



**I, Kitea Tipuna, Tumu Whakarae Taupua Interim Chief Executive Officer, hereby
give notice that
an Extraordinary Meeting of Council will be held on:**

Date: Tuesday, 23 March 2021
Time: 10.30am
**Location: Council Chamber, Wairoa District Council,
Coronation Square, Wairoa**

AGENDA

Extraordinary Council Meeting

23 March 2021

The agenda and associated papers are also available on our website: www.wairoadc.govt.nz

For further information please contact us 06 838 7309 or by email info@wairoadc.govt.nz

Order Of Business

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- 1 KARAKIA**
- 2 APOLOGIES FOR ABSENCE**
- 3 DECLARATIONS OF CONFLICT OF INTEREST**
- 4 PUBLIC PARTICIPATION**

A maximum of 30 minutes has been set aside for members of the public to speak on any item on the agenda. Up to 5 minutes per person is allowed. As per Standing Order 14.14 requests to speak must be made to the meeting secretary at least one clear day before the meeting; however this requirement may be waived by the Chairperson.

5 GENERAL ITEMS

5.1 REVENUE AND FINANCING AND RATES REMISSIONS POLICIES HEARING AND DELIBERATIONS

Author: Courtney Hayward, Kaiurungi Matua Kaupapa Here me te Mana Arahi Senior Policy & Governance Advisor

Authoriser: Kitea Tipuna, Tumu Whakarae Taupua Interim Chief Executive Officer

Appendices:

1. [Speaking Submissions](#)
2. [Non-speaking Submissions](#)
3. [Revenue and Financing Policy Proposal](#)
4. [Draft Proposed Revenue and Financing Policy](#)
5. [Draft Funding Needs Analysis](#)
6. [Draft Proposed Rating Policy](#)
7. [Draft Proposed Rates Remissions and Postponement Policies](#)

1. PURPOSE

- 1.1 This report provides information for Council on submissions received to the draft Revenue and Financing Policy and Rates Remissions and Postponement Policies consultation.
- 1.2 This report is a component of the suite of information that Council will rely on to inform its decision as to whether to retain or update its existing Revenue and Financing Policy

RECOMMENDATION

The Kaiurungi Matua Kaupapa Here me te Mana Arahi Senior Policy & Governance Advisor RECOMMENDS that Council

- a) Receive the attached submissions and thank all submitters for taking the time to make a submission on the proposed updated Revenue and Financing and Rates Remissions Policies.
- b) Advise a preferred option as outlined in Section 5 of this report.

2. BACKGROUND

- 2.1 At its meeting on 09 February 2021, Council adopted a Statement of Proposal, incorporating an updated Revenue and Financing Policy and Rates Remissions and Postponements Policy.
- 2.2 At the same meeting, Council resolved to consult under the provisions of section 82 of the Local Government Act 2002 to consult the community on proposed changes to the policies.
- 2.3 Consultation opened on 10 February 2021 and closed on Friday 12th March 2021. Throughout this period Council communicated and consulted with the community through mail, website updates, newspaper articles, social media and a series of meetings.

- 2.4 Council received a total of 6 submissions, 5 of whom indicated they wished to speak to their submissions at today's hearing.

3. REVENUE AND FINANCING POLICY

- 3.1 Council undertook a rating review in 2020 which culminated in the adoption of changes to its rating system, finalised on 12 January 2021.
- 3.2 In order to give effect to this decision the changes must be incorporated in Council's Revenue and Financing Policy, a mandatory component of the Long-term Plan.
- 3.3 The Revenue and Financing Policy defines the Council's funding framework, including:
- 3.3.1. The sources of revenue it will apply to each of its activities,
 - 3.3.2. Its utilisation of funding tools, and
 - 3.3.3. How the required revenue from rates will be calculated, applied and distributed.
- 3.4 The draft updated Revenue and Financing Policy is attached as Appendix 4.
- 3.5 Council has completed a funding needs analysis, that informs the Revenue and Financing Policy. This analysis examines, for each of Council's activities, sources of revenue available and the proportion of the total that each source should constitute, having regard to the canons of S101(3) [Financial Management] of the Local Government Act 2002 (LGA), balanced against the availability of these revenue sources and the practicalities of their use for the respective activities. This analysis is attached as Appendix 5.
- 3.6 To enable Council to respond to future changes relating to land use, valuations and the delivery and consumption of Council activities it is also proposed that Council adopts a Rating Policy. The draft policy, attached as Appendix 6, would enable Council to moderate factors, classifications and thresholds as these circumstances arise whilst remaining faithful to the fundamental principles contained in the Revenue and Financing Policy.
- 3.7 These policies are subject to change based on feedback from the hearings and deliberations process.

4. RATES REMISSION AND POSTPONEMENT POLICIES

- 4.1 To maintain a current, consistent and relevant suite of funding and rating policies it is timely and appropriate to review the rates remissions and postponement policies.
- 4.2 The proposed updates to these policies were endorsed by Council's Finance Audit and Risk Committee on 19 January 2021 and are attached as Appendix 7.
- 4.3 These policies have been updated to reflect the intentions of Council with regards to the specific circumstances they serve to remedy, recent developments in legislation and to be consistent with direction and feedback received during the rating review.
- 4.4 These policies are subject to change based on feedback from the hearings and deliberations process.

5. OPTIONS

- 5.1 The options identified are:

- a. Adopt the Proposed Revenue and Financing and Rates Remissions and Postponement Policies, with no changes.
 - b. Adopt the Proposed Revenue and Financing and Rates Remissions and Postponement Policies, with minor amendments
 - c. Adopt the Proposed Revenue and Financing and Rates Remissions and Postponement Policies, with material changes.
 - d. Adopt an alternative Revenue and Financing and Rates Remissions and Postponement Policies.
 - e. Status Quo – maintain the current Revenue and Financing and Rates Remissions and Postponement Policies.
 - f. Council may wish to apply one option to one proposed policy and another option to the other proposed policy – based on feedback from hearings.
- 5.2 Option A: This would allow for adoption of policies to meet LTP timelines, however depending on the discussions in hearings and deliberations, may not be reflective of what is presented.
- 5.3 Option B: This would allow for adoption of policies to meet LTP timelines, and may take into account minor amendments that do not materially alter the policy. This would not require further consultation.
- 5.4 Options C: If Council wishes to introduce further changes to the content of the policies, based on the views expressed by submitters, then further public consultation may be required depending on the significance and extent of the changes. Advice can be given during deliberations if any potential changes would require additional consultation.
- 5.5 Options D: If Council wishes to adopt alternative policies, this would require further consultation. Note that further consultation may result in not meeting LTP deadlines.
- 5.6 Option E: Council requires a Revenue and Financing Policy for the LTP. If the attached Revenue and Financing Policy is not adopted, we would retain the current Revenue and Financing Policy – this would be inconsistent with decisions made in the Rating Review process.

6. CORPORATE CONSIDERATIONS

What is the change?

- 6.1 Update and implementation of key financial policies.

Compliance with legislation and Council Policy

- 6.2 The policies have been written and processes undertaken in accordance with the relevant provisions of the Local Government Act 2002 and the Local Government (Rating Act 2002).

What are the key benefits?

- 6.3 The key benefits are the implementation of rating policies that support Council's objective of delivering a rating system that is Simple, Affordable and Appropriate, a suite

of Rates Remissions and Postponement Policies that are relevant and current; and will provide guiding principles for future decisions regarding funding and rating.

What is the cost?

6.4 Not applicable

What is the saving?

6.5 Not applicable

Service delivery review

6.6 Not applicable

Maori Standing Committee

6.7 While funding and rating is not specifically part of the Māori Standing Committee's terms of reference, the committee has been involved in earlier stages of the rating review and there has been specific engagement to stakeholder groups including iwi.

6.8 Any updates to these policies updates are shared with MSC .

7. SIGNIFICANCE

7.1 Impact – this matter affects all ratepayers and potentially other Wairoa residents.

7.2 Rating and Council's funding is of public interest

7.3 Any decisions made on implementing the policies can only be reversed by initiating a new proposal and consultation.

7.4 There will be no impact on service levels.

7.5 There will be no impact on strategic assets.

7.6 The Revenue and Financing Policy is a critical policy. Notwithstanding this matter largely pertains to matters upon which Council has already undertaken extensive analysis and consultation. This decision essentially concerns the technical implementation of decisions taken as a result of this activity. On balance, this decision is assessed as moderate significance.

8. RISK MANAGEMENT

8.1 In accordance with the Council's Risk Management Policy the inherent risks associated with this matter are:

Human	Financial	Regulatory
Low	Medium	Medium
Operations	Employees	Image & Reputation
Medium	Medium	High

Who has been consulted?

Council undertook public consultation according to Section 82 of the LGA. This hearing process is a result of said consultation.

References (to or from other Committees)

Council 09 February 2021 – Updates to the Revenue and Financing Policy and Rates Remission and Postponement Policies

Finance Audit and Risk Committee – 19 January 2021 - 6 Yearly Review of Rates Remission and Postponement Policies

Council 12 January 2021 – Rating Review 2020 – Deliberation on Submissions and Decision-making

Council 22 December 2020 – Rating Review 2020 – Deliberation on Submissions and Decision-making

Council 15 December 2020 – Rates Review Statement of Proposal – Hearings



Council 03 November 2020 – Adoption of Rates Review Statement of Proposal

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

	
Author Courtney Hayward	Approved by Kitea Tipuna

Appendix 1: Speaking Submissions

Scheduled Speaking Time	Submitter
10.40	Raellen Te Nahu
10.50	Wikitoria Howe
11pm	Irene Taumata Whanau Whakaruruhau ki Mahia Trust
11.10	Ross Stevenson
11.20	Simon Hall



WAIROA DISTRICT COUNCIL

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Coronation Square, Queen Street, Wairoa

SUBMISSION FORM FOR REVENUE AND FINANCING POLICY AND RATES REMISSION AND POSTPONEMENT POLICIES

Wairoa District Council is engaging with the community to look at the how the Council derives the revenue it needs in order to undertake activities, and to set parameters for the Council to remit rates penalties.

Let us know what you think by filling out this form. Submissions close on Friday, 12th March 2021 at 4:30pm.

Please answer all questions fully.

Personal Details

Full Name

Reellen Te Nahi

Address

Email Address

Phone Number

Oral Submission

Do you wish to speak to your submission?

☒ Āe/Yes

☐ Kāo/No

The hearings on submissions are tentatively scheduled for Tuesday 23 March 2021.

Will you require a New Zealand sign language interpreter?

☐ Āe/Yes

☒ Kāo/No

Proposal Questions

Please answer the proposal questions on page 2 as detailed as possibly, as your feedback is important to us.

1. Do you agree with how Council is proposing to use funding sources to fund activities (Revenue and Financing Policy)?

☒ Āe/Yes

☐ Kāo/No

Please clarify below why Āe/Yes or Kāo/No.

I support the above proposal. Obviously Council has carried out due diligence to ensure that all activities can be funded as well as meet their legal obligations of compliance.

2. Do you agree with the proposed rates remission policy?

☒ Āe/Yes

☐ Kāo/No

Please clarify below why Āe/Yes or Kāo/No.

I agree with the proposed rates remission policy in its entirety. As stated at the meeting at Te Raka to marea, our family papa kaiinga has been a recipient of the policy.



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Wairoa District Council is engaging with the community to look at the how the Council derives the revenue it needs in order to undertake activities, and to set parameters for the Council to remit rates penalties.

Let us know what you think by filling out this form. Submissions close on Friday, 12th March 2021 at 4:30pm.

Please answer all questions fully.

Personal Details

Full Name

Wikitoria Howe

Address

Email Address

Phone Number

Oral Submission

Do you wish to speak to your submission?

- ☒ Ae/Yes
☐ Kāo/No

The hearings on submissions are tentatively scheduled for Tuesday 23 March 2021.

Will you require a New Zealand sign language interpreter?

- ☐ Ae/Yes
☒ Kāo/No

Proposal Questions

Please answer the proposal questions on page 2 as detailed as possible, as your feedback is important to us.

1. Do you agree with how Council is proposing to use funding sources to fund activities (Revenue and Financing Policy)?

☒ Áe/Yes

☐ Kão/No

Please clarify below why Áe/Yes or Kão/No.

Well, on reaching the funding for operating costs write-up, we're really stuck between a rock and a hardplace. On the 1 hand, we have an increase/decrease, and on the other, again, an increase/decrease state make. 6 of 1, and half dozen of another. ① We'd receive a reduction in the one hand, and increases the fees in the other. ② Or, the increase the rates, and decrease the fees. Same, same, and never the twain shall meet. The result in my reckoning, is, "woe is all of us!!"

2. Do you agree with the proposed rates remission policy?

☒ Áe/Yes

☐ Kão/No

Please clarify below why Áe/Yes or Kão/No.

Now for a Trust, and as our Trust chair, and having been recipients of the already "changed," stance in regards to the currently implemented policy, we are happy to support the above in its entirety!!

✦ WHANAU WHAKARURUHAU KI MAHIA ✦
 KAIWAITAU ROAD. RD8. MAHIA 4198
 GUIDES, RANGERS & WARDENS ✦ SHOWING A SAFE PATH
 EHARA HE TOA TAKITAHU, HE TOA TAKITINI



Wairoa District Council
 P O Box 54. WAIROA 4160
 Attention Courtney Hayward

Wednesday, 17 March 2021

www.wairoadc.govt.nz

Tena koutou ma nga kaiwhakawa o te Wairoa District Council ~ kei te mihi, kei te mihi.

2021 Proposal To Update The Revenue And Financing Policy And Rates Remissions And Postponement Policies, Including Policies For Maori Freehold Land

Whanau Whakaruruhau ki Mahia Trust is a not-for-profit haukainga organisation based in Mahia. Our Trust submitted to the 2018 Long Term Plan and Freedom Camping policies. Recommendations were made and some are applicable to the proposed policies. A copy of the Table of Contents follows.

As a result, our Trustees have agreed to continue with the same format and template, in order to maintain our narrative and reduce repetition, whilst highlighting key points to expand upon during the oral submissions.

As such, this submission does not fully agree with:

- *"how Council is proposing to use funding sources to fund activities (Revenue and Financing Policy)"; or*
- *"the proposed rates remission policy".*

Revenue and Financing Policy

It is noted the WDC is continuing with the LTP 'mixed funding approach'; extended the 'scale' of the differential; taken into account an expected tribal population growth and therefore further pressure on housing and land use (etc.).

Therefore Long Term Historical Agreements involving the WDC use of our lands and other taonga be returned and included in the analysis on our tribal ledger rather than incorrectly identified and/or defined as 'low value items' or 'surplus lands', 'Crown lands', 'reservations', etc. on the WDC ledger.

Furtherto, the Treaty of Waitangi/Tiriti o Waitangi agreement between the Maori nation and the Crown is not to be subverted to 'a community' and other labels that reduce the truth of our status and 'tax' our alienation further. Any means that the WDC can reduce debt on 'Maori Freehold Land' and other holdings for tribal purposes should be priority with specific policies.

Faithfully,

Trustees Chair Irene Taumata



✦ WHANAU WHAKARURUHAU KI MAHIA ✦

KAIWAITAU ROAD. RD8. MAHIA 4198

GUIDES, RANGERS & WARDENS ✦ SHOWING A SAFE PATH

EHARA HE TOA TAKITAHU, HE TOA TAKITINI

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SUBMISSION TOWARDS THE WDC 2018 – 2028 LONG TERM PLANERROR! BOOKMARK NOT DEFINED.

Communications and Engagement Error! Bookmark not defined.

Whanau Whakaruruhaui ki Mahia Trust Error! Bookmark not defined.

The LTP Document as PresentedError! Bookmark not defined.

RECOMMENDATION 1) That the LTP include the list of (relevant legislated) Council core business so that details link to primary objectives and lines of accountability / participation are clear.....

Error! Bookmark not defined.

RECOMMENDATION 2) That the Council commitment to the national "Reo Rua" strategy educational aspects be strengthened to encourage both the iwi and all others living in and engaging with our district.....

