this time, 11 voluntary product stewardship schemes have been accredited by the Minister for the Environment. Nearly 34,000 tonnes of waste per year is being diverted from landfill for recycling or safe destruction under these schemes. This is an excellent start,

but in quantity is equivalent to only 1.4 per cent of the total waste stream going to disposal facilities which pay the waste disposal levy. There is an opportunity to foster greater progress in waste minimisation and resource reuse through improved producer responsibility. In my view, the time has come to consider appropriate mandatory approaches for selected priority waste streams.”

The priority products proposed in the discussion document were:

1. electrical and electronic equipment
2. tyres
3. agricultural chemicals and farm plastics
4. refrigerants and other synthetic greenhouse gases.

Pages 19-22 of the Government’s 2014 discussion document, addressing the proposed tyre scheme, are attached to this report. Around 70% of submitters on the discussion document were in favour of tyres being a priority for the Government to consider regulatory interventions.

In 2015, the Waste Minimisation Fund was targeted at applications that would help solve the end-of-life tyre problem in New Zealand. Nine projects received \$18.7 million from the Waste Minimisation Fund, for a variety of projects aiming to collect, shred, and recycle tyres.

No further action was taken by the 2014-2017 National-led Government towards the declaration of tyres as a priority product under the Waste Minimisation Act.

The establishment of a tyre stewardship fund is included in the Coalition agreement between Labour and New Zealand First. In January 2018 Hon Eugenie Sage, the Associate Minister for the Environment, confirmed the new government’s intention to consider product stewardship schemes as part of a review of the implementation of the Waste Minimisation Act.

## Discussion

The Ministry for the Environment has shown that there is both the demonstrated need for measures to address the tyre problem, and also widespread industry support for a mandatory product stewardship scheme. The Tyrewise initiative makes a strong case for the viability of a mandatory scheme, and this approach is endorsed by local government experts.

Under the Waste Minimisation Act 2008, the Government is able to declare tyres as a priority product. This declaration would require the development of a mandatory product stewardship scheme. A mandatory stewardship scheme would provide a comprehensive approach to tyre waste, and be a significant development for New Zealand.

While the mechanism for a mandatory product stewardship scheme currently exists under the Waste Minimisation Act 2008, the Council notes that a review of the implementation of this Act has been signalled by the Government. The current remit proposal, therefore, simply requests that the Government urgently develops a comprehensive and mandatory product stewardship programme for tyres.

This remit proposal meets the LGNZ requirement of relevance to local government as a whole. It also meets the second LGNZ requirement as it addresses a major policy issue.



## 6.8 Community Funding Proposal June 2018

**Meeting:** Council Meeting  
**Date of meeting:** 28 June 2018  
**Reporting officer:** Sandra Boardman, General Manager - Community

### 1 Purpose

To decide Council's approach to Community Funding for implementation from July 2018

### 2 Recommendations

That Council;

1. adopts the new Funding Principles of Accessibility, Consistency, Diversity, Effectiveness, Efficiency, Equity, Flexibility, Inclusion and Transparency; and
2. adopts an enhanced status quo model for Community Funding to be reviewed after 18 months from 1 July 2018 in line with the Community Development Framework; including:
  - a. Improved single application form and process
  - b. Introduction of Impact Reporting template
  - c. Increased flexible eligibility criteria for operational expenses, facility improvements and capital purchases
  - d. Distribution of increases in funding arising from the 2018-2028 Long Term Plan across existing fund categories.

### 3 Background

The current Community Funding Model is outlined financially below. It has served sectors of the community well for several years. However, scope for further development has been identified in line with the positive growth projections for the District and our growing number of communities of people, place and interest:

Current Funding Model	Value	% of Budget
Annual Operating and Events Fund grants	\$ 1,412,910	90%
Performing Arts Fund	\$ 15,000	1%
Halls Fund	\$ 60,000	4%
R&R Fund	\$ 15,000	1%
Community Fund	\$ 75,000	5%
Totals	\$ 1,577,910	100%

A number of options have been presented for consideration in line with Council's intent to "support communities who seek to collectively impact positively upon issues, needs and aspirations identified as important by those communities". See attachment 1.

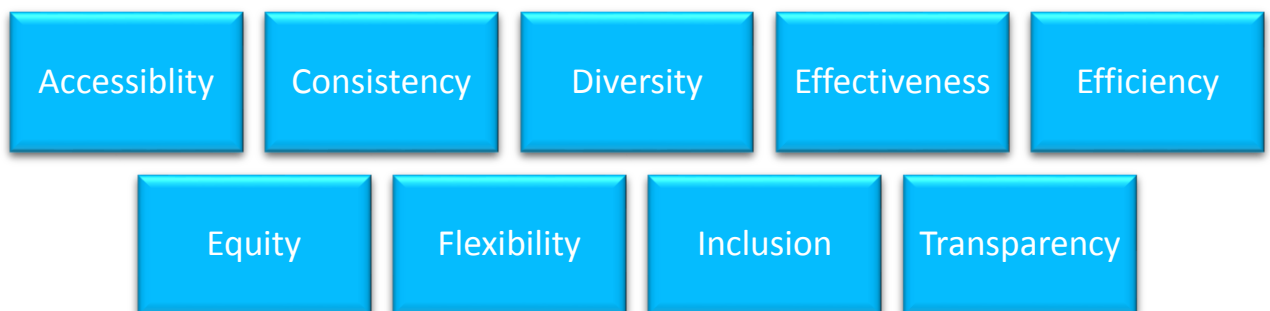
It was agreed that an enhanced approach would enable positive changes to be brought into effect in line with agreed principles that should underpin Council's approach. It was felt however that moving too swiftly to the full alternative model proposed may cause challenges in terms of both Council and Community readiness.

Thus, the following approach is recommended:

- No significant changes are made to the existing funding pools.
- The Annual Operating Fund (AOF) continues in its current form, but rather than a single meeting in March to decide funding levels for all recipients, two meetings are scheduled instead each year, one in August and one in June to better support the considerable administration involved in this fund and to better align with recipients planning cycles. A transition plan will be implemented to ensure an effective transfer to the new way of working to avoid compromising recipients desire for surety.
- New application and impact reporting forms are introduced to better assess the contribution made by applicants and the benefits they bring to the district.
- Eligibility criteria are made more flexible to enable consideration of modest operational expenses, facility improvements and capital purchases less than \$10k in value.
- The Funding Model will be reviewed at the 18 month point once the new elements have had time to become embedded. At this point other elements can be considered for development.
- The Funding Committee agree the distribution of any increases in funding, arising from the LTP process, amongst the established pools.