Error! Bookmark not defined.

RECOMMENDATION 3) That the Council statements of culture and heritage are beyond 'catch all phrases' used in other public and civil documents, these need to be in context and readdressed.....

Error! Bookmark not defined.

TERMS AND DEFINITIONS ERROR! BOOKMARK NOT DEFINED.

Ahikaaroa | Sovereign Relationship with The Crown Error! Bookmark not defined.

RECOMMENDATION 4) That the Council acknowledge the Treaty relationship between the Crown and Maori nation in the LTP opening statements.....Error! Bookmark not defined.

RECOMMENDATION 5) That the Council acknowledge the unique generational investment and cultural capital of the iwi by creating and maintaining a specific, measureable and reportable core outcome category.

Error! Bookmark not defined.

RECOMMENDATION 6) That the LTP include a demographic profile of the district residents.....

Error! Bookmark not defined.

RECOMMENDATION 7) That the Council take into account the separate expected growth of iwi residency and the shifting priorities this reality ensues.Error! Bookmark not defined.

RECOMMENDATION 8) That the Council acknowledge and honour historical agreements made with Council and iwi predecessors, that continue today and involve the ongoing management of our inherited resources that are being applied to the entire district population (including visitors) without reference to the original ongoing true owners. Error! Bookmark not defined.

RECOMMENDATION 9) That the Council strengthen relationships with the ahikaaroa / iwi by seeking a meaningful relationship with iwi and hapu in the district as well as other Maori organisations contributing to collective objectives. Error! Bookmark not defined.

Residents | Ratepayers and Tenants Error! Bookmark not defined.

RECOMMENDATION 10) That the LTP refer to all residents of the Wairoa district.....Error! Bookmark not defined.

Owners | Ratepayers and Lease Holders Error! Bookmark not defined.

RECOMMENDATION 11) That the Council ensure a category for lease holders paying rates directly to the Council for Maori freehold landblocks be distinguished from the Maori land block owners who through leasing 'property' are the actual contributors to the rate take.Error! Bookmark not defined.

The Maori Standing Committee Error! Bookmark not defined.

RECOMMENDATION 12) That the Council include a survey of tribal opinion when reviewing this Committee. Error! Bookmark not defined.

RECOMMENDATION 13) That the Council involve the Maori Standing Committee when seeking to engage iwi. Error! Bookmark not defined.

Cyclical Expansions and Enhancements..... Error! Bookmark not defined.

Library Error! Bookmark not defined.

RECOMMENDATION 14) That the Council public use policies do not include assuming the use of iwi, iwi practices, iwi places and other sites of significance.....**Error! Bookmark not defined.**

CBD Enhancement Error! Bookmark not defined.

RECOMMENDATION 15) That the Council survey for use and satisfaction from users of the CBD other than businesses. **Error! Bookmark not defined.**

Wairoa iSITE Error! Bookmark not defined.

RECOMMENDATION 16) That the Council consider improving access and use of the iSITE by district residents. **Error! Bookmark not defined.**

RECOMMENDATION 17) That the Council consider a koha system for the short term use of Council buildings and sites. **Error! Bookmark not defined.**

LAND, AIR AND WATER ERROR! BOOKMARK NOT DEFINED.

AFFCO Contract Agreements..... Error! Bookmark not defined.

RECOMMENDATION 18) That the Council review inwards and outwards agreements with AFFCO and charge damages. **Error! Bookmark not defined.**

Bridge Strengthening, Transport and Access..... Error! Bookmark not defined.

Landfill, Effluent and Mahia Recycling Centre..... Error! Bookmark not defined.

RECOMMENDATION 19) That the Council establish an accessible recycling centre in Mahia. **Error! Bookmark not defined.**

CLOSING STATEMENTS ERROR! BOOKMARK NOT DEFINED.

Full Name * Ross Stevenson

Do you wish to speak to your submission? *

Āe/Yes

Will you require a New Zealand sign language interpreter? *

Kāo/No

Do you agree with how Council is proposing to use funding sources to fund activities (Revenue and Financing Policy)? *

Kāo/No

Please clarify below why Āe/Yes or Kāo/No. *

Horticultural land receives no services

Do you agree with the proposed rates remission policy? *

Kāo/No

Please clarify below why Āe/Yes or Kāo/No. *


Consideration should be given to a remission of rates for permanent crops on horticultural land where the contiguous parcels under single ownership are greater than 5 hectares and the

permanent crop comprises plantings on the majority of the consolidated area.

The basis of the remission should be to remove the value of the permanent crop from the effective capital value calculation.

The justification for this is to moderate the proposed increase in rates resulting from the change from land value to capital value rating and reduction of revenue from the change to the uniform charge policy which increases the rates for non residential. In the case of Mohaka Orchards these changes result in an increase of over 100%.

A reduction in Rates by way of remission is needed to avoid penalizing labour intensive activities that create employment for a considerable part of the year. Wairoa District is in competition with neighbouring horticultural districts, its isolation is an impediment, and a tax friendly policy would assist in developing Wairoa's horticultural potential.

Full Name *	Simon Hall (for Ashland investments Limited)
Email Address *	
Phone Number *	
Address *	
Do you wish to speak to your submission? *	<ul style="list-style-type: none">• Æe/Yes
Will you require a New Zealand sign language interpreter? *	<ul style="list-style-type: none">• Kāo/No
Do you agree with how Council is proposing to use funding sources to fund activities (Revenue and Financing Policy)? *	<ul style="list-style-type: none">• Kāo/No
Please clarify below why Æe/Yes or Kāo/No. *	Please refer to written submission by Ashland Investments Limited and The Forest Lifeforce Restoration Trust (4pp)
Do you agree with the proposed rates remission policy? *	<ul style="list-style-type: none">• Kāo/No
Please clarify below why Æe/Yes or Kāo/No. *	Please refer to written submission by Ashland Investments Limited and The Forest Lifeforce Restoration Trust (4pp)

Before the Wairoa District Council

In the matter of a Submission to the Wairoa
Draft Revenue and Financing
Policy – 2021

**Submission by Ashland Investments Limited and the Forest Lifeforce
Restoration Trust**

1. This submission is by Ashland Investments Limited (**Ashland**) and the Forest Lifeforce Restoration Trust to the Wairoa Draft Revenue and Financing Policy – 2021.
2. Ashland is the owner of land comprising 12,452.1760 hectares within the Wairoa District known as the Maungataniwha Forest with the valuation roll number 08820-00720 (the **land**).
3. The land is accessed off Willow Flat Road, Kotemaori.
4. The land is currently being rated a “*roading rural forestry > 100 hectare*” rate – even though plantation forestry use on the land has ceased in December 2017, and there is no plantation forestry on the land greater than 100 hectares.
5. The Council’s own research ties the need for a targeted rate for roads to the harvesting of plantation forestry (refer Opus: “*Equitable funding of pavement maintenance for low volume roads - Te Wairoa*”- A Case Study- Wairoa District Council, 2017).
6. The Forest Lifeforce Restoration Trust (**the Trust**) occupies the land owned by Ashland for conservation purposes. The Trust is a charitable trust established in 2006 with objectives to promote the ecological restoration of native flora and fauna and to rejuvenate the ngahere mauri (forest life force). Information about the Trust’s conservation activities are available on the Forest Lifeforce Restoration Trust’s website:
<https://www.forestlifeforce.org.nz>
7. Simon Hall, director for Ashland and chairman of the Trust appeared before the full Council on 15 December 2020 in relation to the Rates Review.
8. Minutes from the meeting on 15 December 2020 noted Simon Hall’s oral submission on the rates review, stating:

Simon Hall submitted as he owns a native forest for conservation, however he is being rated as a production forest. Mr Hall asked to be rated for what his block actually is, especially as his block has less impact on the roads than a farm and he is unable to earn carbon credits.

9. On 12 January 2021, the Council held an Extraordinary Council meeting. Minutes from the meeting included a resolution to consider differentiating between indigenous and exotic forests, however no timeframe is specified:

3. Instructs the Chief Executive to update the Revenue and Financing Policy for public consultation for inclusion in the Long-term Plan 2021-31. ***Including consideration of differentiating between indigenous and exotic forests for rating purposes and rates remissions.***

10. The Council has released an update to its Revenue and Financing Policy for public consultation.
11. Neither of the documents titled "*Draft – Proposed Revenue and Financing Policy*" or "*Proposal to Update the Revenue and Financing Policy...*" (9 February 2021) actually address the Council instructions to the Chief Executive to consider differentiating between indigenous and exotic forests for rating purposes.¹
12. The draft Rating Policy appears to ascribe the rating category of "*Commercial*" to "*indigenous forests*", with a proposed rating differential for Commercial of 1.6, compared to a differential of 0.7 for Rural, and a differential of 4.0 for forestry (exotic forests).
13. "Protected forests of any type" are to be given the rating category "Rural" (i.e. 0.7) in the draft Rating Policy.
14. This is apparent from the following provisions of the draft Rating Policy:
 - a. The draft Rating Policy states under the heading "*Rating Categories and Property Category Codes*":

Rating Valuation Rules classify land based on its use and property category. Often land use and property categories will be the same but there are instances where land use data and property category data are different. Council uses the categories set out in the Rating Valuation Rules to determine which rating category a rating unit belongs to.

Table 1.1 in Appendix 1 details how Council allocates each Property Category to a Rating Category.

¹ A further document, the draft "Rating Policy" has been loaded to the website but does not appear to be expressly amongst the documents being consulted on.

(emphasis **supplied**)

- b. Appendix 1 to the Rating Policy provides a table, which allocates all property category codes to one of the four rating categories proposed by the Council (Rural, Commercial, Residential or Forestry). It includes the following classification for forestry category codes:

Property Category Code	Property Category Description	Rating Category
FE	Exotic forests	Forestry
FI	Indigenous forests	Commercial
FP	Protected forests of any type	Rural

15. The “*Rating Categor[ies]*” in the draft Rating Policy do not appear to be derived from the Rating Valuation Rules 2008, but instead have been created by Council as a means of assigning a rating differential category to properties (those being Forestry, Rural, Commercial, etc.).
16. The term “*Protected forests of any type*” (emphasis supplied) is not defined under the Rating Valuation Rules 2008. The absence of a definition confining the meaning of *protected forests* to forests that are (solely) protected by legislation, covenant or similar suggests that the meaning of this term is not limited and is open to include conservation lands held in private ownership. The term is expressly extended to include protected forests “*of any type*”.
17. The submitter seeks that its indigenous forest which are occupied by the Forest Lifeorce Restoration Trust be treated not as “*Commercial*” but either as “*Protected forests of any type*” or “*Rural*” for rating categorisation purposes.
18. It is anomalous that neighbouring properties used for pastoral farming (which are business activities categorised as “*Rural*”) and receiving the same level of district services and infrastructure, including use of the same road for access (off Willow Flat Road, Kotemaori) are proposed to be rated as Rural with the 0.7 differential, while indigenous forest (not used for plantation forestry purposes and protecting endangered native species) is categorised as a “*Commercial*” category.

Submission by Ashland Investments Limited and the Forest Lifeforce Restoration Trust - Draft Revenue and Financing Policy – 2021

4

19. The Local Government Act 2002 was expressly amended in 2019 to expressly recognise “*sustainable development*” as one of the principles underpinning local government, which includes providing for future generations.
20. The conservation activities of Ashland and the Trust contribute to this sustainable development purpose, including for the purpose of providing for future generations and their well-being. Council decision-making must accord with these principles.

Outcome Sought

21. **Amend** the Revenue & Financing Policy and the draft Rating Policy to provide that indigenous forest (including land of the submitter) be treated not as “*Commercial*” but as “*Protected forests of any type*” or “*Rural*” for rating categorisation purposes.
22. The submitter **wishes to be heard** in support of this submission.

Signature of Ashland Investments Limited and the Forest Lifeforce Restoration Trust



Per: (SJ Ryan as duly authorised agent)

Date: 12 March 2021

Contact details for submitter:

[REDACTED]

[REDACTED]

Appendix 2: Non-Speaking Submissions

Mahia Ratepayers Association

Full Name *

Mahia Ratepayers Assn

Email Address *

Phone Number *

Address *

Do you wish to speak to your submission? *

- Kāo/No

Do you agree with how Council is
proposing to use funding sources to fund
activities (Revenue and Financing Policy)? *

- Kāo/No

Please clarify below why Āe/Yes or Kāo/No.
*

Mahia Ratepayers do not accept the Rate Review outcome due to high value properties being subjected to rate increases which are unrealistic. The Assn has delivered to the CFO a model which we see is a solution to the problem. The model delivers rate increases which are more reasonable while at the same time meeting councils objective to reduce Wairoa Township Rates.

Do you agree with the proposed rates
remission policy? *

- Āe/Yes

Please clarify below why Āe/Yes or Kāo/No.
*

Not really submitting on this question but needed to answer to be able to submit form.
As well as submitting this electronically we have hand delivered our model to the CFO & delivered this form together with an attached letter of explanation which appears not to be able to be attached electronically.
Thanks

3/12/2021

210312001

WDC - Consultation - RFP & Rates Policies

F100301

WDC - Consultation - RFP & Rates Policies

Revenue & Financing Policy and Rates Remission & Postponement Policies

Wairoa District Council is engaging with the community to look at the how the Council derives the revenue it needs in order to undertake activities, and to set parameters for the Council to remit rates penalties.

Please fill out this form if you would like to make a formal submission for this consultation. Submissions close Friday, 12th March 2021 at 4.30pm.

Personal Details

Full Name *

Mahia Ratepayers Assn
First Last

Email Address *

gary@tarrantcotter.co.nz

Phone Number *

0274485899

Address *

12 Locke Street

Street Address

Address Line 2

Wairoa

City

State / Province / Region

4180

Postal / Zip Code

New Zealand

Country

Oral Submission

Do you wish to speak to your submission? *

Āe/Yes

Kāo/No

Proposal Questions

Do you agree with how Council is proposing to use funding sources to fund activities (Revenue and Financing Policy)? *

Āe/Yes

Kāo/No

3/12/2021

WDC - Consultation - RFP & Rates Policies

Financing Policy)? *

Āe/Yes

Kāo/No

Please clarify below why Āe/Yes or Kāo/No. *

Mahia Ratepayers do not accept the Rate Review outcome due to high value properties being subjected to rate increases which are unrealistic. The Assn has delivered to the CFO a model which we see is a solution to the problem. The model delivers rate increases which are more reasonable while at the same time meeting councils objective to reduce Wairoa Township Rates.

Do you agree with the proposed rates remission policy?

*

Āe/Yes

Kāo/No

This field is required. Please enter a value.

Please clarify below why Āe/Yes or Kāo/No. *

Not really submitting on this question but needed to answer to be able to submit form.

As well as submitting this electronically we have hand delivered our model to the CFO & delivered this form together with an attached letter of explanation which appears not to be able to be attached electronically.

Thanks

This field is required. Please enter a value.

On behalf of the Mahia Ratepayers Association we wish to make a submission on the above policy.

Accordingly, we have provided the CFO with a proposal which recommends the Residential category should have a greater number of bands than the two that presently exist.

Our model has demonstrated that under this approach the “Wairoa” residential properties still receive substantial reductions, but the higher value properties receive increases which are far more realistic than those under the adopted model.

Our spreadsheet sees rate increases on high value properties reduce from 79%, 67%, 52% and the like to around a 20%. This compares to lower value properties which continue to see decreases very similar to that under the adopted model.