### 3.1 Funding Principles

The recommendation is based upon new principles which were identified as important to developing Community Funding and moving to a simplified, yet structured approach:



## 4 Discussion

Several options have been explored through reviews and workshops undertaken with elected members (Dec 2017 - Jun 2018), following adoption of the Community Development Framework (The Framework) in October 2017.

It was agreed that a more creative approach was needed, but within a structured and easily understood model. It was agreed that greater flexibility and agility would enhance Council's approach. Equally, population growth, increased demand on services and increasing

diversity in requests for support, meant that Council felt a more “hand up, than hand out” approach was desirable.

Several elements were considered to develop an effective way forward. See attachment 2.

#### 4.1 Financial/budget considerations

District growth will see an increased demand placed upon infrastructure and Council’s core services. It is therefore important that Council’s approach to Community funding is as supportive as possible to as diverse a community base as practical, whilst remaining robust, efficient and prudent in terms of investment.

If Community Development is implemented effectively, the return on the investment to Council can become significant through the enhanced community endeavour that occurs, the financial participation of partner agencies including government, NGO and private sector in funding terms, and through the intangible benefits of communities working together more.

#### 4.8 Policy and planning implications

Adoption of the Community Development Framework has led to a review of Council’s current policy and practice.

The current Grants, Concessions and Loans Policy has been reviewed and will be aligned with the recommendations once/ if adopted.

#### 4.9 Risks

The revised changes to the proposed approach will see relatively little change to the way in which Community groups approach Council for support.

Risk	Rationale	Mitigation
The 18-month review point may identify some groups whose continued funding may be reviewed and in some cases potentially reduced or cease. If this is the case some reputational risk may arise— reduction of funding for some groups may result in a negative reaction against Council.	<p>Impact Reporting will help to ascertain the effectiveness of Council funding support.</p> <p>Over-reliance on Council funding and historical decisions for support may be reconsidered.</p> <p>The reasons outweigh the risk in terms of the need to address growth in the district, increasing scarcity of resources and fragmentation of effort in certain areas.</p> <p>Establishing priorities for its Community Development investment should enable Council to create more equitable opportunity for communities’ district-wide.</p>	<p>Good relationship management and transparency in approach.</p> <p>Transition support for groups that may no longer be funded.</p> <p>Pragmatic communication and planning</p> <p>Capability support provided by Community Development Advisers</p>

Implementation of any new Community Development approach has a degree of risk as new processes are embedded.	The demographic shift that is already being experienced and the increase in population of the district will result in the emergence of new groups seeking assistance as well as established groups requesting greater levels of support. Similarly, community safety concerns are anticipated to increase for some communities particularly as volunteer levels are not anticipated to rise in parallel to their population growth.	<p>A broader, more open funding model will provide fair, transparent opportunities to access funding and more strategy-aligned decision making.</p> <p>The recommendation is the first step toward this.</p> <p>Council may need to consider alternative forms of engagement including a mix of a volunteer and paid workforce in certain areas.</p>
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## 5 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy. The public will be informed through a communication plan, Community Development Committee agenda publication as well as Council news and Social Media.

## 6 Attachments

1. Community Funding Proposal 31 May 2018
2. Revised Proposal for Community Funding Strategy (April - May 2018)

## Community Funding Proposal

**Meeting:** Council Meeting  
**Date of meeting:** 31 May 2018  
**Reporting officer:** Sandra Boardman, General Manager - Community

### 1 Purpose

To decide Council's approach to Community Funding for implementation from July 2018

### 2 Recommendation/s

That Council adopts the new Funding Principles of Accessibility, Consistency, Diversity, Effectiveness, Efficiency, Equity, Flexibility, Inclusion and Transparency.

AND

That Council adopts one of the following Options for Community Funding for development from 1 July 2018 in line with the Community Development Framework:

- a. Option 1: Status Quo
- b. Option 2: Enhanced Status Quo
- c. Option 3: Alternative Model

### 3 Background

The current Community Funding Model is outlined financially below. It has served sectors of the community well for several years. However, scope for further development has been identified in line with the positive growth projections for the District and our growing number of communities of people, place and interest:

Current Funding Model	Value	% of Budget
Annual Operating and Events Fund grants	\$ 1,412,910	90%
Performing Arts Fund	\$ 15,000	1%
Halls Fund	\$ 60,000	4%
R&R Fund	\$ 15,000	1%
Community Fund	\$ 75,000	5%
Totals	\$ 1,577,910	100%

Three Options are presented for consideration and are in line with Council's intent to *"support communities who seek to collectively impact positively upon issues, needs and aspirations identified as important by those communities"*.

**Option 1 – Status Quo.** All existing funds are retained alongside current policy, practice and guidance. Any increases in funding levels arising from the Long Term Plan process will be apportioned across these funds as determined by the Community Funding Committee.

**Option 2 – Enhanced Status Quo.** The current Annual Operating Fund (AOF) continues, but meetings are held bi-monthly to better align with the recipients planning cycles.

The remaining funds continue to be considered individually (i.e. Performing Arts Fund, Halls Fund etc.), but this takes place at the same bi-monthly meetings to support recipient planning cycles and to smooth the annual administrative workload.

New application and impact reporting forms are introduced and the eligibility criteria are made more flexible to enable consideration of modest operational expenses, facility improvements and capital purchases less than \$10k in value.

This option enhances our Community Funding by enabling more groups across the district to gain the opportunity to be considered for funding. It allows Council to transition to a new way of working at a manageable pace that is in line with the Framework's objectives. This Option could be reviewed at the 18 month point once the new elements have been embedded and additional elements added. A move toward Option 3 could be considered at that point.

**Option 3 – Alternative Funding Model introduced.** Funding becomes contestable and open to a wider diversity of community groups except for a Special Grants category for District Amenities (Specifically Whangarei Arts Museum, Creative Northland, Kiwi North and Quarry Gardens Trust).

All other funding pools combine to form a single contestable fund (approximately \$800k). This is assessed and decided at the bi-monthly committee meetings with an indicative budget pre-allocated across the 6 meetings (approximately \$133k each month) split across four newly established Funding Priorities. Any unallocated funds are rolled over from one meeting to the next and are distributed by year end in line with new Funding Priorities.

All the Options are outlined in attachment 1 and are underpinned by new Funding Principles.

### 3.1 Funding Principles

The Options proposed are based upon the following new principles which are identified as important in moving to simplified, yet structured approach:



## 4 Discussion

The three Options outlined in attachment 1 are the result of several reviews and workshops undertaken with elected members (Dec 2017 - April 2018), following adoption of the Community Development Framework (The Framework) in October 2017 and contained within the draft report for presentation to Council – Community Funding Proposal April 2018. See attachment 2.

It was agreed that a more creative approach was needed, but within a structured and easily understood model. It was agreed that greater flexibility and agility would enhance Council's approach. Equally, population growth, increased demand on services and increasing diversity in requests for support, meant that Council felt a more "hand up, than hand out" approach was desirable. See Review of Grant Workshop - Workshop Notes attachment 3.

It was felt that where recipient groups do not make a demonstrable difference within the community or are unable to show their value and impact, mechanisms should exist for them to cease to receive Council funded support. They may retain access to in-kind services, advice or capability building support, but may have to seek alternative sources of funds.

These discussions also raised the importance of moving forward at an appropriate pace in line with the “readiness” of both community groups and Council. As such Option 1 represents no change to current policy or practice, Options 2 some enhancements and a move to bi-monthly meetings, and Option 3 contains all the following elements:

- **Bi-Monthly funding rounds** – Move from specific regimented funding rounds to 6 bi-monthly committee meetings per year. Applicants can apply any time, for a wide range of projects, and the committee is more involved throughout the year.
- **Simplified criteria** – Less emphasis on projects or expenses that will or won’t be funded. Instead, criteria will be simplified to enable Councillors to consider support for a greater variety of projects, assessed on merit rather than current policy constraints.
- **Single application form and report form** – In line with a single pool of funds, single application and reporting forms will make it easier for applicants to apply and for administrators to administer funds; acknowledging many applicants are time poor volunteers. It will also enable insights into volunteering levels across the district
- **Impact reporting** – a strengthened grant report form will provide a greater emphasis on data and reporting the impact of the funding received by groups.
- **Discretionary Grants**– This provides the opportunity for Council to provide small quick response grants or take advantage of partnerships or other opportunities as they arise. It is proposed that these are given in exceptional circumstances by the Funding Committee with staff delegated decision-making and reporting.
- **Concessions** – No change, applications for concessions considered on a case by case basis; including rent, parking and resource consent concessions.
- **Community Loans** – No change, but greater promotion and increased ease of access to optimise loans as a means of providing support in some situations.
- **Creative Communities Scheme** – No change. While administered by Council, this scheme is funded by Creative New Zealand; decisions are made by a community assessment committee. This will continue, sitting alongside the preferred option selected. It is not included in the budgeted figures and percentages proposed.
- **Revisions to Policy and Guidelines** (Grants, Concessions and Loans Policy and a revised Community Funding Guide) will align with the preferred Option selected.

#### 4.1 Key Points of Difference with Option 3: Alternative Model

Within this option four over-arching “Funding Priorities” are proposed and their associated “Funding Objectives” are encapsulated as follows:

Funding Priorities	Funding Objectives
Arts & Culture	Provide support that facilitates education and enjoyment of The Arts and Culture for the people in our district
Heritage & Environment	Provide support that preserves and promotes the Heritage of our region and that protects and enhances the Environment in which we live
Recreation & Sport	Provide support that enables participation and engagement in Recreation and Sport for people in our district of all abilities, ages and life stages
Community Connectedness & Well-being	Provide support that strengthens community cohesion and connectedness in ways that cultivate healthy, happy and positive relationships across our district



\* Note: It is proposed that four key amenities currently supported from the Annual Operating Fund be managed separately from the new community funding pool. Specifically, **Kiwi North, Creative Northland, Whangarei Quarry Gardens Trust and Whangarei Art Museum**. This option proposes that these four organisations retain their Annual Operating Funds under a Special Operating Grants criteria as they represent significant District Amenities. Currently these groups receive in the region of \$1m annually from the \$1.58m overall community funding pool (63% annually), which excludes concessions and loans. See table and chart below:

<b>Current Funds with special operating grants separated out</b>	<b>Value</b>	<b>% of Total Budget</b>
<b>Special Operating Grants</b>	<b>\$ 1,001,225</b>	<b>63%</b>
Other existing Annual Operating and Events grants	\$ 411,685	26%
Performing Arts Fund	\$ 15,000	1%
Community Halls Fund	\$ 60,000	4%
Resident and Ratepayer Fund	\$ 15,000	1%
Community Fund	\$ 75,000	5%
<b>Totals</b>	<b>\$ 1,577,910</b>	<b>100%</b>

It is proposed that the significant amounts invested in these four District Amenities requires Council to work more closely with these organisations through the performance reporting mechanisms in place to encourage greater diversification of income and their sustainability.

#### 4.2 Option 3: Alternative Model - Percentage Allocations

Option 3 proposes that funds are distributed based on a percentage allocation to each of the Funding Priorities that Councillors have determined are appropriate.

Based on historic data and the nature of funding in past years the following percentages are proposed for discussion, variation and adoption by Council.

The figures in the table below represent the mid-point between amounts allocated annually with and without the four key amenities included. They are a starting point for discussion:

<b>Funding Priorities – percentage options</b>	<b>Arts and Culture<sup>^</sup></b>	<b>Heritage and Environment</b>	<b>Recreation and Sport *</b>	<b>Community Well-being</b>
Example 1 - Current Funds including all AOF grants	45%	35%	5%	15%
Example 2 - Current Funds excl. WAM, CN, KN, WQGT	27%	20%	13%	40%
<b>Proposed midpoints of the above</b>	<b>35%</b>	<b>27%</b>	<b>10%</b>	<b>28%</b>

\* Excludes Parks financial support for Sport Northland, Aquatic Centre and sports fields/facilities.

<sup>^</sup> Excludes Creative Communities Scheme funded by Creative New Zealand.

The implication of reducing current percentage allocations could mean some organisations see a reduction in funding, others an increase and some no longer receive funds at all, whilst providing a greater level of surety for the four District Amenities.

The percentage allocations and any performance criteria for special grant recipients will be reviewed annually with Councillors and adjustments made in line with progress achieved and to meet the evolving vision of a 'Vibrant, attractive and thriving District' and the associated 'Community Outcomes' Council seeks to achieve.



#### **4.5 Discretionary Funding**

Options 2 and 3 contain a Discretionary Funding component that enables modest grants to be actioned that provide agility and quick response solutions or address specific funding gaps when required. They may be used to support a proven initiative or provide an opportunity for collective action with other funding partners.

Discretionary Grants will support activities that meet the overarching vision of creating a vibrant, attractive and thriving district, and contribute to community connectedness. For example, an opportunity may arise to support momentum in a particular community that seeks to foster greater neighbourly connection in a similar way to the “Block Connector” concept practised overseas. Equally, it could be used to support a collaborative endeavour with other Councils or partners around social enterprise development or capacity building for community groups.

It is proposed that these grants are endorsed by the Community Funding Committee and approved by Council staff under the delegated authority of Council with Staff reporting back to the Committee.

This fund would enable support to occur with agility not possible under the current system.