Gringo. 12/3/21

Total General Rate		9,550,464													
Proposal						Adopted									
	Capital Value	Differential Weightings	Weighted Capital Value	Total Weighted Capital Value	Rate	Capital Value	Differential Weightings	Weighted Capital Value	Total Capital Value	Rate					
Commercial	123,559,164	1.6	197,694,662	2,623,415,910	0.0058248	123,559,164	1.6	197,694,662	2,294,720,792	0.0066591	822,791.04				
Forestry	154,103,900	3.32	511,624,948	2,623,415,910	0.0120864	154,103,900	4.00	616,415,600	2,294,720,792	0.0166477	2,565,477.64				
Residential	414,072,400	1	414,072,400	2,623,415,910	0.0036405	414,072,400	1	414,072,400	2,294,720,792	0.0041619	1,723,339.71				
Residential A	165,214,000	1	165,214,000	2,623,415,910	0.0036405	165,214,000	0.8	132,171,200	2,294,720,792	0.0033295	550,087.08				
Rural	1,334,809,900	1	1,334,809,900	2,623,415,910	0.0036405	1,334,809,900	0.7	934,366,930	2,294,720,792	0.0029133	3,888,768.33				
											<u>9,550,463.80</u>				
	CV >= \$	Total CV													
Residential A*	5600,000	458,007,400													
Residential B	600,000	76,254,000													
Residential C	800,000	28,025,000													
Residential D	1,000,000	11,590,000													
Residential E	1,200,000	5,410,000													
		<u>579,286,400</u>													

													2021 Annual			
					2021 Annual Plan UAGC \$	2021 Annual Plan Water Charges \$	2021 Annual Plan Sewerage Charges \$	2021 Annual Plan Drainage Charges \$	2021 Annual Plan General Rate \$	2021 Annual Plan Services Rate \$	2021 Annual Plan Roading Rate \$	2021 Annual Plan Recreation Rate \$	2021 Annual Plan Waste Mgmt Rate \$	2021 Annual Plan Base \$		
Valuation	Rated LV	Rated CV	CV Factor	Category												
0870041100	260,000	1,000,000	0.85	Rural Resident	726.2	-	570.8	137.7	24.5	370.3	436.5	204.3	266.4	2,736.8		
0875006200	5,005,000	5,960,000	1.00	Rural	2,178.6	-	142.9	-	555.8	2,596.4	9,885.2	1,432.6	799.3	17,590.9		
0876017100	310,000	1,030,000	1.00	Rural	726.2	-	47.6	-	34.4	448.7	612.3	247.6	266.4	2,383.3		
Valuation	Rated LV	Rated CV		Category	Proposal UAGC \$	Proposal Water Charges \$	Proposal Sewerage Charges \$	Proposal Drainage Charges \$	Proposal General Rate \$	Proposal Services Rate \$	Proposal Roading Rate \$	Proposal Recreation Rate \$	Proposal Waste Mgmt Rate \$	Proposal Base \$		
0870041100	260,000	1,000,000	0.0036	Residential	376.2	-	513.7	123.9	3,641.0	-	-	-	239.8	4,894.6		
0875006200	5,005,000	5,960,000	0.0036	Rural	1,128.5	-	128.7	-	21,700.6	-	-	-	719.4	23,677.1		
0876017100	310,000	1,030,000	0.0036	Rural	376.2	-	42.9	-	3,750.3	-	-	-	239.8	4,409.1		
Valuation	Rated LV	Rated CV		Category	Adopted UAGC \$	Adopted Water Charges \$	Adopted Sewerage Charges \$	Adopted Drainage Charges \$	Adopted General Rate \$	Adopted Services Rate \$	Adopted Roading Rate \$	Adopted Recreation Rate \$	Adopted Waste Mgmt Rate \$	Adopted Base \$		
0870041100	260,000	1,000,000	0.0033	Residential A	376.2	-	513.7	123.9	3,329.5	-	-	-	239.8	4,583.1		
0875006200	5,005,000	5,960,000	0.0029	Rural	1,128.5	-	128.7	-	17,363.6	-	-	-	719.4	19,340.1		
0876017100	310,000	1,030,000	0.0029	Rural	376.2	-	42.9	-	3,000.8	-	-	-	239.8	3,659.6		

Total General Rate		9,550,464		Proposal		Adopted									
	Capital Value	Differential Weightings	Weighted Capital Value	Total Weighted Capital Value	Rate	Capital Value	Differential Weightings	Weighted Capital Value	Total Capital Value	Rate			Current Proposal	Changes	
Commercial	123,559,164	1.6	197,694,662	2,623,415,910	0.0058248	123,559,164	1.6	197,694,662	2,275,849,392	0.0067143	829,614	0.006659	822,791	(6,823)	
Forestry	154,103,900	3.32	511,624,948	2,623,415,910	0.0120864	154,103,900	4.00	616,415,600	2,275,849,392	0.0167858	2,586,751	0.016648	2,565,478	(21,273)	
Residential	414,072,400	1	414,072,400	2,623,415,910	0.0036405	414,072,400	1	414,072,400	2,275,849,392	0.0041964	1,737,630	0.004162	1,723,340	(14,290)	
Residential A	43,935,000	1	43,935,000	2,623,415,910	0.0036405	43,935,000	0.8	35,148,000	2,275,849,392	0.0033572	147,496	0.00333	146,283	(1,213)	
Residential B	76,254,000	1	76,254,000	2,623,415,910	0.0036405	76,254,000	0.7	53,377,800	2,275,849,392	0.0029375	223,997	0.00333	253,891	29,894	
Residential C	28,025,000	1	28,025,000	2,623,415,910	0.0036405	28,025,000	0.6	16,815,000	2,275,849,392	0.0025179	70,563	0.00333	93,310	22,747	
Residential D	11,590,000	1	11,590,000	2,623,415,910	0.0036405	11,590,000	0.5	5,795,000	2,275,849,392	0.0020982	24,318	0.00333	38,589	14,271	
Residential E	5,410,000	1	5,410,000	2,623,415,910	0.0036405	5,410,000	0.4	2,164,000	2,275,849,392	0.0016786	9,081	0.00333	18,013	8,932	
Rural	1,334,809,900	1	1,334,809,900	2,623,415,910	0.0036405	1,334,809,900	0.7	934,366,930	2,275,849,392	0.0029375	3,921,014	0.002913	3,888,768	(32,246)	
											9,550,464		9,550,464	0	
	CV >= \$	Total CV	Weightings												
Residential A	400000-600000	43,935,000	0.8												
Residential B	600000-800000	76,254,000	0.7												
Residential C	800000-1000000	28,025,000	0.6												
Residential D	1000000-1200000	11,590,000	0.5												
Residential E	Over-1200000	5,410,000	0.4												
		165,214,000													

Valuation	Rated LV	Rated CV	CV Factor	Category	2021 Annual Plan UAGC \$	2021 Annual Plan Water Charges \$	2021 Annual Plan Sewerage Charges \$	2021 Annual Plan Drainage Charges \$	2021 Annual Plan General Rate \$	2021 Annual Plan Services Rate \$	2021 Annual Plan Rooding Rate \$	2021 Annual Plan Recreation Rate \$	2021 Annual Plan Waste Mgmt Rate \$	2021 Annual Plan Base \$	Current
0870041100	260,000	1,000,000	0.85	Rural Residential	726.2	-	570.8	137.7	24.5	370.3	436.5	204.3	266.4	2,736.8	
0875006200	5,005,000	5,960,000	1.00	Rural	2,178.6	-	142.9	-	555.8	2,596.4	9,885.2	1,432.6	799.3	17,590.9	
0876017100	310,000	1,030,000	1.00	Rural	726.2	-	47.6	-	34.4	448.7	612.3	247.6	266.4	2,383.3	
58A Lahore	38,000	225,000		Residential	726.2	669.1	570.8	203.1	59.1	559.7	176.6	319.1	319.0	3,602.7	
37 Kabul	32,000	225,000		Residential	726.2	669.1	570.8	203.2	49.7	559.7	148.7	319.1	319.0	3,565.5	
36 Kabul	28,000	100,000		Residential	726.2	669.1	570.8	203.1	43.5	248.7	130.1	141.8	319.0	3,052.3	
44 Moana	240,000	560,000	0.85		726.2		570.8	137.7	22.6	207.3	402.9	114.4	266.4	2,448.3	
48 Moana	195,000	380,000			726.2		570.8	137.7	18.4	140.7	327.3	77.6	266.4	2,265.1	
18 Pohutukawa	495,000	620,000			726.2		570.8	137.7	46.7	229.5	831.0	126.6	266.4	2,934.9	
12 Mahia Heights	215,000	860,000			726.2		570.8	137.7	20.3	318.4	360.9	175.7	266.4	2,576.4	
19 Moana	495,000	1,420,000			726.2		570.8	137.7	46.7	525.8	831.0	290.1	266.4	3,394.7	
22 Pohutukawa	470,000	1,070,000			726.2		570.8	137.7	44.3	396.2	789.0	218.6	266.4	3,149.2	
153 Newcastle	440,000	540,000			726.2		570.8	137.7	41.5	199.9	738.6	110.3	266.4	2,791.4	

Adopted														
Valuation	Rated LV	Rated CV	CV% of UGR	Category	Adopted UAGC \$	Adopted Water Charges \$	Adopted Sewerage Charges \$	Adopted Drainage Charges \$	Adopted General Rate \$	Adopted Services Rate \$	Adopted Rooding Rate \$	Adopted Recreation Rate \$	Adopted Waste Mgmt Rate \$	Adopted Base \$
0870041100	260,000	1,000,000	0.3%	Residential A	376.16		513.69	123.94	3329.54				239.80	4583.13
0875006200	5,005,000	5,960,000	0.3%	Rural	1128.47		128.65	0.00	17363.57				719.40	19340.09
0876017100	310,000	1,030,000	0.3%	Rural	376.16		42.88	0.00	3000.75				239.80	3659.59
58A Lahore	38,000	225,000	0.4%	Residential	376.20	583.50	513.70	182.80	936.43				287.10	2879.73
37 Kabul	32,000	225,000	0.4%	Residential	376.20	583.50	513.70	182.80	936.43				287.10	2879.73
36 Kabul	28,000	100,000	0.4%	Residential	376.20	583.50	513.70	182.80	416.19				287.10	2359.49
44 Moana	240,000	560,000	0.3%	Residential A	376.20		513.70	123.90	1864.54				239.80	3118.14
48 Moana	195,000	380,000	0.4%	Residential	376.20		513.70	123.90	1581.53				239.80	2835.13
18 Pohutukawa	495,000	620,000	0.3%	Residential A	376.20		513.70	123.90	2064.32				239.80	3317.92
12 Mahia Heights	215,000	860,000	0.3%	Residential A	376.20		513.70	123.90	2863.41				239.80	4117.01
19 Moana	495,000	1,420,000	0.3%	Residential A	376.20		513.70	123.90	4727.95				239.80	5981.55
22 Pohutukawa	470,000	1,070,000	0.3%	Residential A	376.20		513.70	123.90	3562.61				239.80	4816.21
153 Newcastle	440,000	540,000	0.3%	Residential A	376.20		513.70	123.90	1797.95				239.80	3051.55

													Banded Proposal				
			CV% of		Adopted	Adopted	Adopted	Adopted		Adopted	Adopted	Adopted	Adopted	Adopted	Inc/(Dec)	Inc/(Dec)	
Valuation	Rated LV	Rated CV	UGR	Category	UAGC \$	Water Charges \$	Sewerage Charges \$	Drainage Charges \$	Banded General Rate \$	Adopted Services Rate \$	Adopted Rooding Rate \$	Adopted Recreation Rate \$	Adopted Waste Mgmt Rate \$	Adopted Base \$	Adopted	Adopted	
0870041100 46 Moana	260,000	1,000,000	0.2%	Residential D	376.16		513.69	123.94	2098.22				239.80	3351.81	(1,231.32)	615.03	22%
0875006200 Tauwharetoi	5,005,000	5,960,000	0.3%	Rural	1128.47		128.65	0.00	17507.54				719.40	19484.07	143.98	1,893.13	11%
0876017100 JR Cotter	310,000	1,030,000	0.3%	Rural	376.16		42.88	0.00	3025.63				239.80	3684.47	24.88	1,301.18	55%
58A Lahore St	38000	225,000	0.4%	Residential	376.20	583.50	513.70	182.80	944.20				287.10	2887.50	7.76	(715.20)	-20%
37 Kabul St	32000	225,000	0.4%	Residential	376.20	583.50	513.70	182.80	944.20				287.10	2887.50	7.76	(678.00)	-19%
36 Kabul	28000	100,000	0.4%	Residential	376.20	583.50	513.70	182.80	419.64				287.10	2362.94	3.45	(689.36)	-23%
44 Moana	240000	560,000	0.3%	Residential A	376.20		513.70	123.94	1880.00				239.80	3133.64	15.50	685.34	28%
48 Moana	195000	380,000	0.4%	Residential	376.20		513.70	123.94	1594.65				239.80	2848.29	13.15	583.19	26%
18 Pohuukawa	495000	620,000	0.3%	Residential B	376.20		513.70	123.94	1821.25				239.80	3074.89	(243.02)	139.99	5%
12 Mahia Heights	215000	860,000	0.3%	Residential C	376.20		513.70	123.94	2165.36				239.80	3419.00	(698.00)	842.60	33%
19 Moana	495000	1,420,000	0.2%	Residential E	376.20		513.70	123.94	2383.58				239.80	3637.22	(2,344.33)	242.52	7%
22 Pohutukawa	470000	1,070,000	0.2%	Residential D	376.20		513.70	123.94	2245.10				239.80	3498.74	(1,317.48)	707.34	11%
153 Newcastle	440000	540,000	0.3%	Residential A	376.16		513.69	123.94	1812.86				239.80	3066.45	14.90	275.05	10%

Valuation	Rated LV	Rated CV	CV Factor	Category	2021 Annual Plan UAGC \$	2021 Annual Plan Water Charges \$	2021 Annual Plan Sewerage Charges \$	2021 Annual Plan Drainage Charges \$	2021 Annual Plan General Rate \$	2021 Annual Plan Services Rate \$	2021 Annual Plan Roading Rate \$	2021 Annual Plan Recreation Rate \$	2021 Annual Plan Waste Mgmt Rate \$	2021 Annual Plan Base \$	Current
0870041100	260,000	1,000,000	0.85	Rural Residential	726.2	-	570.8	137.7	24.5	370.3	436.5	204.3	266.4	2,736.8	
0875006200	5,005,000	5,960,000	1.00	Rural	2,178.6	-	142.9	-	555.8	2,596.4	9,885.2	1,432.6	799.3	17,590.9	
0876017100	310,000	1,030,000	1.00	Rural	726.2	-	47.6	-	34.4	448.7	612.3	247.6	266.4	2,383.3	
58A Lahore	38,000	225,000		Residential	726.2	669.1	570.8	203.1	59.1	559.7	176.6	319.1	319.0	3,602.7	
37 Kabul	32,000	225,000		Residential	726.2	669.1	570.8	203.2	49.7	559.7	148.7	319.1	319.0	3,565.5	
36 Kabul	28,000	100,000		Residential	726.2	669.1	570.8	203.1	43.5	248.7	130.1	141.8	319.0	3,052.3	
44 Moana	240,000	560,000	0.85		726.2		570.8	137.7	22.6	207.3	402.9	114.4	266.4	2,448.3	
48 Moana	195,000	380,000			726.2		570.8	137.7	18.4	140.7	327.3	77.6	266.4	2,265.1	
18 Pohutukawa	495,000	620,000			726.2		570.8	137.7	46.7	229.5	831.0	126.6	266.4	2,934.9	
12 Mahia Heights	215,000	860,000			726.2		570.8	137.7	20.3	318.4	360.9	175.7	266.4	2,576.4	
19 Moana	495,000	1,420,000			726.2		570.8	137.7	46.7	525.8	831.0	290.1	266.4	3,394.7	
22 Pohutukawa	470,000	1,070,000			726.2		570.8	137.7	44.3	396.2	789.0	218.6	266.4	3,149.2	
153 Newcastle	440,000	540,000			726.2		570.8	137.7	41.5	199.9	738.6	110.3	266.4	2,791.4	