#### **4.6 Community Development Impact - What does success look like?**

We currently provide approximately \$1.58m through the 5 funding pools of Annual Operating Fund (\$1.4m), Performing Arts Fund (\$15k), Community Fund (\$75k), Community Halls fund (\$60k) and Resident & Ratepayers fund (\$15k) allocated once annually and at specific times in the year plus concessions of \$456k and loans of between \$500k-\$600K.

All 3 Options will see a comparable \$1.8m available (subject to LTP budget confirmation) for distribution throughout the year (approximately \$133k at each bi-monthly meeting in Options 2 and 3) plus the same concession sums.

LTP allocations to ‘Community-Led Projects’; formerly “Village Planning” and, in time, the ‘Rural Facilities Development Fund’, operate outside of the Community Funding Model. However, these funds will also significantly add to Council’s ability to work alongside the district’s growing and increasingly diverse communities.

In Options 2 and 3 success will be informed both quantitatively through the framework’s indicators and measurement and the new impact reporting template data. This will be enhanced qualitatively through storytelling and anecdotal feedback and the sharing of learning so that other groups can develop their own approach.

External evaluation through survey tools will support confirmation of progress toward the goal of building stronger, more connected and more resilient local communities.

#### **4.7 Financial/budget considerations**

District growth will see an increased demand placed upon infrastructure and Council’s core services. It is therefore important that Council’s approach to Community funding is as supportive as possible to as diverse a community base as practical, whilst remaining robust, efficient and prudent in terms of investment. Options 2 and 3 allow for greater opportunities for funding of community groups without significantly increasing the ratepayer contribution.

If Community Development is implemented effectively, the return on the investment to Council can become significant through the enhanced community endeavour that occurs, the financial participation of partner agencies including government, NGO and private sector in funding terms, and through the more intangible benefits of communities becoming more cohesive.

#### 4.8 Policy and planning implications

The current Grants, Concessions and Loans Policy has been reviewed and will be aligned with the preferred option selected. This proposal also creates an opportunity across Council departments to identify any interdependencies that might exist from community groups that are not currently recognised, thus allowing for greater transparency, streamlining and recognition of total Council support to the community.

Adoption of the Community Development Framework has led to a review of Council's current policy and practice. The implementation of Options 2 or 3 reinforces the shift in approach from a Community Service to a Community Development approach.

#### 4.9 Risks

Risk	Rationale	Mitigation
Reputational – ceasing of funding for some groups may result in a negative reaction against Council.	<p>Over-reliance on Council funding and historical decisions that need to be reconsidered.</p> <p>The reasons outweigh the risk in terms of the need to address growth in the district, increasing scarcity of resources and fragmentation of effort in certain areas.</p> <p>Establishing priorities for its Community Development investment should enable Council to create more equitable opportunity for communities' district-wide.</p>	<p>Good relationship management, transparency in approach and excellent communication.</p> <p>Transition support for groups that may no longer be funded.</p>
Implementation of any new Community Development approach has a degree of risk as new processes are embedded.	The demographic shift that is already being experienced and the increase in population of the district will result in the emergence of new groups seeking assistance as well as established groups requesting greater levels of support. Similarly, community safety concerns are anticipated to increase for some communities particularly as volunteer levels are not anticipated to rise in parallel to their population growth.	<p>The broader, more open funding model and the funding priority areas proposed in Option 3 will provide fair, transparent opportunities to access funding and more strategy-aligned decision making.</p> <p>Council may need to consider alternative forms of engagement including a mix of a volunteer and paid workforce in certain areas.</p>

### 5 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy. The public will be informed through a communication plan, Community Development Committee agenda publication as well as Council news and Social Media.

## **6 Attachments**

- 1) Revised Proposal for Community Funding Strategy (April - May 2018)
- 2) Draft Report for presentation to Council - Community Funding Proposal 13 April 2018
- 3) Review of Grants Workshop – Workshop Notes
- 4) Draft Community Funding Application Form
- 5) Draft Community Funding Impact Report Form