Adopted														
Valuation	Rated LV	Rated CV	CV% of UGR	Category	Adopted UAGC \$	Adopted Water Charges \$	Adopted Sewerage Charges \$	Adopted Drainage Charges \$	Adopted General Rate \$	Adopted Services Rate \$	Adopted Roading Rate \$	Adopted Recreation Rate \$	Adopted Waste Mgmt Rate \$	Adopted Base \$
0870041100	260,000	1,000,000	0.3%	Residential A	376.16		513.69	123.94	3329.54				239.80	4583.13
0875006200	5,005,000	5,960,000	0.3%	Rural	1128.47		128.65	0.00	17363.57				719.40	19340.09
0876017100	310,000	1,030,000	0.3%	Rural	376.16		42.88	0.00	3000.75				239.80	3659.59
58A Lahore	38,000	225,000	0.4%	Residential	376.20	583.50	513.70	182.80	936.43				287.10	2879.73
37 Kabul	32,000	225,000	0.4%	Residential	376.20	583.50	513.70	182.80	936.43				287.10	2879.73
36 Kabul	28,000	100,000	0.4%	Residential	376.20	583.50	513.70	182.80	416.19				287.10	2359.49
44 Moana	240,000	560,000	0.3%	Residential A	376.20		513.70	123.90	1864.54				239.80	3118.14
48 Moana	195,000	380,000	0.4%	Residential	376.20		513.70	123.90	1581.53				239.80	2835.13
18 Pohutukawa	495,000	620,000	0.3%	Residential A	376.20		513.70	123.90	2064.32				239.80	3317.92
12 Mahia Heights	215,000	860,000	0.3%	Residential A	376.20		513.70	123.90	2863.41				239.80	4117.01
19 Moana	495,000	1,420,000	0.3%	Residential A	376.20		513.70	123.90	4727.95				239.80	5981.55
22 Pohutukawa	470,000	1,070,000	0.3%	Residential A	376.20		513.70	123.90	3562.61				239.80	4816.21
153 Newcastle	440,000	540,000	0.3%	Residential A	376.20		513.70	123.90	1797.95				239.80	3051.55

													Banded Proposal				
			CV% of		Adopted	Adopted	Adopted	Adopted	Banded	Adopted	Adopted	Adopted	Adopted	Inc/(Dec)	Inc/(Dec)		
Valuation	Rated LV	Rated CV	UGR	Category	UAGC \$	Water Charges \$	Sewerage Charges \$	Drainage Charges \$	General Rate \$	Services Rate \$	Roading Rate	Recreation Rate \$	Waste Mgmt Rate \$	Adopted Base \$	over	over 2021	
															Adopted	Plan	
0870041100 46 Moana	260,000	1,000,000	0.2%	Residential D	376.16		513.69	123.94	2097.72				239.80	3351.31	(1,231.82)	614.53	
0875006200 Tauwharetoi	5,005,000	5,960,000	0.3%	Rural	1128.47		128.65	0.00	17503.38				719.40	19479.91	139.82	1,888.97	
0876017100 JR Cotter	310,000	1,030,000	0.3%	Rural	376.16		42.88	0.00	3024.91				239.80	3683.76	24.16	1,300.46	
58A Lahore St	38000	225,000	0.4%	Residential	376.20	583.50	513.70	182.80	943.97				287.10	2887.27	7.54	(715.43)	
37 Kabul St	32000	225,000	0.4%	Residential	376.20	583.50	513.70	182.80	943.97				287.10	2887.27	7.54	(678.23)	
36 Kabul	28000	100,000	0.4%	Residential	376.20	583.50	513.70	182.80	419.54				287.10	2362.84	3.35	(689.46)	
44 Moana	240000	560,000	0.3%	Residential A	376.20		513.70	123.94	1879.56				239.80	3133.20	15.05	684.90	
48 Moana	195000	380,000	0.4%	Residential	376.20		513.70	123.94	1594.27				239.80	2847.91	12.78	582.81	
18 Pohutukawa	495000	620,000	0.3%	Residential B	376.20		513.70	123.94	1820.82				239.80	3074.46	(243.45)	139.56	
12 Mahia Heights	215000	860,000	0.3%	Residential C	376.20		513.70	123.94	2164.85				239.80	3418.49	(698.52)	842.09	
19 Moana	495000	1,420,000	0.2%	Residential E	376.20		513.70	123.94	2978.76				239.80	4232.40	(1,749.15)	837.70	
22 Pohutukawa	470000	1,070,000	0.2%	Residential D	376.20		513.70	123.94	2244.56				239.80	3498.20	(1,318.01)	706.80	
153 Newcastle	440000	540,000	0.3%	Residential A	376.16		513.69	123.94	1812.43				239.80	3066.02	14.47	274.62	

Total General Rate		9,550,464		Proposal		Adopted							
	Capital Value	Differential Weightings	Weighted Capital Value	Total Weighted Capital Value	Rate	Capital Value	Differential Weightings	Weighted Capital Value	Total Capital Value	Rate		Current Proposal	Changes
Commercial	123,559,164	1.6	197,694,662	2,623,415,910	0.0058248	123,559,164	1.6	197,694,662	2,276,390,392	0.0067127	829,416	0.006659	822,791 (6,625)
Forestry	154,103,900	3.32	511,624,948	2,623,415,910	0.0120864	154,103,900	4.00	616,415,600	2,276,390,392	0.0167818	2,586,136	0.016648	2,565,478 (20,658)
Residential	414,072,400	1	414,072,400	2,623,415,910	0.0036405	414,072,400	1	414,072,400	2,276,390,392	0.0041954	1,737,217	0.004162	1,723,340 (13,877)
Residential A	43,935,000	1	43,935,000	2,623,415,910	0.0036405	43,935,000	0.8	35,148,000	2,276,390,392	0.0033564	147,461	0.00333	146,283 (1,178)
Residential B	76,254,000	1	76,254,000	2,623,415,910	0.0036405	76,254,000	0.7	53,377,800	2,276,390,392	0.0029368	223,943	0.00333	253,891 29,947
Residential C	28,025,000	1	28,025,000	2,623,415,910	0.0036405	28,025,000	0.6	16,815,000	2,276,390,392	0.0025173	70,546	0.00333	93,310 22,764
Residential D	11,590,000	1	11,590,000	2,623,415,910	0.0036405	11,590,000	0.5	5,795,000	2,276,390,392	0.0020977	24,313	0.00333	38,589 14,277
Residential E	5,410,000	1	5,410,000	2,623,415,910	0.0036405	5,410,000	0.5	2,705,000	2,276,390,392	0.0020977	11,349	0.00333	18,013 6,664
Rural	1,334,809,900	1	1,334,809,900	2,623,415,910	0.0036405	1,334,809,900	0.7	934,366,930	2,276,390,392	0.0029368	3,920,082	0.002913	3,888,768 (31,314)
											9,550,464	9,550,464	0
CV >= 5		Total CV		Weightings									
Residential A	400000-600000	43,935,000		0.8									
Residential B	600000-800000	76,254,000		0.7									
Residential C	800000-1000000	28,025,000		0.6									
Residential D	1000000-1200000	11,590,000		0.5									
Residential E	Over-1200000	5,410,000		0.4									
		165,214,000											

**PROPOSAL TO
UPDATE THE REVENUE
AND FINANCING
POLICY AND RATES
REMISSIONS AND
POSTPONEMENT
POLICIES (INCLUDING
POLICIES FOR MĀORI
FREEHOLD LAND)**

9TH FEBRUARY 2021



**TE WAIROA
WAIROA DISTRICT**

INTRODUCTION

Council is proposing an update to its **Revenue and Financing Policy**.

This matter affects everyone in the district and will determine how the Council derives the revenue it needs in order to undertake activities on behalf of the community at desired service levels for several years. Therefore, Council determines that is a matter of high significance, and presents this proposal for community consultation.

Council is seeking the community's views on the proposed changes. The full proposed Revenue and Financing Policy is included with this proposal.

There are three key elements to the policy:

1. Funding sources for operating costs
2. Funding sources for capital costs
3. Rates

In addition, Council has reviewed its **Rates Remissions and Postponement Policies (including Remissions and Postponement Policies for Māori Freehold Land)**. This proposal incorporates consultation on these.

These changes are primarily to support the decisions of the 2020 Rating Review. Additional changes have been made to better reflect changes in community outcomes, operational changes and other and best practice in documenting these policies.

SUMMARY OF WHAT IS PROPOSED

REVENUE AND FINANCING POLICY

The full proposed policy is attached.

This revised policy describes all the funding sources available to Council and how Council uses those funding sources are applied to the funding of operating and capital expenditure.

The Policy shows how the Council has Complied with section 101(3) of the Local Government Act 2002 (LGA) including:

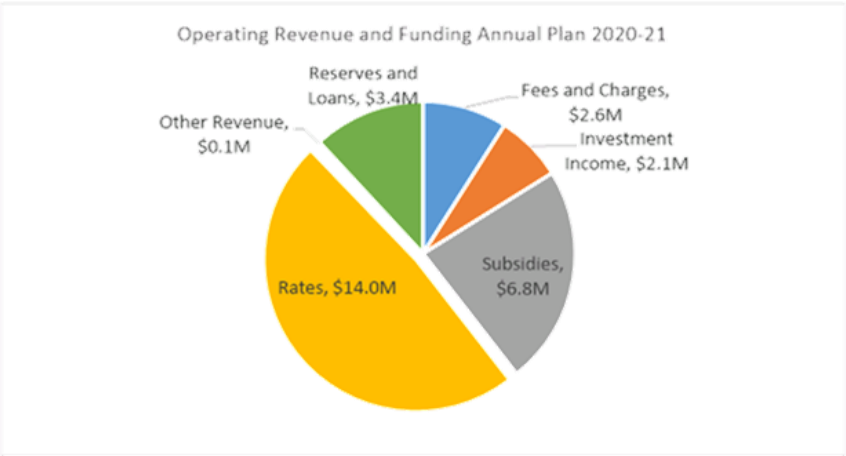
- A summary of the result of the detailed analysis of the completing the Funding Needs Analysis of LGA s101(3)(a) for operating expenses.
- An analysis of the process Council applies to applying the Funding Needs Analysis of LGA s101(3)(a) for capital expenses.
- Council's policies in applying the requirements of LGA s.101(3)(b).

Overall, the Revenue and Financing Policy addresses, at the level specified by the legislation, the relevant matters necessary to give effect to the outcomes of the 2020 Rating Review. Some matters relevant to the review such as the definition of rating categories and factors will be included in the rating Funding Impact Statement as supporting information to the LTP Consultation Document. Furthermore, the LTP Consultation Document will include rates samples showing the impact of the rating review, valuation changes and the 2021/22 budgets.

1. FUNDING SOURCES FOR OPERATING COSTS

Council has completed a review of its 32 activities and determined appropriate funding sources for each, and an appropriate allocation of the revenue requirements among user groups and ratepayers. The objectives of the proposed update to the policy are to maximise external revenue sources and establish appropriate and practical ranges for other sources, particularly among fees, charges and rates.

In its Annual Plan for the Year Ending 30 June 2021, Council’s operating costs were funded in the following proportions.



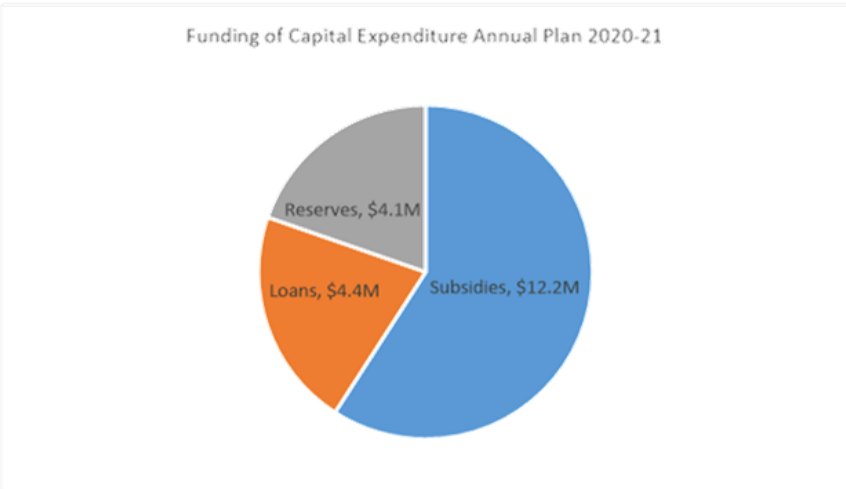
The draft policy details the sources of revenue that Council intends to use to pay for operating costs and why.

2. FUNDING SOURCES FOR CAPITAL EXPENDITURE

Council has also determined guiding principles for the funding of capital expenditure. In considering options Council must look to the long -term and take account of prudence and intergenerational equity, noting that an investment in future service levels today has cost implications for many years to come.

The main sources of funding for capital expenditure that Council currently employs are subsidies, reserves and borrowing. The draft policy sets down guidelines for when these sources should be used.

In its Annual Plan for the Year Ending 30 June 2021, Council’s capital expenditure was funded as follows:



The draft policy considers when these sources are most suitable, along with the availability of other funding.

3. CALCULATION AND ALLOCATION OF RATES

In 2020 Council consulted with the community on a change to its rating system, and subsequently adopted a change with the following features:

- a. A general rate calculated on the capital value of all rateable land to fund the rates revenue for all activities available to the whole district, differentiated as follows (by land use):
 - i. Commercial
 - ii. Forestry
 - iii. Residential
 1. Capital value above \$399,999
 2. Capital value below \$399,999
 - iv. Rural
- b. A uniform annual general charge calculated as a percentage of the total general rate, at 50% of its previous calculated amount
- c. Targeted rates applied as a fixed amount per rating unit, or connection, applied to those rating units which receive or have available the following services:
 - i. Solid waste management
 - ii. Water supply (water by meter rates will continue to apply)
 - iii. Wastewater
 - iv. Stormwater
- d. 10% of the rates for activities identified in c) to be allocated through the capital value general rate.

The draft Revenue and Financing Policy has been updated to reflect these changes.

Council has already consulted on these matters in the 2020 Rating Review and has a good understanding of the community views on these matters. Council made significant changes to the General Rate differentials consulted on in the 2020 Rating Review Proposal following community feedback.

Council is consulting on the Proposed Revenue and Financing Policy. The final adopted Policy must be included in the adopted Long-term Plan.

Supporting information to this proposal is:

- * Funding Needs Analysis
- * Rating Policy
- * 2020 Rating Review Statement of Proposal
- * Extract from Agendas and Minutes of Council meeting 10 December 2020 and 12 January 2021

RATES REMISSIONS AND POSTPONEMENT POLICIES

Rates Remissions and Postponement Policies enable Council to adjust rate liabilities for specific circumstances with the intention of mitigating the effects of any perceived disadvantages or inconsistencies that rating legislation may impose. It is appropriate that Council, having conducted a rating review and a review of its Revenue and Financing Policy, also considers updates to these policies.

The draft updates to the Rates Remissions and Postponement Policies are attached to this proposal, and summarised in the table below:

POLICY PART	EXISTING	ACTION	FOR CONSULTATION
Policy Objectives	Yes	Keep – No Change	Policy Objectives
Definitions	Yes	Keep – No Change	Yes
Remission of Rates on Land Owned of Used by Community or Charitable Organisations	Yes	Keep but alter minor changes	Yes
Remission of Penalties Added to Unpaid Rates	Yes	Replace with Remission of Penalties	Remission of Penalties
Remission of Uniform Annual General Charges and Targeted Rates in Certain Circumstances: non-rural land	Yes	Keep – No Change	Yes
Remission of Uniform Annual General Charges and Targeted Rates for Rural Land	Yes	Keep – No Change	Yes
Remission on Land Used for Outstanding Landscape, Cultural, Historical or Conservation Purposes	Yes	Keep – No Change	Yes
Policy for Remission and Postponement of Rates on Māori freehold land	Yes	Keep – No Change	Yes
Policy for Remission of Rates on Coastal Rural Land Used for Grazing Purposes	Yes	Keep – No Change	Yes
Remission of Rates on Land Only Partially in the Wairoa District	Yes	Keep – No Change	Yes
Postponement of Rates on Landlocked General Title	Yes	Keep – No Change	Yes
Remission of Excess Water Rates	Yes	Replace with Remission Water Meter Rates Attributable to Water Leaks	Remission Water Meter Rates Attributable to Water Leaks
Rates Arrears Payment Arrangements	No	New Policy	Yes
Abandoned Land and Rates Sales Rates Remissions	No	New Policy	Yes
Non-Contactable Owners Rates Postponement Policy – Māori freehold land	No	New Policy	Yes
Partial use of Māori freehold land	No	New Policy	Yes
Remission of Rates for Land Used for Papakāinga Housing	Yes	Keep – No Change	Yes

This revised policy replaces the previous describes all of Council's Remission and postponement policies including the objective each policy and the criteria to be meet to receive the remission or postponement.

Council is aware that the Local Government (Rating of Whenua Māori) Amendment Bill 2020 is part way through the Parliamentary processes. This Bill would change the remission of rates on Māori freehold land. The proposed policy is not able to include matters from the Bill.

FURTHER INFORMATION

- A. To support its review of funding sources Council undertook a detailed funding needs analysis for its various activities to establish realistic funding ranges for each source of income. This analysis is appended to the draft policy.
- B. Council also intends to introduce a Rating Policy. It is expected that the principles contained in the Revenue and Policy will remain valid for many years. However, triennial rating valuations, significant changes in land use and the consumption of Council activities could vary sufficiently to necessitate review of the factors attributed to land use differentials, the amount of the Uniform Annual General Charge, the classifications of land use categories and so on. A Rating Policy will enable Council to respond to such circumstances as required. The draft Rating Policy is therefore also appended to support this proposal.
- C. Council's existing Revenue and Financing Policy can be found on Council's website at <https://www.wairoadc.govt.nz/assets/Document-Library/Policies/REVENUE-FINANCING-POLICY.pdf> and is available at Council offices
- D. Council's current Rates Remissions and Postponement Policies are on Council's website at <https://www.wairoadc.govt.nz/assets/Document-Library/Policies/Rates/Rates-Remissions-Policies.pdf> also available at Council offices.

DRAFT

Proposed Revenue and Financing Policy

Purpose and scope

1. This policy outlines the choices Council has made in deciding the appropriate sources of funding for operating and capital expenditure from those sources listed in the Local Government Act 2002 (LGA). The policy also shows how the Council complied with section 101(3) of the LGA which sets out a number of factors we must consider when making these decisions. A comprehensive analysis of this is included in the Funding Needs Analysis (Appended).
2. Deciding the best way to fund activities is complex. Applying the legislation is complex and involves many statutes, regulations and multiple statutory policies. The outcome of balancing all those matters requires judgement having considered many factors including but not limited to:

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

Policy

Funding sources for operating expenses

3. Operating costs are the everyday spending on Council activities. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and overheads.
4. The funding of each activity must be considered individually. Some activities may be best funded by user charges, such as building consents, others with targeted rates, such as water, and others from the general rate, such as roading.
5. The funding sources used for operating costs and the Council's policies in respect of funding operating expenses are described in the following sections.

User Charges

6. User charges are applied to services where it is identified there is a benefit to an individual or group, or directly attributable cost. User charges are a broad group of fees charged directly to an individual or entity including but not limited to:

▪ Service charges.	▪ Fines and penalties.	▪ Planning and consent fees.
▪ Hire.	▪ Connection fees.	▪ Statutory charges.
▪ Rent, lease, licences for land and buildings.	▪ Disposal fees.	▪ Retail sales.
▪ Permits.	▪ Deposits.	▪ Landing fees
▪ Regulatory charges.	▪ Private works.	
7. The price of the service is based on a number of factors, including but not limited to:
 - a. The cost of providing the service.
 - b. The estimate of the users' private benefit from using the service.
 - c. The impact of cost to encourage/discourage behaviours.
 - d. The impact of cost on demand for the service.

- e. Market pricing, including comparability with other councils.
 - f. The impact of rates subsidies if competing with local businesses.
 - g. Cost and efficiency of collection mechanisms.
 - h. The impact of affordability on users.
 - i. Statutory limits.
 - j. Other matters as determined by the Council.
8. The ability to charge user charges is limited by various statutes and regulations. As a general rule, fees for statutory functions should be set at no more than the cost of providing the service. In some cases, legislation sets the fees at a level that is below cost and in other cases, where provided by legislation (such as the Waste Minimisation Act 2008) fees may be set at greater than the cost of providing the service. It is appropriate to incorporate overhead costs when determining the cost of providing a service.
 9. Where goods or services are sold commercially, and taking into consideration legislative limitations, the Council's preference is to charge a market price. This includes retail sales, leases, rents and licences for land and buildings.
 10. Fees and charges may be set at any time and are reviewed annually. A list of current fees and charges is maintained on our website.
 11. Revenue from user charges is generally allocated to the activity which generates the revenue.

Grants, sponsorship, subsidies and other income

12. Grants, sponsorship and subsidies are used where they are available. Many of these types of income are regular and predictable and can be budgeted for (for example Waka Kotahi NZTA roading subsidy). Some other types are unexpected or unpredictable and may not be able to be prudently budgeted (such as Provincial Growth Fund funding, reparation payments, civil defence and other reimbursements, legal settlements and insurance claims). These are applied as they arise to the corresponding activity or project.

Investment income and proceeds from the sale of assets

13. The Council's approach to investments is documented in the Investment and Liability Management Policies. These investments generate income such as dividends, interest, and rents.
14. Income from all asset disposals are generally receipted to the activity that used the asset to deliver service. Generally, these proceeds are considered to be capital in nature. However, low value items may be used to fund operating costs. Council may resolve to utilise higher value proceeds for operating purposes if it is satisfied that it is prudent and in the community's interest.

Development contributions, financial contributions and lump sum contributions

15. Generally, there is little revenue from these funding sources to fund operating costs.
16. Lump sum contributions have been used for the Māhia and Ōpoutama wastewater schemes, which included a portion of operating cost (interest). Council has an Early Payment of Rates Policy enabling existing ratepayers for these schemes to pay future targeted rates for this in advance.
17. Council will consider using lump sum contribution arrangements as a suitable funding option for future projects.
18. Financial contributions, relating to resource consents are collected and placed in a reserve fund. The use of this funds could include some operating costs. The Council does not currently take development contributions, but it is considering the use of these as part of its review of the District Plan. Should development contributions be implemented a portion of revenue funds the interest cost on debt for growth related capital projects.

Reserve funds

19. Reserve funds are used for the purposes that they were created. Reserve funds may be used to meet operating costs if the expenditure is consistent with the purpose of the fund.

Borrowing

20. The Council's approach to Borrowing is documented in the Investment and Liability Management Policies. The Council generally plans to fund all cash operating costs from sources other than borrowing but may in specific circumstances, where it determines it is prudent to do so, fund some operating costs from borrowing.

Rates

21. Having exhausted all other funding sources, Council funds its remaining operating expenses from rates. For many activities this is the main funding source.
22. The Council may establish general or targeted rates to fund operating costs.

Summary of sources of funding for operation costs by activity

23. The above funding sources were considered when determining the funding required from all sources (including general rates or targeted rates) for each activity in the Funding Needs Analysis, as required by section 101(3)(a).
24. Table 1 shows the degree (expressed as a range) to which each funding source is used to fund operating costs in relation to each activity to be funded, as required by section 101(3)(a) of the LGA.
25. After the activity by activity analysis, the Council undertakes an analysis of the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community. The results of this analysis may vary the outcome of the activity by activity analysis.
26. The ranges in Table 1 are expressed as a percentage of the revenue budgeted to fund each activity and are indicative only. They may change over time because of changes in expenditure requirements. Actual funding sources may differ from the budgeted funding sources.

Table 1: Operating Funding by Activity	User charges	Grant s, subsidies & other	Invest. Income	Fin. and Dev. Contributions	Reserve Funds	Borrowing	General Rates	Targeted rates
Water Supply*	0% -20%	0%	0% -20%	0%	0%	0%	0% -20%	80% - 100%
Wastewater	0% -20%	0%	0% -20%	0%	0%	0%	0% -20%	80% - 100%
Stormwater	0% -20%	0%	0% -20%	0%	0%	0%	0% -20%	80% - 100%
Waste Management	20% -40%	0%	0%	0%	0%	0%	0% -20%	40% - 60%
Airport	0% -20%	0%	0%	0%	0%	0%	80% - 100%	0%
Parking	0%	0%	0%	0%	0%	0%	100%	0%
Roading	0%	60% - 80%	0%	0%	0%	0%	20% -40%	0%
Camping Grounds	0% -20%	0%	0%	0%	0%	0%	80% - 100%	0%
Cemeteries	0% -20%	0%	0%	0%	0%	0%	80% - 100%	0%
Community Centre	0%	0%	0%	0%	0%	0%	80% - 100%	0%
Community Support	0%	0% -20%	0%	0%	0%	0%	80% - 100%	0%
Library	0% -20%	0%	0%	0%	0%	0%	80% - 100%	0%

Table 1: Operating Funding by Activity	User charges	Grants, subsidies & other	Invest. Income	Fin. and Dev. Contributions	Reserve Funds	Borrowing	General Rates	Targeted rates
Memorial Hall	0% -20%	0%	0%	0%	0%	0%	80% - 100%	0%
Parks and Reserves	0% -20%	0%	0%	0%	0%	0%	80% - 100%	0%
Resource Planning	0% -20%	0%	0%	0%	20% -40%	20% -40%	40% - 60%	0%
Environmental Health	0% -20%	0%	0%	0%	0%	0%	80% - 100%	0%
Building Control	40% - 60%	0%	0%	0%	0%	0%	40% - 60%	0%
Liquor Control	40% - 60%	0%	0%	0%	0%	0%	60% - 80%	0%
Bylaw Compliance	40% - 60%	0%	0%	0%	0%	0%	40% - 60%	0%
Community Representation	0%	0%	0%	0%	0%	0%	100%	0%
Māori Relationships	0%	0%	0%	0%	0%	0%	100%	0%
Economic Development	0% -20%	0%	0%	0%	0%	0%	80% - 100%	0%
Gaiety Theatre	80% - 100%	0%	0%	0%	0%	0%	0% -20%	0%
Visitor Information	0% -20%	0%	0%	0%	0%	0%	80% - 100%	0%
Pensioner Housing	100%	0%	0%	0%	0%	0%	0%	0%
Property	0% -20%	0% -20%	0% -20%	0%	0%	0%	80% - 100%	0%
Funds Management	0%	0%	100%	0%	0%	0%	0%	0%

Funding sources for capital costs

27. Capital costs are those costs associated with the purchase and improvement of assets, and the repayment of debt. The funding sources for capital costs and Council's policies in respect of the funding of this expenditure are described in the sections that follow.

User charges

28. User charges are not often used for capital costs as individual user contributions would generally be too large to be affordable. Borrowing and charging users annually for financing costs (interest and principal) via rates is often a more affordable method of collecting user contributions for capital costs.
29. The Council may charge for capital works that are for private benefit (such as, a network extension to a single dwelling) or where capital works are undertaken outside of Asset Management Plans at the request of individuals (for example, a rural seal extension for dust suppression).

Grants, subsidies, and other income

30. The Council relies on significant subsidies for capital works relating to our transport activity. Grants and subsidies may be available for other activities from time to time.
31. Other income can be from many and varied sources and is unlikely to be predictable enough to budget for in advance. Other income used to fund capital costs could include bequests, insurance claims, and legal settlements.
32. Grants, subsidies and other income are used wherever they are available.

Development contributions

33. Development Contributions (DCs) fund capital costs necessary to service growth. Council does not have a development contributions policy at this time and will consider this as part of the consideration of financial contributions in the review of the District Plan.

Financial contributions

34. Financial contributions are collected under the Resource Management Act 1991 to avoid, remedy or mitigate adverse effects on the environment as conditions to resource consents. The requirements for these contributions are outlined in the District Plan. Contributions may be received in cash or as revenue by the vesting of assets.

Proceeds from the sale of assets

35. From time-to-time, assets are disposed of. Usually these are low value items and the revenue is allocated to the activities that the assets were used in. In the case of short-life assets these proceeds would normally contribute to the cost of their replacement.
36. The Council holds some higher value assets for investment purposes which, although not budgeted for, could be sold. Unrestricted proceeds from the sale of these assets would be used to repay debt or supplement the corresponding asset replacement reserves, unless otherwise resolved. Restricted revenues would be placed in the appropriate reserve fund and used for the purpose required by the document that imposes the restriction.

Reserve funds

37. Reserve funds for capital projects are held and the funds are used when a project meets the specific criteria for accessing the reserve. This includes renewal funding derived from rates for operating costs such as depreciation and other accounting provisions.

Borrowing

38. The Council borrows to fund its asset programme. The amount of borrowing available is restricted by the debt limits set in the Financial Strategy.
39. Borrowed funds, both the principal and interest (an operational cost), are generally repaid by future rates.
40. Borrowing spreads the cost of the project over a longer period of time, smoothing changes in rates and ensuring that future ratepayers who will enjoy the benefit of long-lived assets contribute to their costs.

Lump sum contributions

41. When undertaking a major project, there is an option to seek lump sum contributions to the capital cost of the project from those who are identified in the projects "capital project funding plan". Lump sum contributions are provided for in the Local Government (Rating) Act 2002 and have restrictions placed on how they are used. Where a lump sum payment option is proposed ratepayers may choose to pay the lump sum or not. If not, the rating unit will be liable to pay any targeted rate set to recover the loan costs.

Rates

42. Rates are mostly used to fund everyday expenses including depreciation and interest costs related to borrowing.
43. A portion of rates funds the capital (principal) repayments of debt.
44. Council may establish targeted rates to fund specific capital projects where there is a benefit of separate funding.
45. Council holds reserve funds for capital expenditure. Some of which has been sourced from rates.

Summary of sources of funding for capital costs by activity

46. Funding of Capital costs will be determined via the same principles as the operating costs funding policy unless the Council resolves otherwise. Such a resolution will follow the funding guidelines

and in doing so will be consistent with this policy and not require an amendment to the policy. Existing projects (projects resolved prior to the adoption of this policy) will be funded according to the Annual Plan, Long-Term Plan or other resolution made at the time the Council approved the project. It is not practicable to determine a funding policy for all unknown future projects. The main difference is that it is the purpose of the expenditure will have more bearing on the funding available. Capital projects are often large in nature and will provide benefits over many years, and the funding approach must reflect this.

47. The Council uses the following guidelines when considering the funding of capital projects:
 - a. A Funding Needs Analysis will be completed where the project is not included in the capital works programme or is additional to planned services, or where its inclusion impacts on Council's overall funding capacity.
 - b. All projects are first funded from grants, subsidy or other external income where available.
 - c. Renewal projects that maintain the same service level are then funded from reserve funds set aside for that purpose.
 - d. General purpose funds or unrestricted reserve funds held for other complementary purposes are considered.
 - e. Lump sum rating options are considered.
 - f. Projects that have exhausted previous funding sources or are for new or increased service levels or for growth in infrastructure are then funded from debt.
48. A single project may have a mix of each of these funding options.
49. It is not practical to create separate funding policies for each and every capital project. The Council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity.
50. Whenever funding a capital project, the Council will consider the available sources of funds, the Revenue and Financing Policy, and section 101(3) in applying the above guidelines to a capital project. Generally, the Council will resolve the funding policy at the time the project is proposed in an Annual or Long-Term Plan.

Overall funding consideration

51. The Council is required by section 101(3)(b) of the LGA to consider "the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community". This section allows that as a final measure, we may modify the overall mix of funding that would otherwise apply after the initial s101(3)(a) analysis for each activity to be funded.
52. The following adjustments have been made:
 - a. The allocation of the rates liability between sectors of the rating base may be altered by using differentials on the general rate and certain targeted rates. The allocations in this Long-Term Plan were determined by the Council after consultation with the community in 2020. The Council may modify the differential factors during the term of the Long-Term Plan to reflect a change in allocation of cost, or benefit, or to achieve better community outcomes or wellbeing.