## Revised proposal for Community Funding strategy (April/May 2018)

Option	Includes	Pros	Cons	Meeting examples
<b>1. Status Quo</b>	<ul style="list-style-type: none"> <li>i. Retain existing Funds (AOF, AEF, PAF, Halls, R&amp;R, C/Fund) (The LTP increase simply distributed over these as determined by the Committee).</li> <li>ii. Existing schedule of 5-6 meetings per year, different meetings for different funds</li> <li>iii. Existing forms and reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Continuity</li> <li>• Familiarity</li> </ul>	<ul style="list-style-type: none"> <li>• Council-centric</li> <li>• Inflexibility of fixed funding rounds and closing dates</li> <li>• Confusion over which fund to apply to</li> <li>• Limitations on criteria and what we can fund</li> <li>• Uneven distribution of workload for staff</li> </ul>	<p>Cycle: Feb, Mar, Apr, Aug, Oct,</p> <ul style="list-style-type: none"> <li>• Feb: Halls, R&amp;R,</li> <li>• Mar: AOF</li> <li>• Apr: AEF, CF R1</li> <li>• Aug: PAF, annual report</li> <li>• Oct: CF R2</li> </ul>
<b>2. Enhanced Status Quo</b>	<ul style="list-style-type: none"> <li>i. Introduce Single Application form for all funds</li> <li>ii. Introduce Impact Reporting</li> <li>iii. Simplify criteria allowing more flexibility in what is funded (allowing consideration of modest operational expenses, facility improvements and capital purchases, less than \$10k in value)</li> <li>iv. Annual Operating and Events Funds considered bi-monthly</li> <li>v. Existing contestable Funds (PAF, Halls, R&amp;R, C/Fund) considered bi-monthly</li> <li>vi. Modest Discretionary Fund established of \$18k-25k (\$3-4k per funding round) under staff delegation and reporting back to Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Simplified application process</li> <li>• Improved reporting to show impact of spend</li> <li>• Greater flexibility for eligibility</li> <li>• Continuity for AOF/AEF</li> <li>• Flexibility for AOF/AEF applications to align with their financial/business planning cycles</li> <li>• Flexibility to work with struggling AOF/AEF applicants to meet requirements outside of a deadline</li> <li>• No closing dates means flexibility for all potential applicants</li> <li>• Improved distribution of workload for staff</li> <li>• Discretionary funding can cater for those situations where the project is excellent but the timeframe doesn't suit</li> </ul>	<ul style="list-style-type: none"> <li>• Confusion over which fund to apply to</li> <li>• Double standards – marae and other non-identified community halls would need to apply to the Community Fund, while existing identified halls apply to the Halls Fund</li> <li>• Need to carefully consider allocations throughout the year – may end up with no budget before end of the year or conversely have been too prudent</li> <li>• Impact reporting may prove difficult for some applicants, but CDA's can provide support</li> </ul>	<p>Cycle: Feb, Apr, Jun, Aug, Oct, Dec</p> <p>Each meeting:</p> <ul style="list-style-type: none"> <li>• AOF</li> <li>• AEF</li> <li>• PAF</li> <li>• Halls</li> <li>• R&amp;R</li> <li>• CF</li> <li>• Discretionary Fund allocations</li> </ul>
<b>3. Alternative Model</b>	<ul style="list-style-type: none"> <li>i. Introduce Single Application form</li> <li>ii. Introduce Impact Reporting</li> <li>iii. Simplify criteria allowing more flexibility in what is funded (allowing consideration of modest operational expenses, facility improvements and capital purchases, less than \$10k in value)</li> <li>iv. Special grants fund (approximately \$1m) for WAM, CN, KN and Quarry Gardens with tailored KPIs and enhanced reporting requirements agreed with committee</li> <li>v. Contestable fund (approximately \$800k) split amongst the four funding priority areas: <ul style="list-style-type: none"> <li>• Arts and Culture</li> <li>• Heritage and Environment</li> <li>• Recreation and Sport</li> <li>• Community Connectedness and Well-being</li> </ul> </li> <li>vi. Transition plan for other AOF/AEF recipients including indicative funding ringfenced for 2019-20 (2018-19 already committed).</li> <li>vii. Multi-year funding could be considered on a contestable rather than guaranteed basis</li> <li>viii. Discretionary Fund of \$25-50k (\$4-8k per round) under staff delegation and reporting back to Committee</li> </ul>	<ul style="list-style-type: none"> <li>• More Community-centric</li> <li>• Simplified application process</li> <li>• Improved reporting to show impact of spend</li> <li>• Greater flexibility for eligibility</li> <li>• Greater flexibility for decision-making</li> <li>• Greater clarity of community funding reach (without skewed view of the \$1m special grants)</li> <li>• Greater flexibility and responsiveness in funding budget with strategic guidelines rather than budget/fund limits</li> <li>• Continuity for WAM, CN, KN and Quarry Gardens with improved and targeted relationship management</li> <li>• Discretionary funding can cater for those situations where the project is excellent, but the timeframe doesn't suit</li> </ul>	<ul style="list-style-type: none"> <li>• Impact on AOF/AEF of “guaranteed” funding ceasing is difficult to accurately forecast</li> <li>• Represents a significant change in direction that is dependent on questionable “readiness” of Council, systems and Staff to make work. This requires total support from Crs, SLT and Staff in terms of ownership and delivery.</li> <li>• Previously “protected” organisations outside the special grant category face annual competition for funding support with multitude of other competing interests, community groups and projects</li> <li>• Additional workload for staff to prepare status reports bi-monthly on Funding Priority achievement/progress reporting</li> <li>• Requires long lead time to transition AOF/AEF</li> <li>• Requires careful fund management by staff</li> </ul>	<p>Cycle: Feb, Apr, Jun, Aug, Oct, Dec</p> <p>Each meeting:</p> <ul style="list-style-type: none"> <li>• Community Funding (under 4 priority areas)</li> <li>• Discretionary Fund allocations</li> <li>• (Special Grants if any)</li> </ul>



## 6.9 Recommendation for increase in contract value of contract CON12001

**Meeting:** Whangarei District Council  
**Date of meeting:** 28 June 2018  
**Reporting officer:** Mike Batchelor (Road Maintenance Engineer).

### 1 Purpose

To request that Council approves the increase in contract value to meet the Council's contractual obligations.

### 2 Recommendation

That the Council approves the contract value for North Area Maintenance (Contract 12001) to be increased by the sum of \$750,000 and the total contract value increased to \$26,929,588.75 exclusive of GST.

### 3 Background

This contract involves carrying out maintenance work on sealed roads in the North Area of the District road network.

The works include drainage maintenance, vegetation control, traffic facilities maintenance, sign maintenance, footpath maintenance, road strengthening, road surface maintenance and other authorised roading works.

This contract was originally let in 2012 to Fulton Hogan and through successive Council approvals has been extended to 30 June 2018. The latest rollover was approved by Council in February 2017 and this contract expires on 30 June 2018 and will be replaced by the new maintenance contracts on 1 July 2018.

### 4 Financial / Budget Considerations

Council issues a financial authority to spend up to the value of the tendered sum when awarding a contract. If that financial authority is exceeded, then staff are required to return to Council for a new or additional financial authority to cover the remaining obligations of the contract.

The current approved value for Contract 12001 (North) will be exceeded before the end of the contract period due to additional works undertaken under this contract over the past year. The additional work carried out through this contract included work done of other Roading budgets, which includes, renewals and new footpath construction. Details of the additional works completed over the past year are shown in the table below:

<b>Other Roding Works</b>		
Rehabilitation	\$394,293	Pipiwai Road RP 2.8km
Rehabilitation	\$22,715	Pipiwai Road - RP 36km - 37km
Rehabilitation	\$112,657	Kokopu Road
New footpaths	\$83,399	Kiteone Road - Capital programme
Unsealed road strengthening	\$135,372	Various roads - Capital
<b>Total VO requested</b>	<b>\$748,436</b>	

These additional works completed through the North contract have resulted in the original financial authority being exhausted. This does not mean Council has exceeded the maintenance allocation as the additional works have been funded from other Departments budgets, or with all Roding works being completed within the approved annual Roding maintenance budgets.

It has been estimated that the additional contract amount required up to the end of the current contract period of 30 June 2018 will be \$750,000 (excluding GST). This will take the approved contract sum to \$26,929,588.75 excluding GST.

	<b>North Area Con12001</b>
<b>Current approved value of the contract</b>	\$26,179,588.75
<b>The variation requested in this VO</b>	\$750,000.00
<b>The proposed new value of this contract</b>	\$26,929,588.75

## 5 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via the publication of this agenda on the website.



## 6.10 CON17085 – Whangarei North Roads Maintenance and Renewals

**Meeting:** Whangarei District Council  
**Date of meeting:** 28 June 2018  
**Reporting officer:** Jeff Devine (Roading Manager)

### 1 Purpose

To advise Council that the Whangarei North Road Maintenance and Renewals Contract CON18085 has been evaluated and a recommendation is provided for approval.

### 2 Recommendation

That the Council awards the Whangarei North Road Maintenance and Renewals contract CON18085 to Fulton Hogan Ltd, for the sum of \$37,000,707.36 excluding GST (thirty seven million, seven hundred and seven dollars and thirty six cents, excluding GST).

### 3 Background

The Northland Transportation Alliance (NTA), on behalf of Kaipara, Far North and Whangarei District Councils has lead the process to develop an integrated regional or 'one-network' approach to the delivery of maintenance and renewals activities for the local roading networks across Northland. Maintenance and renewals accounts for over 60% of the region's local road transportation expenditure (approximately \$56 million per annum).

Tenders have been received for the North Area Road Maintenance and Renewals Contract. The contract involves carrying out maintenance and renewal work on sealed and unsealed roads. The works include routine maintenance, drainage maintenance, vegetation control, traffic facilities maintenance, street cleaning, sign maintenance, roadmarking, footpath maintenance, road strengthening, road surface maintenance, pre-reseal repairs and renewals as well as other authorised road works. This covers approximately 520 kilometers of sealed and 425 kilometers of unsealed roads throughout the northern area.

The contract is for a four-year period and provision has been made to extend the contract for a further two plus one, plus one years; (4+2+1+1 years), dependent on the Contractor's performance. The contract values shown below are for the first four years of the contract. The cost of this work is subsidised by the NZ Transport Agency and tenders have been evaluated in accordance with the NZTA Procurement Manual - Price Quality Method.

The tenders were evaluated by a team comprising of representatives from Kaipara District Council, Far North District Council, Whangarei District Council and New Zealand Transport Agency. The tender process was also independently chaired by a consultant from Resolve Group. In addition, a probity auditor oversaw the complete process. The process was followed as described in the Council's Transportation Procurement Strategy.

## 4 Discussion

### 4.1 Tender Process

The NTA issued a registration of interest in 2017 to identify capable companies interested in tendering for the five Northland contracts. Submissions were received from five companies which all were shortlisted, based on pre-defined criteria, and asked to submit a tender price to undertake the works.

Tenders for this contract were received from Fulton Hogan and Downers. Both tenderers provided fully conforming submissions, with Downers being the lowest price.

The tender evaluation method is a two-envelope process where the tenderer's attributes and price are submitted in separate envelopes. The evaluators are required to score the tenderer's attributes and a quality price premium is then calculated from these scores. The second envelope with the price is then opened and this premium is then deducted from the submitted tender price to determine the lowest adjusted price.

Stage 1 of the tender evaluation method involved assessing the non-price attributes and assigning a supplier quality premium (SQP) to the tenders.

The SQP's are presented below and assessed that Fulton Hogan were the preferred Tenderer based on their attributes.

In addition to the individual Tender Responses submitted by Downer for all five of the contracts, they also submitted tenders for three combinations of contracts; namely:

WDC17085 North and WDC17086 South;  
WDC17086 South and KDC Con888; and  
WDC17085 North and WDC17086 South and KDC Con888

The combined bids put up the same foundation team of personnel augmented with a nominal amount of additional personnel.

It was considered that the proposed team would have difficulty servicing multiple contracts. An additional factor was that Downer had failed to appreciate that in the case of a combined tender across more than one council, the contracts needed to be administered separately.

There was sound justification for scoring these combinations very low. The main reason for this was the irrational status of any outcome that is premised on scores being earned by essentially the same team for two or more separate contracts.

Stage 2 of the tender evaluation method resulted in the following prices being received (GST exclusive):

<b>Tenderer Name</b>	<b>Tender Sum</b>	<b>SQP</b>	<b>Adjusted Evaluation Tender Price (less Provisional Sums \$700,000)</b>
Fulton Hogan Northland Ltd	\$37,000,707.36	<b>\$7,246,278.30</b>	<b>\$29,054,429.06</b>
Downer NZ Ltd	\$36,342,821.90	\$5,074,855.70	\$30,567,966.20
<b>Engineer's Estimate</b>	<b>\$38,239,000.00</b>		

No errors were found in the Tenderers' Schedule of Prices.

The Tenderer with the lowest adjusted price was Fulton Hogan Ltd with an adjusted price of \$29,054,429.06

Under the procedures, the contract may only be awarded to the tenderer with the lowest adjusted price, based on the Price Quality Method.

#### **4.2 Financial**

The tender price of the recommended contractor Fulton Hogan of \$37,000,707.36 (excluding GST) for the 4 years, is less than the Engineer's estimate and is considered to be competitive and appropriate.

The difference between the Tender prices and Estimate was mainly due to increased preliminary & general costs (including establishment, quality management and traffic management).

This is a measure and value contract and the actual payments to the contractor are based on the quantity of works completed and the tendered schedule of rates. All of these works are completed within the Council's approved budget in any one year.

Fulton Hogan Northland currently holds the North Area Road Maintenance Contract, which expires on 30 June 2018. They have held the maintenance contracts for this area since July 2001.

### **5 Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via the publication of this Agenda on the Council's website.



## 6.11 CON17086 – Whangarei South Road Maintenance and Renewals

**Meeting:** Whangarei District Council  
**Date of meeting:** 28 June 2018  
**Reporting officer:** Jeff Devine (Roading Manager)

### 1 Purpose

To advise Council that the Whangarei South Road Maintenance and Renewals Contract CON18086 has been evaluated and a recommendation is provided for approval.

### 2 Recommendation

That the Council awards the Whangarei South Road Maintenance and Renewals contract, CON18086, to Downers NZ, for the sum of \$47,885,554.97 excluding GST.

### 3 Background

The Northland Transportation Alliance (NTA), on behalf of Kaipara, Far North and Whangarei District Councils has lead the process to develop an integrated regional or 'one-network' approach to the delivery of maintenance and renewals activities for the local roading networks across Northland. Maintenance and renewals accounts for over 60% of the region's local road transportation expenditure (approximately \$56 million per annum).

Tenders have been received for the South Area Road Maintenance and Renewals Contract. The contract involves carrying out maintenance and renewal work on sealed and unsealed roads. The works include routine maintenance, drainage maintenance, vegetation control, traffic facilities maintenance, street cleaning, sign maintenance, roadmarking, footpath maintenance, road strengthening, road surface maintenance, pre-reseal repairs and renewals as well as other authorised road works. This covers approximately 275 kilometres of sealed and 537 kilometres of unsealed roads throughout the city and southern area of the District.

The contract is for a four-year period and provision has been made to extend the contract for a further two plus one, plus one years; (4+2+1+1 years), dependant on the Contractor's performance. The contract values shown below are for the first four years of the contract.

The cost of this work is subsidised by the NZ Transport Agency and tenders have been evaluated in accordance with the NZTA Procurement Manual - Price Quality Method.

The tenders were evaluated by a team, comprising of representatives from Kaipara District Council, Far North District Council, Whangarei District Council and New Zealand Transport Agency. The tender process was also independently chaired by a procurement consultant from Resolve Group. In addition, a probity auditor oversaw the complete process. The process was followed as described in the Council's Transportation Procurement Strategy.

## 4 Discussion

### 4.1 Tender Process

The NTA issued a registration of interest in 2017 to identify capable companies interested in tendering for the five Northland contracts. Submissions were received from five companies which all were shortlisted, based on pre-defined criteria, and asked to submit a tender price to undertake the works.