This adjustment included an additional allocation of cost to the forestry differential for all activities, rather than just the incremental cost previously allocated from roading activities. The Council has decided this allocation to increase the rates to this sector is appropriate because of comparative negative community wellbeing impacts on the Wairoa community.
 - b. Rates affordability (people's ability to pay rates) is an issue in parts of the region. Adjustments to limit the impact of fixed rates on lower value rating units were made so that rates are more affordable for lower value rating units.

- c. Fees and charges may be waived or discounted where it is considered appropriate to do so. Some matters we may consider in deciding whether it is appropriate to waive fees are for social reasons (e.g., the promotion of events and facilities) or commercial reasons (e.g., due to poor service or to minimise risk).
- d. Rates may be remitted where it considered appropriate to do so and as allowed for in the Rates Remissions and Postponements Policies (including Māori Freehold Land). These policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (such as additional or no provision of some services).
- e. The Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years to smooth the cost to users and ratepayers.

Rates

- 53. Our final consideration of funding by rates comes:
 - a. After considering how other funding sources will be used to fund operating and capital costs.
 - b. how rates have been applied to activities in the Funding Needs Analysis; and/or
 - c. After being adjusted for the overall impact of allocation of liability.
- 54. The following section outlines the Revenue and Financing Policy requirements that are used to set rates. To have a full understanding of rates they should be read with regards to the analysis above and in conjunction with the Rating Policy, Funding Impact Statement and Rates Resolution.

General rates

- 55. The Council sets a general rate is assessed on all rateable properties (rating units) based on the capital value of the property. A Uniform Annual General Charge (UAGC) will be set on each separately used or inhabited part (SUIP) of all rating units.
- 56. The Council has determined in its Funding Needs Analysis which activities should be funded from general rates (see Table 1).
- 57. The Council has chosen to differentiate the General Rate into four rating categories, applying five rating differentials, based on the use to which the land is put and, in respect of residential land, the capital value of the land.:
 - a. Residential
 - i. Residential greater than \$399,999 CV
 - ii. Residential up to and including \$399,999 CV
 - b. Commercial.
 - c. Rural.
 - d. Forestry.
- 58. The Council primarily uses valuation data (specified in the Rating Valuations Rules) to determine the allocation of rating units to differential rating categories. The full definitions can be found in the Rating Policy and the Funding Impact Statement and may change during the term of the Long-term Plan.
- 59. In setting the differential categories, and the differential factors, the Council considered the requirements of the LGA and other considerations, including:
 - a. The activities funded by the general rate and the s101(3) considerations for the activities.
 - b. The impact of any change, or rate of change to the differential.
 - c. The views of those impacted by the differentials.
 - d. Other reasonable options, and the advantages and disadvantages of those options.
 - e. The overall impact of the differential on all ratepayers.
- 60. The UAGC is part of the general rates and is a fixed amount each year. The Council can set the

UAGC based on an allocation of the cost of specific activities or at an amount the Council considers is appropriate. In past years, the Council has preferred to base the UAGC on the allocation basis. From 2021 the Council will set the UAGC at a level it considers appropriate.

61. The Council recognises the regressive nature of fixed rates. Rates affordability is a matter the Council considers when setting the UAGC. Council's remissions policies provide for some adjustment to UAGCs for properties where appropriate. During the term of this Long-term Plan the Council may adjust the UAGC as part of its rate setting process in order to improve community wellbeing for current and/or future communities.
62. If the cost allocation from activities (as described in the Rating Policy) is amended, or an adjustment is made to the UAGC to improve community wellbeing, the amount removed from the UAGC will remain part of general rates.

Targeted rates

63. Targeted rates are finalised when adopting the Funding Impact Statement in the Long-Term Plan or an Annual Plan. The Council may introduce new targeted rates, consistent with this policy, when setting rates in any year as documented in the respective year's Funding Impact Statement and Rates Resolution. The Council's requirement to consult is determined by s95A of the LGA.
64. The Council has chosen to have a small number of targeted rates and will provide transparency of how much a ratepayer's rates is contributing to activities by using better communication tools than the rates invoice. Information on targeted rates is listed in the Rating Policy, Rates Resolutions and Funding Impact Statement for each year.
65. The Council consulted on changes to targeted rates in its 2020 rates review, the outcomes of which are reflected in this and other relevant policies.

References

- The Funding Needs Analysis, required by section 101(3) of the LGA, provides the background and analysis to explain the funding decisions we have made. It is guided by the funding principles and choices of funding sources documented in the Revenue and Financing Policy.
- The Investment and Liability Management Policies place restrictions on the use of the proceeds from asset sales.
- The Rating Policy further clarifies funding requirements by documenting matters not included in this Revenue and Financing Policy. It includes definitions and, when applicable, maps for rating areas.
- The Funding Impact Statement is included in each Long-term Plan and Annual Plan as required by clauses 15 or 20 of schedule 10. This statement shows the results of the detailed rates calculation for each year.

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

DRAFT Funding Needs Analysis

This policy does not form part of the Revenue and Financing Policy, it is a separate document that records the detailed application of s101(3). The Revenue and Financing Policy describes how the Council has complied with s101(3). A change in this document does not in itself change the Revenue and Financing Policy.

Purpose and scope

1. The Funding Needs Analysis (FNA) provides the background and analysis to explain the funding decisions made by the Council.
2. To comply with section 101(3),¹ the Council must determine the appropriate sources of funding² for each activity. In determining this, they must take into consideration under s 101(3)(a):
 - a. *"The community outcomes to which the activity primarily contributes.*
 - b. *The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.*
 - c. *The period in or over which those benefits are expected to occur.*
 - d. *The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.*
 - e. *The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities."*
3. The legislation places no more or less weight or priority on any one of the factors listed in section 101(3)(a).
4. Having completed the above analysis, the Council must then consider under section 101(3)(b): *"The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community."*
5. The following sections document the matters and approaches the Council has taken to determine the funding needs of an activity and how that translates into the Council's decision on the appropriate funding sources to be used.

Previous reviews

6. The FNA was last reviewed in 2018, and Council retained its existing Revenue and Financing Policy included in the 2018-28 Long-term Plan (LTP).
7. The Council undertook a review and rewrite in 2020. Changes have been made reflecting the considerations of the Council as they considered the funding of activities in developing the 2021-31 LTP.

Funding sources for operating costs

8. Operating costs are the everyday spending that maintains the services delivered by the Council. This includes corporate overheads, funded wear and tear on assets (depreciation) and interest costs of borrowing for capital projects.
9. The Council must consider the funding for each activity in a way that relates exclusively to that activity. Some activities may be best funded by user charges such as swimming pool entry fees, others with targeted rates and others from a general rate. Distinct funding may assist 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

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

² The funding sources are listed in section 103 LGA and the Council's preference for using funding sources is described in the Revenue and Financing Policy.

how much money is being raised for the service and spent on the service.

10. The funding sources for operating and capital costs are:

- a. Fees and charges.
- b. Grants and subsidies and fuel taxes.
- c. Other income.
- d. Investment income.
- e. Financial contributions
- f. Development contributions
- g. Lump sum payments
- h. Reserve funds.
- i. Borrowing
- j. Proceeds from the sale of assets
- k. Rates
 - General rate
 - Targeted rates.

11. Each funding source and how the Council prefers to use that funding source for operating expenses is described in detail in the Revenue and Financing Policy and is based on the analysis set out in this document.

Table 1: Matters the Council considers in applying the legislation for operating expenses

Section 101(3)(a) - Step 1 reference	Matters Council might consider
Community outcomes - s.101(3)(a)(i)	<p>The Council determines which of its community outcomes an activity primarily contributes to.</p> <p>Council will consider how their funding choices will support the achievement of the community outcomes.</p>
Distribution benefits - s.101(3)(a)(ii)	<p>The distribution of benefits is given consideration by the Council. Determining benefit is inherently subjective.</p> <p>Where the Council considers there is a clearly identified direct relationship between users and the services provided then the Council will consider fees and charges or targeted rates.</p> <p>Where the Council considers the services provide a benefit to the community as a whole; is of a uniform nature; or where the Council is not able to identify a direct relationship between users and the service the Council will consider using general rates.</p>
Period of benefit - s.101(3)(a)(iii)	<p>For most operational expenses the benefit is received in the year the expense is incurred.</p> <p>For most activities depreciation (an operating expense) is cash funded from revenue sources and this is placed into reserve funds for the future renewal of assets.</p> <p>Some operational expenses (provisions) may have a benefit over multiple years and so the Council may choose to fund the activity over that period.</p>

Who creates the need - s.101(3)(a)(iv)	<p>Some services are provided because the actions or inactions of individuals or groups create the need to undertake the activity.</p> <p>The Council may choose to target these people or organisations through fines, charges or rates.</p>
Separate funding - s.101(3)(a)(v)	<p>The Council must consider the practicalities of separate funding along with transparency and accountability.</p> <p>In some cases, while it may be desirable to charge individuals there may be no practical way of doing so.</p> <p>For all activities the Council is able to easily identify what proportion of operational expenses is recovered from each funding sources. In the case of rates the Council is able to inform individual ratepayers of their rates contribution to each activity using communication tools.</p>

12. Analysis for operating costs by activity is described in Schedule 1.

Funding sources for capital costs

13. Capital costs are those costs associated with the purchase and improvement of assets and for the repayment of debt. The funding sources for capital costs include:
- Fees and charges.
 - Grants and subsidies and fuel taxes.
 - Other income.
 - Investment income.
 - Financial contributions
 - Development contributions
 - Lump sum payments
 - Reserve funds.
 - Borrowing
 - Proceeds from the sale of assets
 - Rates
 - General rate
 - Targeted rates.
14. Each funding source and how the Council prefers to use that funding source for capital expenditure is described in detail in the Revenue and Financing Policy and is based on the analysis set out in this document.

Analysis for capital costs by activity

15. Capital costs would be funded on the same principles as the operating costs funding policy, subject to the nature and purpose of the expenditure, unless the Council resolves otherwise. Such a resolution will follow the funding guidelines and in doing so would be consistent with this policy and would not require amendment to the policy. Existing projects (projects resolved prior to 3 December 2020) will be funded according to the Annual Plan, Long-term Plan or other resolution at the time of the Council approving the project. It is not always practicable to determine a funding policy for an unknown future project in advance.
16. The Council uses the following guidelines when considering the funding of capital projects:

- a. A Funding Needs Analysis will be completed (see paragraph 18).
 - b. All projects are first funded from grants, subsidy or other income where available.
 - c. Renewal projects that maintain the same service level are then funded from reserve funds set aside for that purpose.
 - d. Reserve funds for other purposes that are not restricted are considered.
 - e. Lump sum and other rating options are considered.
 - f. Projects that have exhausted previous funding sources or are for new or increased service levels or for growth in non-network infrastructure are then funded from debt.
17. A single project may have a mix of each of these funding options.
 18. It is not practical to create separate funding policies for each and every capital project. The Council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity.
 19. Whenever funding a capital project, the Council will consider the available sources of funds, the Revenue and Financing Policy, section 101(3) in applying the above guidelines to a capital project. Generally, the Council will resolve the funding policy at the time the project is proposed in an Annual or Long-term Plan. In undertaking this assessment, it shall have regard to the matters in table two.

Table 2: Matters the Council considers in applying the legislation for capital expenses

Headings -s.101 reference	Matters Council might consider
Community outcomes - s.101(3)(a)(i)	<p>The Council determines which of its community outcomes the capital project or activity contributes to.</p> <p>Council will consider how their funding choices will support the achievement of the community outcomes.</p>
Distribution benefits - s.101(3)(a)(ii)	<p>The distribution of benefits is expected to be the same as that for the operating costs of the activity in which it is funded unless the Council resolves otherwise. Determining benefit is inherently subjective.</p> <p>The Council may choose to target those people or organisations who primarily benefit through financial and development contributions, lump sum options or targeted rates.</p>
Period of benefit- s.101(3)(a)(iii)	<p>For most capital projects the benefit is received over the life of the asset. The Council will have regard to the equitable distribution of costs to each generation for the construction and renewal of the asset. For example, this may result in the Council not funding asset renewal while still funding debt.</p>
Who creates the need- s.101(3)(a)(iv)	<p>Some services are provided because the actions or inactions of individuals or groups create the need to undertake the activity.</p> <p>The Council may choose to target these people or organisations through financial contributions or targeted rates.</p>
Separate funding- s.101(3)(a)(v)	<p>The Council must consider the practicalities of separate funding along with transparency and accountability.</p> <p>In some cases, while it may be desirable to charge individuals there may be no practical way of doing so.</p>

For many smaller capital projects, it is not practical to have a separate funding policy. Where the Council does not resolve otherwise a capital project will be funded consistently with the funding mechanism adopted for the operating costs in the activity in which it is funded, and the purpose of the project.

Funding bands

20. After considering the section 101(3)(a) components, the Council considers to what extent each of the funding sources can fund each activity. This guide is intended to be in place for the next three years before it is reviewed. As costs change over time, it is not possible to precisely determine the percentage allocated. For this reason, the Council has decided to band the percentages into the categories listed in table three.
21. The assessment in Schedule 1 identifies the most likely sources of funding an activity is budgeted to receive. In all cases, rates fund the balance of the activity after all other sources have been maximised. It is likely that from time to time the Council will be able to secure additional funding that may become available.
22. Budgets will normally be set within these ranges. These ranges are expressed as a percentage of the cost of the activity and are indicative only. They may change over time because of changes in expenditure rather than changes in revenue. It is also likely that actual funding sources will be different from budgeted funding sources.

Table 3: Funding bands

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

Funding sources and rationale

23. The 'Rationale' column of Schedule 1 identifies which of the funding sources the Council plans to use in budgeting to fund the operating costs of each activity. It is determined by the Council after consideration of each clause of section 101(3)(a).
24. The assessment of the funding sources is a complex matter of weighing up the requirements of section 101(3)(a) with the available sources and the Council's preferences for using these sources. The Council has documented its rationale for choosing each the funding source in this Funding Needs Analysis and the Revenue and Financing Policy.
25. The funding source for an activity may be modified by the Council when it considers the requirements of section 101(3)(b). If this has occurred, it is considered as part of the overall

funding considerations section in the Revenue and Financing Policy.

Schedule One: Activity Funding Needs Analysis – operating costs

Group Activity: Transport						
Activity: Transport						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcome:</p> <ul style="list-style-type: none"> Strong and prosperous economy <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> Safe, supported and well-led community <p>Our communities and business are connected to each other and to our markets by a safe efficient and integrated transport network.</p>	<p>Roading: The roading network serves the whole district and everyone benefits.</p> <p>Roads are necessary to deliver export products to markets within Wairoa, New Zealand and the world. The district's economic prosperity is dependent on production from its rural catchment.</p> <p>Roads provide corridors for other utility providers such as power, communications, water and wastewater.</p> <p>Roads, street lighting, signage, and footpaths and parking are provided as a public good. Individuals and business benefit directly from access to property and facilities.</p> <p>Airport: The provides quick access in and out of the region supporting business and emergency management.</p> <p>The availability of the airport serves the whole district, and everyone benefits.</p> <p>Individual uses receive a private benefit.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>There is an impact of the actions or inactions of others.</p> <p>Costs are driven by traffic volumes and size. Large vehicles, wear roads out more quickly than vehicles.</p> <p>The forestry industry places significant demand on the roading network for which Council incurs additional costs. The growth of the forestry industry is leading to greater roading damage.</p> <p>Airport users expect a consistent service level.</p>	<p>The whole community benefits from the roading network and airport, as such there is little advantage in having separate funding.</p> <p>The use of differential rating tools can easily adjust for sectors to make a varying contribution.</p> <p>There are few reasonably practicable options for charges in users directly for their use of or damage to the roads.</p> <p>Charging airport users for rents and landing fees is common and efficient.</p>	<p>Subsidies are primarily sourced from New Zealand Transport Agency (NZTA). Additional funding will be sourced whenever available (e.g., Provincial Growth Fund)</p> <p>Council also receives a small amount of regional petrol tax.</p> <p>Council maximises the amount of subsidy for the level of spending it approves.</p> <p>The whole district benefits from the roading network.</p> <p>The general rate allows for the differential allocation of benefit to sectors and adjustment of contribution for those whose actions cause additional costs and for advancing community outcomes.</p>	<p>ROADING</p> <p>HIGH (60% - 80%) Grants and subsidies.</p> <p>LOW (20% - 40%) General rate</p> <p>UNLIKELY (0%) All other funding sources.</p> <p>AIRPORT</p> <p>HIGH (60% - 80%) General rates</p> <p>MINIMAL (0% - 20%) Fees and charges</p> <p>Other</p> <p>UNLIKELY (0%) All other funding sources</p>

Group Activity: Water Activity: Water						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> • Safe, supported and well-led community • Strong and prosperous economy • Protected and healthy environment • Valued and cherished culture <p>Access to safe water that is managed with cultural and environmental sensitivity is essential to community wellbeing.</p>	<p>The communities that are reticulated with a public water supply are the beneficiaries. With extended dry seasons there is greater demand on Council's network for tanker water to be supplied to non-reticulated properties.</p> <p>The entire community benefits through better health, kai moana, recreation and the environment outcomes and having protection in the case of fire.</p> <p>This community benefit can be recognised with a general rates component in the funding.</p> <p>All property owners/residents/tourists benefit from receiving water and protection from any fire risk.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have a minor impact.</p> <p>There is considerable government intervention in the provision of safe, healthy, compliant drinking water.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p> <p>It also provides transparency on the cost of an essential service.</p>	<p>Those who (either directly or indirectly) benefit should pay.</p> <p>There are some water users where charging based on actual quantities is practical due to the location, size or the use of the property. Their share of costs is recovered by way of targeted water meter rates.</p> <p>The cost of the water supply and network is equalised across all non-metered connections within the district.</p> <p>A portion of the cost benefits the whole district and can be recovered in the general rate.</p>	<p>MOST (80 - 100%) Targeted rates</p> <p>MINIMUM (0% - 20%) General rates Interest and dividend UNLIKELY All other funding sources.</p>

Group Activity: Wastewater						
Activity: Wastewater						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> • Safe, supported and well-led community • Strong and prosperous economy • Protected and healthy environment • Valued and cherished culture <p>Access to safe water that is managed with cultural and environmental sensitivity is essential to community wellbeing.</p>	<p>The collection, treatment, and disposal of wastewater are primarily a private benefit for people whose properties are connected to the schemes. Rural septic tank septage is transported to council wastewater treatment ponds.</p> <p>The protection of the environment is a benefit to the serviced communities.</p> <p>The entire community benefits through better health, kai moana, recreation and the environment outcomes.</p> <p>The benefits are expected to accrue primarily to individual users and businesses.</p> <p>There is a public health, environmental and recreational benefits are to whole district. This community benefit can be recognised with a general rates component in the funding.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>A small number of heavy commercial producers have an adverse impact greater than most users.</p> <p>There is considerable government intervention in the provision of safe, healthy, compliant wastewater systems.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p> <p>It also provides transparency on the cost of an essential service.</p>	<p>In most cases it is not practicable to measure the quantity of each individual's contribution to the wastewater system.</p> <p>In the case of heavy commercial users of the waste system it is practical to measure the volume and quality of waste and charge appropriately for this.</p> <p>Those who (either directly or indirectly) connected targeted rate per pan is an efficient and simple way that approximates benefit of access and use of the services.</p> <p>Septage tankers are not paying the full cost of treatment recognising the wider community health benefits.</p> <p>A portion of the cost benefits the whole district and can be recovered in the general rate.</p>	<p>MOST (80% - 100%) Targeted rates</p> <p>MINIMAL (0% -20%) General rates Fees and charges Interest and dividends</p> <p>UNLIKELY All other funding sources.</p>

Group Activity: Stormwater						
Activity: Stormwater						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> • Safe, supported and well-led community • Strong and prosperous economy • Protected and healthy environment • Valued and cherished culture <p>With forecast increase in heavy rain events collecting and managing stormwater protects houses, businesses and infrastructure. It must be managed with cultural and environmental sensitivity is essential to community wellbeing.</p>	<p>The collection, treatment and disposal of stormwater are primarily a community benefit in serviced communities.</p> <p>This benefit extends to the wider community as it includes protection of the environment and an accessible roading network.</p> <p>Some individual properties or groups of properties benefit from not being flooded.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> • To individual properties • The whole community 	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of individuals in increasing hard surfaces on properties increases stormwater volumes.</p> <p>There is considerable government intervention in the provision of safe, healthy, compliant wastewater systems.</p> <p>The Freshwater NPS will put more pressure on treating stormwater.</p>	<p>There is no practical way to charge individuals or groups for any direct benefit.</p> <p>Urban stormwater networks are funded from a mix of general and targeted rates reflecting the benefit to property owners in an urban area and the wider community benefit of stormwater managed on the road corridor.</p> <p>A portion of the cost benefits the whole district and can be recovered in the general rate.</p>	<p>There is no practical way to charge individuals or groups for any direct benefit.</p> <p>Urban stormwater networks are funded from a mix of general and targeted rates reflecting the benefit to property owners in an urban area and the wider community benefit of stormwater managed on the road corridor.</p> <p>A portion of the cost benefits the whole district and can be recovered in the general rate.</p>	<p>MOST (80% - 100%) Targeted rates</p> <p>MINIMAL (0% -20%) General rates Interest and dividends UNLIKELY All other funding sources.</p>

Group Activity: Waste Management						
Activity: Waste						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> • Safe, supported and well-led community • Strong and prosperous economy • Protected and healthy environment • Valued and cherished culture <p>Managing waste assists houses and businesses. It must be managed with cultural and environmental sensitivity is essential to community wellbeing.</p>	<p>Individuals benefit directly from kerbside recycling and domestic refuse collection.</p> <p>The whole community benefits from waste minimisation and education as well as litter collection.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> • Primarily to individual users • Partly to the district as a whole 	<p>The benefit of most operating costs is expected to occur in the year the funding is sourced.</p>	<p>This activity is only required due to the act of creating waste.</p> <p>Those who create the waste are individuals and business.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>The actions of individuals or groups (largely business) create the need to have this activity.</p> <p>Targeted rates appropriately recognise this benefit.</p> <p>The whole community benefits from litter collection of public places can be appropriately funded from general rates.</p> <p>The fees and charges at landfills and transfer stations (where Council provides the services), only partially funds the cost of disposal.</p> <p>Higher fees and charges encourage those who create the waste recognise the cost of their actions and encourage waste reduction.</p> <p>There is also a small benefit to the whole community of this activity with waste not dumped elsewhere</p>	<p>MODERATE (40% - 60%) Targeted rates</p> <p>LOW (20% - 40%) Fees and charges</p> <p>MINIMAL (0% - 20%) General rates Other UNLIKELY All other funding sources.</p>

Group Activity: Leadership and Governance						
Activity: Community Representation						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> • Safe, supported and well-led community • Strong and prosperous economy • Protected and healthy environment • Valued and cherished culture <p>Local people making local decisions requires balancing the conflict needs of individuals for the overall benefit of the whole community</p>	The activity supports the decision-making function of Council and therefore benefits the community as a whole.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	The actions of individuals or groups have a minor impact on this activity.	Council considers that there is little benefit of separately funding this activity.	The benefits of this activity are available to the whole community; the majority of electors are ratepayers.	<p>All (100%) General rates</p> <p>UNLIKELY All other funding sources.</p>
Activity: Māori Relations						
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> • Valued and cherished culture • Safe, supported and well-led community <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> • Strong and prosperous economy • Protected and healthy environment <p>Māori are 66% of the community, having strong relations with Māori is essential to community wellbeing.</p>	The activity supports the decision-making function of Council and therefore benefits the community as a whole.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	The actions of individuals or groups have a minor impact on this activity.	Council considers that there is little benefit of separately funding this activity.	The benefits of this activity are available to the whole community.	<p>All (100%) General rates</p> <p>UNLIKELY All other funding sources.</p>
Activity: Economic Development						
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> • Strong and prosperous economy <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> • Safe, supported and well-led community • Protected and healthy environment • Valued and cherished culture <p>Jobs are essential to population growth and the wellbeing of all in the community.</p>	<p>The activity supports the district promotion, visitor information including the I-site.</p> <p>Increased economic activity creates jobs and supports everyone and therefore benefits the community as a whole.</p>	The benefit of most operating costs is expected to arise in the year the funding is sourced.	The actions of individuals or groups have a minor impact on this activity.	Council considers that there is little benefit of separately funding this activity.	The benefits of this activity are available to the whole community.	<p>MOST (80%-100%) General rate</p> <p>MINIMAL (0%-20%) Grants and Subsidies</p> <p>UNLIKELY All other funding sources.</p>

Group Activity: Planning and Regulatory						
Activity: Resource Planning						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> Protected and healthy environment Strong and prosperous economy <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> Safe, supported and well-led community Valued and cherished culture <p>District planning and consenting is essential to protecting environmental and cultural outcomes supporting a prosperous economy.</p>	<p>Individuals that apply for consents and use the other services in this area are the predominant beneficiaries of this activity. Through their actions they directly drive the majority of the costs.</p> <p>These resource consent activities also provide benefit to persons other than the applicant such as future owners and occupiers of the land (a property-based benefit). There is also a person-based benefit in relation to the information that is supplied to the public through inquiries, for example providing support to potential applications or responding to service requests.</p> <p>Future residents benefit from the protection of our environment and our response to climate change.</p> <p>Resource Consent Compliance Monitoring and RMA Enforcement benefits the consent holder and the community.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Primarily to individual users. Partly to the district as a whole in support of the community outcomes. 	<p>The principal benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>There is a secondary benefit to future sustainability.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>A user charge recognises the benefits to people who apply for resource consents.</p> <p>Although the primary benefit of a resource consent sits with the consent holder the community outcomes desires that we have a strong prosperous economy and so, Council wants to encourage a high level of consent compliance.</p> <p>For these reasons Council considers it appropriate to fund a portion of the costs of consents from ratepayers rather than consent applicants.</p> <p>As future ratepayers benefit from the development of a district plan, the funding for this is spread over future years with borrowing.</p>	<p>MODERATE (40%-60%) Borrowing</p> <p>General rate</p> <p>MINIMAL (0%-20%) Fees and Charges</p> <p>UNLIKELY All other funding sources.</p>
Activity: Building Control						
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> Strong and prosperous economy <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> Safe, supported and well-led community Protected and healthy environment Valued and cherished culture <p>Safe homes and buildings improve the wellbeing of all in the community.</p>	<p>Individuals that apply for consents, licenses and use other services in this area directly drive the majority of the costs.</p> <p>Services within this activity also provide for the safety of the public, and requirements earthquake prone buildings.</p> <p>Information is supplied to the public through inquiries, for example providing support to potential applications or responding to service requests.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Primarily to individual users. Partly to the district as a whole. 	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>There is a secondary benefit to future housing stock that is fit for purpose.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p>	<p>The distinct beneficiaries for each component support multiple funding streams.</p>	<p>Fees and charges are favoured for the full cost of LIMs and PIMS.</p> <p>Although the primary benefit of a building consent sits with the consent holder the Council wants to encourage growth and improvement of existing housing and businesses. For these reasons Council considers it appropriate to fund a portion of the costs of consents from ratepayers rather than consent applicants.</p>	<p>MODERATE (40%-60%) General rate</p> <p>MINIMAL (0%-20%) Fees and charges</p> <p>UNLIKELY All other funding sources.</p>

Activity: Bylaw Compliance						
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> Safe, supported and well-led community <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> Strong and prosperous economy Protected and healthy environment Valued and cherished culture <p>The community must feel a safe place to live. This part of a people's rationale when choosing where to live. Growing communities then support a growing a strong and prosperous economy.</p>	<p>Dog and livestock control minimise danger, distress and nuisance caused by stray dogs and to ensure the control of stock on the roads of the district in the interests of public safety.</p> <p>General Bylaw Enforcement:</p> <ul style="list-style-type: none"> Supports public health and safety and the enjoyment of public spaces. Enforces the rules for users of roads, water, wastewater and cemeteries and for the impacts of urban fires. <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Partly to individual users. Partly to the district as a whole. 	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p> <p>Particularly:</p> <ul style="list-style-type: none"> owners of dogs who create the requirement to manage all dogs. Owners of non-controlled dogs and livestock <p>Those who breach bylaws</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>Fees and charges for Dog Control are largely collected in registration the owners of dogs in recognition that it is their action of owning a dog or then inaction of controlling a dog or stock that drives costs.</p> <p>Fees and charges (including fines and other enforcement charges) are required for no compliance of all bylaws.</p> <p>General rates recognise that a portion of these services benefit the whole community.</p>	<p>MODERATE (40%-60%)</p> <p>General rate</p> <p>Fees and charges</p> <p>UNLIKELY</p> <p>All other funding sources.</p>
Activity: Liquor Control						
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> Safe, supported and well-led community Strong and prosperous economy <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> Protected and healthy environment Valued and cherished culture <p>Liquor has positive and negative impacts on the community.</p>	<p>Liquor can only be sold with a license and the benefit of that license sits largely with the licensee.</p> <p>The community benefits from appropriate liquor control by limiting the negative effects from alcohol harm while maximising positive benefits in social environments</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p> <p>Particularly:</p> <ul style="list-style-type: none"> Applicants for liquor and associated licences <p>Those who breach the rules.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p> <p>There is no mechanism for Council to charge those who create negative social outcomes.</p>	<p>Fees and charges for liquor licensing are set by Government and only recover part of the cost of the activity.</p> <p>Managing good social behaviours and eliminating adverse events is in the interest of the community as whole.</p>	<p>MODERATE (40%-60%)</p> <p>General rate</p> <p>Fees and charges</p> <p>UNLIKELY</p> <p>All other funding sources.</p>
Activity: Environmental Health						
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> Safe, supported and well-led community Strong and prosperous economy Protected and healthy environment <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> Valued and cherished culture 	<p>This activity promotes and improves human health, safety, comfort and wellbeing for all persons in the district and protects the environment from preventable harm.</p> <p>This activity comprises noise control, food and registered premises, water supply monitoring, public nuisances and implementation of public health frameworks.</p> <p>The main beneficiaries are business owners, consent holders, and the community as a whole.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p> <p>Some activities are undertaken to protect others from the actions of others.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>Fees and charges are preferred where the actions of individuals or groups of individuals create negative effects on the community and where there is a direct benefit to the user of the service.</p> <p>Council prefers a general rate for that portion of the budget that cannot be recovered from fees and charges due to these services contributing to the vibrancy of the district by making it safer.</p>	<p>MOST (80%-100%)</p> <p>General rate</p> <p>MINIMAL (0%-20%)</p> <p>Fees and charges</p> <p>UNLIKELY</p> <p>All other funding sources.</p>

The community must feel a safe place to live. This part of a people's rationale when choosing where to live. Growing communities then support a growing a strong and prosperous economy.