Tenders for this contract were received from Broadspectrum, Downers and Higgins. These tenderers provided fully conforming submissions, with Downers being the lowest price. A combined tender for the two Whangarei District Contracts was received from Higgins. This was rejected as they had not complied with the Request for Tenders and was deemed to be non-complying.

The tender evaluation method is a two-envelope process where the tenderer's attributes and price are submitted in separate envelopes. The evaluators are required to score the tenderer's attributes and a quality price premium is then calculated from these scores. The second envelope with the price is then opened and this premium is then deducted from the submitted tender price to determine the lowest adjusted price.

Stage 1 of the tender evaluation method involved assessing the non-price attributes and assigning a supplier quality premium (SQP) to the tenders.

The SQP's are presented below and assessed that Broadspectrum were the preferred Tenderer at this stage based on their attributes alone.

In addition to the individual Tender Responses submitted by Downer for all five of the contracts, they submitted tenders for three combinations of contracts; namely:

WDC17085 North and WDC17086 South;  
WDC17086 South and KDC Con888; and  
WDC17085 North and WDC17086 South and KDC Con888

The combined bids put up the same foundation team of personnel augmented with a nominal amount of additional personnel.

It was considered that the proposed team would have difficulty servicing multiple contracts. An additional factor was that Downer had failed to appreciate that in the case of a combined tender across more than one council, the contracts needed to be administered separately.

There was sound justification for scoring these combinations very low. The main reason for this was the irrational status of any outcome that is premised on scores being earned by essentially the same team for two or more separate contracts.

Stage 2 of the tender evaluation method resulted in the following prices being received (GST exclusive):

<b>Tenderer Name</b>	<b>Tender Sum</b>	<b>SQP</b>	<b>Adjusted Evaluation Tender Price (less Provisional Sums \$700,000)</b>
Downer NZ Ltd	\$47,885,554.97	\$7,038,722.40	<b>\$40,146,832.57</b>
Broadspectrum	\$52,960,250.15	<b>\$9,580,531.20</b>	\$42,679,718.95
Higgins	\$58,263,862.22	\$5,080,166.40	\$52,483,659.82
<b>Engineer's Estimate</b>	<b>\$52,468,000.00</b>		

No errors were found in the Tenderers' Schedule of Prices.

The Tenderer with the lowest adjusted price was Downers NZ Ltd with an adjusted price of \$40,146,832.57

Under the procedures, the contract may only be awarded to the tenderer with the lowest adjusted price, based on the Price Quality Method.

#### **4.2 Financial**

The tender price of the recommended contractor Downer NZ Ltd is \$47,885,554.97 (excluding GST) for the 4 years is less than the Engineer's estimate and is considered to be competitive and appropriate.

This is a measure and value contract and the actual payments to the contractor are based on the quantity of works completed and the tendered schedule of rates. All of these works are completed within the Council's approved budget in any one year.

Broadspectrum currently holds the South Area Road Maintenance Contract, which expires on 30 June 2018. They have held the maintenance contracts for this area since July 2001.

### **5 Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via the publication of this Agenda on the Council's website.





## 6.12 CON16020 – Kamo Shared Path Stage 1 from Rust Avenue to Cross Street – Variation to Contract

**Meeting:** Whangarei District Council  
**Date of meeting:** 28 June 2018  
**Reporting officer:** Nick Marshall (Senior Roding Engineer – Traffic & Parking)

### 1 Purpose

To seek Council's approval to increase the contract value of CON16020 from \$2,501,448.46 excluding GST to \$2,896,283.46 excluding GST.

### 2 Recommendation

That Council approves the value of contract CON16020 Kamo Shared Path Stage 1 be increased from \$2,501,448.46 to \$2,896,283.46 (Two Million, Eight Hundred and Ninety-Six Thousand, Two Hundred and Eighty-Three Dollars and Forty-Six Cents) excluding GST.

### 3 Background

The Kamo Shared Path (Kamo Cycleway) project has been identified through the Walking & Cycling Strategy. The Kamo Route is one of the three key urban routes required to develop an integrated active mode transport system, reducing demand on our road network. This project has been split into four construction stages.

This project was split into four construction stages. Stage 1 contract CON16020 from Rust Avenue to Cross Street is currently under construction by Broadspectrum NZ Ltd and is due to be fully opened to the public in early Spring.

Stage 1 contract CON16020 from Rust Avenue to Cross Street is currently under construction by Broadspectrum NZ Ltd and is due to be fully opened to the public in early Spring.

This contract was originally approved for \$1,872,317.91 excluding GST under the Chief Executive's financial delegation on 12<sup>th</sup> April 2017.

On the 12 October 2017, the contract value was approved to be increased to \$2,501,448.46 excluding GST. That increase in contract value was to cover:

Approved Variation No 1		
Element	Description	Amount (\$) excluding GST
Gum Tree Removal and Restoration	Arborist identified these trees as at risk of falling, not included in original contract.	\$ 33,819

University of Auckland Campus	Modification of disability access – land access agreement for easement encroachment	\$13,153
Consent Requirements	Change design from timber to concrete beams for rock fall protection, consent condition.	\$237,872
KiwiRail	Changes to original design required by KiwiRail audits	\$ 132,384
Rust Ave Extension	Include footpath upgrade works along Rust Ave to Lovers Lane. Works in overall project but not originally in this stage, included at Council request.	\$121,902
Contingency		\$ 90,000
<b>Total Variation Amount</b>		<b>\$ 629,130</b>

## 4 Discussion

The increased contract value is now sought to cover two main elements:

- I. Increased costs due to additional Health and Safety requirements from KiwiRail.
- II. Increasing the scope of the contract works to include the mid-block signalized pedestrian crossing of Rust Avenue. These works were originally planned for a future stage of the overall project but Council requested that this crossing be constructed with Stage 1 of the project.

The tendered rates received by Council for Stage 1 are lower than the comparable rates received for subsequent stages that have recently been tendered, so including these extra works into the Stage 1 contract also makes financial sense.

Stage 2 of the Kamo Shared Path project has also been tendered and is currently under construction by the same Contractor. Stage 4 the Fisher Tce Underpass has also just recently been awarded and construction is due to commence next month.

### 4.1 Variation details

A breakdown of the additional costs is provided in the following table:

Variation Summary		
Element	Description	Amount (\$) excluding GST
Rust Avenue Signalised Pedestrian Crossing	Construction of a signalised pedestrian and cyclist crossing (Toucan) in Rust Avenue at Lovers Lane (outside the Old Library)	\$ 242,420.00
KiwiRail	Additional Rail Protection Officer (RPO) services, changes in design of rail level-crossings, change in design to Boardwalk due to KiwiRail requirement, increase costs to Broadspectrum due to KiwiRail requirements impacting methodology and programme.	\$ 137,415.00
Contingency	Allowing \$15k contingency to cover unforeseen works.	\$ 15,000.00
<b>Total Variation Amount</b>		<b>\$ 394,835.00</b>

A breakdown of cost for the whole contract is provided in the following table:

<b>Description</b>	<b>Amount (\$) excluding GST</b>
Current contract value	\$2,501,448.46
Contract Variance	\$394,835.00
<b>Total revised contract value</b>	<b>\$2,896,283.46</b>

#### **4.2 Risks**

A contingency value of \$15,000.00 excluding GST is included in this revised contract value to allow for any unforeseen works to complete this stage. Given the project is nearing completion a relatively small contingency is only required.

#### **4.3 Financial/budget considerations**

The total allocated budget for the Kamo Shared Path project is \$ 8.575M, this includes \$ 2M of Minor Improvement funding allocated for intersection and rail crossing upgrades which will be completed as part of this project.

The funding for these extra works will come from Roading Department's existing Kamo Shared Path budget and Minor Improvements budget. No additional funding is required.

## **5 Significance and engagement**

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via newspaper and website publications regarding the project.



## 7.1 2018 Local Government New Zealand Conference

**Meeting:** Whangarei District Council  
**Date of meeting:** 28 June 2018  
**Report Author:** Her Worship the Mayor Sheryl Mai

### 1 Purpose

To advise Council of the upcoming Local Government New Zealand (LGNZ) Conference and the Whangarei District Council representatives attending the conference.

### 2 Recommendations

That the Council notes that;

- a) the Local Government New Zealand Conference is being held 15 – 17 July 2018 in Christchurch.
- b) the Mayor, Deputy Mayor Sharon Morgan, Councillors Gavin Benney and Crichton Christie and General Manager Dominic Kula will represent Council at the Conference.

### 3 Background

The LGNZ Conference (<http://www.lgnz2018.co.nz/lgnz18>) is being held over three days 15 – 17 July in Christchurch.

The conference theme is 'We are firmly focused on the future: Future-proofing for a prosperous and vibrant New Zealand'. There will be a strong focus on leadership and addressing the big challenges and opportunities facing New Zealand and its communities.

Local government has an important role as a place-shaper and economic enabler in New Zealand and there are many key issues affecting New Zealanders that will be explored at the conference.

Approximately 550 delegates made up of mayors, chairs, chief executives, councillors and senior management from New Zealand's councils – along with key players from the private sector, business, government and non-government agencies have the chance to listen to fresh thinking from local and international speakers, take part in valuable, hard-hitting discussions and network within the sector.

### 4 Considerations

Financial/budget considerations

Council has an annual budget for attendance at LGNZ Conference.

#### **4.1 Policy and planning implications**

This matter is consistent with the Elected Members Allowances and Recovery of Expenses Policy.

### **5 Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via [Agenda publication on the website.

## 7.2 Correction to Council decision – Annual Operating Fund

**Meeting:** Council  
**Date of meeting:** 31 May 2018  
**Reporting officer:** C Brindle (Senior Democracy Adviser)

### 1 Purpose

To correct a decision of council.

### 2 Recommendation/s

That the Council note the decision made on 26 April 2018, to increase funding to the Jack Morgan Museum Inc and Whangarei Brass Band Inc; is not valid.

### 3 Background

Council considered the attached report at the 31 May Council meeting.

At the meeting an amendment was proposed requesting the Community Funding Committee (the Committee) reconsider the applications for funding from the Jack Morgan Museum and Whangarei Brass Band Inc.

A Member questioned whether, if the amendment was successful, the Council would be over-riding the delegation of the Committee.

The matter lay on the table pending clarification.

### 4 Discussion

Council's Standing orders are clear in that Council cannot overturn a decision made by a committee which the council has delegated the decision-making power.

The proposed amendment is simply Council asking the Committee to reconsider the funding applications.

If the proposed amendment is successful the Committee would proceed to reconsider the applications and can either choose to uphold its earlier decision or rescind the previous motion and increase the funding to the organisations concerned.

The report is re-presented to Council for decision making.

## **5 Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

## **6 Attachment**

Council Agenda 31 May - Item 7.1 – Correction to Council decision – Annual Operating Fund



## 7.1 Correction to Council decision – Annual Operating Fund

**Meeting:** Council  
**Date of meeting:** 31 May 2018  
**Reporting officer:** C Brindle (Senior Democracy Adviser)

### 1 Purpose

To correct a decision of council.

### 2 Recommendation/s

That Council note the decision made on 26 April 2018, to increase funding to the Jack Morgan Museum Inc and Whangarei District Brass Band Inc; is not valid.

### 3 Background

The Community Funding Committee approves grants to the value of \$15,000 or less. Grants over \$15,000 are referred to council for decision making.

At the 26 April Council meeting council considered the recommendations from the Community Funding Committee on the allocation of grants from the 2018-19 Annual Operating Fund.

Council resolved to approve the recommended funding allocations as well as an increase in funding to the Jack Morgan Museum Inc (\$5,060), Whangarei District Brass Band Inc (\$1015) and the Mangakahia Sports Ground Society Inc (27,955).

### 4 Discussion

The funding allocations to the Jack Morgan Museum Inc and the Whangarei District Brass Band Inc were within the Community Funding Committee's financial delegation (\$15,000).

Council's Standing Orders (Section 6.4) and the Local Government Act (cl.30(6) Schedule 7), state that decisions made under delegated authority cannot be rescinded or amended.

Council cannot overturn the decision of the Community Funding Committee.

Therefore the resolution to increase the funding to the Jack Morgan Museum and Whangarei Brass Band is not valid. The decision made by the Community Funding Committee on 11 April, to allocate funding of \$4,000 to the Jack Morgan Museum and \$800 to the Whangarei District Brass Inc, is deemed to be correct.

## **5 Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via [Agenda publication on the website.

**RESOLUTION TO EXCLUDE THE PUBLIC****Move/Second**

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:

<b>General subject of each matter to be considered</b>		<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for passing this resolution</b>
1.1	Minutes Whangarei District Council 31 May 2018	Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
1.2	Civic Honours Selection Committee – Approval of Minutes and Recommendations		
1.3	Trustee Appointments - NECT		

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public, are as follows:

<b>Item</b>	<b>Grounds</b>	<b>Section</b>
1.1	For the reasons as stated in the previous minutes	
1.2	To protect the privacy of natural persons including that of a deceased person.	Section 7(2)(a)
1.3	To protect the privacy of natural persons including that of a deceased person.	Section 7(2)(a)

**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.*