Group Activity: Community Facilities						
Activity: Cemeteries						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> Protected and healthy environment Valued and cherished culture Safe, supported and well-led community <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> Strong and prosperous economy <p>Different cultures and circumstances contribute to different approaches to death. These are important social and cultural considerations in determining funding choices.</p>	<p>Cemeteries: Individual users, particularly families of the deceased.</p> <p>The community as a whole in the availability of well-maintained open space and as a repository of genealogical and other human interest or heritage information.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have some impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>Users of the services pay for their use of the facilities.</p> <p>There is no practicable way to charge for on-going maintenance that is therefore best funded from the general rate</p>	<p>MOST (80%-100%) General rate</p> <p>MINIMAL (0%-20%) Fees and charges</p> <p>UNLIKELY All other funding sources.</p>
Activity: Parks and Reserves						
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> Protected and healthy environment Valued and cherished culture Safe, supported and well-led community <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> Strong and prosperous economy <p>Access to parks and reserves provide benefits of being active as well as creating environments for enjoyment.</p>	<p>There is a public/whole of community benefit through the provision of formal and informal recreational opportunities that enhance and support community health and well-being.</p> <p>There is a private/individual benefit to the community and sporting groups who use Council recreational facilities.</p> <p>There is a small benefit for event organisers and sections of the business community from the commercial spend of participants associated with particular events.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have some impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>There is no practical way to collect revenues from some individual benefit across this activity.</p> <p>Local residents enjoy the benefits of landscape amenity in their locality.</p>	<p>MOST (80%-100%) General rate</p> <p>MINIMAL (0%-20%) Other</p> <p>UNLIKELY All other funding sources.</p>
Activity: Community Support						
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> Valued and cherished culture Safe, supported and well-led community <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> Protected and healthy environment Strong and prosperous economy 	<p>The whole community benefits from the support of events, encouragement of participation and community facilities.</p> <p>These benefits are widespread across the district</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current</p>	<p>The actions of most individuals or groups have minor impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>The whole district benefits from the growth of community social and cultural wellbeing.</p> <p>External bodies will support the district to undertake this activity.</p>	<p>MOST (80%-100%) General rate</p> <p>MINIMAL (0%-20%) Grants and subsidies</p> <p>UNLIKELY All other funding sources.</p>

Community support and development builds communities through empowering them to evolve develop and grow.	year and probably in future years. This is managed through reserve funds.
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Group Activity: Corporate Functions						
Activity: Property						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> • Safe, supported and well-led community <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> • Valued and cherished culture • Protected and healthy environment • Strong and prosperous economy <p>Community support and development builds communities through empowering them to evolve develop and grow.</p>	<p>The activity supports the Council operations by providing and maintaining operational properties.</p> <ul style="list-style-type: none"> • External income is derived from rents and leases for private benefit. 	The benefit of most operating costs is expected to arise in the year the funding is sourced.	<p>The actions of individuals or groups have a minor impact on this activity.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	<p>The benefits are available to individuals and groups is collected from rents and leases.</p> <p>The remainder of the benefit is to the whole community.</p>	<p>MODERATE (40%-60%) General rate Fees and charges</p> <p>MINIMAL (0%-20%) Grants and subsidies. Other</p> <p>UNLIKELY All other funding sources.</p>
Activity: Corporate Funds Management						
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> • Safe, supported and well-led community <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> • Valued and cherished culture • Protected and Healthy environment • Strong and prosperous economy <p>Community support and development builds communities through empowering them to evolve develop and grow.</p>	<p>The activity supports the Council operations by effectively managing all investments.</p> <p>The whole community benefits from this.</p>	The benefit of most operating costs is expected to arise in the year the funding is sourced.	The actions of individuals or groups have a minor impact on this activity.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	The benefit is to the whole community.	<p>MOST (80%-100%) Interest and dividends</p> <p>MINIMAL (0%-20%) Regional Fuel Tax Fees and charges</p> <p>UNLIKELY All other funding sources.</p>
Activity: Corporate Support Services						
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> • Safe, supported and well-led community 	The whole community benefits from this.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	The actions of individuals or groups	Identifying separate funding assists in the accountability and transparency of	The cost of this activity is allocated to all other activities	ALL (100%) Internal fees and charges

and is associated with Council's outcomes:	have a minor impact on this activity.	Council's costs on this activity.
<ul style="list-style-type: none">Valued and cherished cultureProtected and Healthy environmentStrong and prosperous economy <p>Community support and development builds communities through empowering them to evolve develop and grow.</p>		

RATING POLICY



WAIROA
DISTRICT COUNCIL

Approved by:	
Department:	Finance
Date Approved:	
Next Review Date:	
Reviewed:	N/A
Revision No:	0
Relevant:	Financing and Revenue Policy
Legislation related policies:	Local Government Act 2002, Local Government (Rating) Act 2002, Rating Valuations Act 1998.
Related forms:	Financing and Revenue Policy N/A

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PURPOSE AND SCOPE

The purpose of the Rating Policy is to:

- To clarify how properties are categorised for rating purposes.
 - To provide guidance on how Council allocates its rates requirements across differing property categories.
 - To provide information to ratepayers about their rates.
 - To establish clarity, certainty, and stability in allocating rates.
 - To assist in setting rates lawfully, meeting the requirements of the Local Government Act 2002 (LGA 2002), the Local Government (Rating) Act 2002 (LGRA 2002) and the Rating Valuation Act 1998 (RVA 1998).
- The rating policy should be read in conjunction with the Revenue and Financing Policy, the Funding Impact Statement, the Rates Resolution and Rates Remission and Postponement Policies.

This policy gives effect to the principles contained in those above. The factors and thresholds applied can be reviewed by Council as necessary to allow for significant changes in land use, valuations and so on.

DEFINITIONS AND TERMS

Rating Units

The unit of liability for rates is referred to as the rating unit. It is based on the concept of property ownership and generally one certificate of title is equal to one rating unit. There are exceptions to this, particularly for Pastoral property where a rating unit may consist of multiple certificates of title. In establishing what is a rating unit the Rating Valuations Act 2008 and rules set by the Valuer General must be considered and adhered to.

How properties are rated is determined by Council but the tools available to Council about how properties can be rated is set out in the Local Government (Rating) Act 2002. This includes the kinds of rates that can be set and how they can be set.

Rating units can be divided and rated separately at Council's discretion. This will occur where it is clearly identified that each part of a rating unit has a different property category.

Property Value

Values used for rating are determined by the RVA 2008 and are reviewed once every three years or if there is a significant change in a rating unit. Council is provided with three values: The land value, the improvement value and the sum of these being the capital value. For rating Council uses the capital value of each rating unit as the basis for allocating a General Rate.

Rating Categories

Council has chosen to differentiate the General Rate into four rating categories:

- a. Residential
- b. Commercial.
- c. Rural.
- d. Forestry.

Residential rating units are differentiated between properties under a capital value \$399,999.00 and over \$399,999.00.

Rating Categories and Property Category Codes

Rating Valuation Rules classify land based on its use and property category. Often land use and property categories will be the same but there are instances where land use data and property category data are different. Council uses the categories set out in the Rating Valuation Rules to determine which rating category a rating unit belongs to.

Table 1.1 in Appendix 1 details how Council allocates each Property Category to a Rating Category.

Should Council become aware that the use of a property may be inconsistent with a rating category it will investigate the matter and consider which rating category is appropriate.

General Rates

General rates are used in instances where Council believes that the community as a whole should pay for an activity or believes that there is minimal or no benefit in rating activities separately. General rates are collected in the form of either:

- A value based general rate, and
- A Uniform Annual General Charge (UAGC).

The value-based general rate is set on capital value and on a differential basis. Total rates revenue collected from the general rate for each rating category is detailed in the Funding Impact Statement.

Differentials

Differentials are a tool used to alter the incidence of rates. Differentials are used for the general rate. The value-based general rate is set on capital value and on a differential basis. Total rates revenue collected from the general rate for each rating category are detailed in the Funding Impact Statement. Each rating category is rated as follows:

There are five differential categories, each carry a different weighting. For the year ending 30 June 2022 these are as follows:

Rating Category	Differential 2021/22
Residential	1
Residential, capital value greater than \$399,000.00	0.8
Commercial.	1.6
Rural.	0.7
Forestry.	4

Council confirms its rating differential factors when adopting the rating Funding Impact Statement in each annual plan. These differential factors could change.

The general rate includes 10% of district-wide water, sewerage, stormwater and waste management costs which recognizes the benefit the community as a whole gets from these activities and supports rates affordability for lower value rating units. The balance these activities are collected by rates are funded by targeted rates.

Overall, the general rate may contribute to the funding of the following activities:

<u>Group of Activities</u>	
Water Supply	10% as described above
Stormwater	10% as described above
Wastewater	10% as described above
Waste Management	10% as described above
<u>Group of Activities</u>	<u>Activity</u>
Transport	Land Transport

	Airport
Community Facilities	Cemeteries Library Community Support
Planning and Regulatory	Resource Planning Environmental Health Building Compliance Liquor Control Bylaw Compliance Emergency Management
Leadership and Governance	Community Representation Māori Relationships Economic Development Visitor Information Gaiety Theatre
Corporate Functions	Property Management Treasury Functions Corporate Support Services

Uniform Annual General Charges (UAGC)

A portion of general rates is assessed as a UAGC. The UAGC is set under section 15(1)(b) of the LGRA 2002. A UAGC is set as a flat dollar charge for each separately used or inhabited part (SUIP) of a rating unit. The UAGC is a fixed charge regardless of value of a property. The UAGC is not a direct allocation the cost of a single activity or targeted at a single rating category, it is allocated equally to all SUIP's of all rating units. The definition of a SUIP is contained in the Funding Impact Statement.

A Uniform Annual General Charge will not be charged on each division of a rating unit unless it is evident that the divided rating unit is separately used or inhabited.

Revenue collected from the UAGC for all rateable properties is set out in the Funding Impact Statement. The amount of rates revenue collected from the UAGC is limited to a maximum of 30% the total rates revenue collected as prescribed by the LGRA 2002. This must be adhered to.

Rates revenue from UAGC's funds the following activities:

- Administrative Property
- Commercial Property
- Enterprise Building
- Council
- Māori Relationships
- Visitor Information Centre
- Economic Development

Gaiety Theatre
Community Centre
Community Support
Library

Council may review these allocations from time to time to reflect consumption of Council activities.

Targeted Rates

Targeted rates are set in accordance with sections 16, 18, and 19, and schedules 2 and 3 of the LGRA 2002. Targeted rates are rates used to fund an activity or group of activities and may be set on a single rating category or multiple rating categories. Targeted rates may be applied either uniformly on all rating units or at different amounts for different groups of rating units. One or more of the requirements of Schedule 2 of the LGRA 2002 must be used when defining a category to set targeted rates differentially.

Targeted rates are used to fund the following activities which Council feels all, or part of, the cost of an activity is best met by a defined category. Targeted rates are used to fund drainage, wastewater, water supply, waste management and sewerage disposal activities:

- Drainage – Wairoa urban area
- Drainage – Mahia township area
- Rural wastewater charge
- Water supply – Wairoa supply area (including Frasertown and Peri-urban supply), Mahanga supply area, Tuai supply area.
- Waste management
- Sewerage disposal – Wairoa, Tuai, Mahia (including Opoutama)

Total rates revenue collected from each targeted rate is detailed in the Funding Impact Statement. The flat dollar rate amount of each rate is stated in the Rates Resolution, this includes charges for rating units to which water can be supplied and sewerage disposal services can be provided but are not.

Water Supply Targeted Rate

A water rate is assessed as a flat dollar amount on each SUIP of a rating unit located within the serviced area. The purpose of this rate is to recover the cost of water supply activities and including a portion of expected cost relating to maintenance, renewal and replacement. The serviced area includes all SUIP's that are connected to the on-demand water reticulation system or are within 100 meters of any part of the on-demand water reticulation system. A SUIP that is not connected but capable of being connected to the on-demand water reticulation system will incur a half charge.

On-demand reticulated water systems are in the Wairoa, Mahanga and Tuai areas. The Wairoa supply area includes Frasertown and the Peri-Urban area. The flat dollar rate is different for each supply area and reflection of the cost of operating each supply area.

Sewerage Disposal Targeted Rate

The sewerage disposal rate is assessed as a flat dollar amount on each SUIP of a rating unit located within the serviced area. The purpose of this rate is to recover operating costs of wastewater collection, treatment and disposal, plus a share of the expected cost relating to maintenance, renewal and replacement. It is assessed on every SUIP of a rating unit located within the serviced area, where the serviced area includes all rating units that are actually connected to the wastewater network or are available to be connected to a wastewater network.

Drainage Targeted Rate

The drainage rate is assessed as a flat dollar amount on each a rating unit (not each SUIP of a rating unit) located within the serviced area and differentiated by location. This applies to vacant land and land that has improvements on it. The purpose of this rate is to fund the operating cost of land drainage and a share of the expected cost of relating to maintenance, renewal and replacement. The Wairoa urban area and the Mahia Beach settlement area have targeted rates for drainage. The flat dollar amount is different for the Wairoa Urban area and the Mahia Beach Settlement area.

Appendix 2 contains maps of:

1. The Wairoa supply area – water supply (including Frasertown and Peri-urban supply)
2. The Wairoa supply area – sewerage disposal and Wairoa township drainage
3. The Mahanga – water supply
4. The Tuai supply arear – water supply and sewerage disposal
5. The Mahia Township settlement area - Mahia township drainage, sewerage disposal
6. The Opoutama settlement area – sewerage disposal

Water Supply Rate – Metered.

The purpose of this rate is to recover the cost of water supply activities and a portion of expected cost relating to maintenance, renewal and replacement. A metered water supply rate applies to rating units who meet criteria of being a Water Supply Targeted rate rating unit user but who are likely to consume more than what is equivalent to the flat dollar amount. Council will rate water supply consumption on a fixed charge per unit of water consumed and according to a scale of charges. The fixed charge and scale of charges is detailed in the Funding Impact Statement and the Rates Resolution.

Waste Management Charge.

The waste management charge is assessed as a flat dollar amount on each SUIP of each rating unit in the Wairoa District. The purpose of this rate is to recover operating costs of landfill operations, the collection and disposal of recycling and organic waste and to fund a share of the expected cost relating to maintenance, renewal and replacement of operations associated with waste management. These targeted rates are differentiated between urban and rural rating units to reflect the proportional cost which each area contributes to waste management in the district.

Rural wastewater charge.

The waste management charge is assessed as a flat dollar amount on each SUIP of each rating unit which is not connected a reticulated sewerage disposal system. This rates applies to each SUIP of a Rating Unit described as 'Flat, Dwelling, Bach, Cottage, Cafeteria, Accommodation, Building, Cabin, Camping Ground, Tavern, Hall, Office, Hotel, Sleepout, Orchard or Shop' in Council's Rating Information Database. The purpose of this rate is to fund a share of the expected cost of the treatment of matter from non-connected sewerage systems (septic tanks) once emptied into the Wairoa sewerage treatment system.

Lump Sum Contributions and targeted rates

Part 4A of the Rating Act enables Council to offer Lump Sum Contributions (LSC).

LSC can only be used to fund the capital costs of identified projects (including loan repayments) and cannot be offered in respect of an operating cost. The lump sum payment is not a rate, it is essentially a prepayment of the rates that a ratepayer would have to pay as their share of a cost a particular capital project.

Ratepayers can elect not to a pay lump sum but rather incur the cost as a targeted rate over time, as defined in a Capital Funding Plan, through their rates assessment.

Council currently has targeted rates for the Capital Repayment of the Mahia Beach Community Sewerage Scheme and the Opoutama Beach Community Sewerage Scheme capital costs. These rates are only for rating units subject to the Lump Sum Contribution arrangement where an election was made to pay these

costs by a targeted rate. The rates for each applicable rating unit differ based on the scheme cost attributable to the rating unit. Targeted rates (based on repayment periods) are in place ranging from three to thirty years depending on the election made. An option exists to clear future targeted rates, this is contained in our rates remission and postponement policy: Early Payment of Rates Policy – Early payment of Mahia and Opoutama Wastewater scheme targeted rates.

Separately used or inhabited part

The Council has elected to assess UAGC's and other fixed targeted rates (except drainage rates) based on each separately used or inhabited part of a rating unit.

The Council defines a separately used or inhabited part of a rating unit in the Funding Impact Statement in its Annual Plan or Long-Term Plan.

Divisions of a rating unit

The Council has elected to undertake division of rating units, where a rating unit is divided into one or more part because a rating unit clearly consists of more than one rating category.

The division is a separation of a property record in the Rating Information Database into two or more parts. A division is done only for the purpose of assessing rates correctly. Where a division is required, the Council in conjunction with its Valuation Service Provider will determine the area and corresponding rating value of each division of the rating unit.

Each rating division will be deemed a separately used or inhabited part of a rating unit for the purpose of assessing rates. A divided rating unit may not attract a Uniform Annual General Charge if it is clear that the rating unit is incapable of being used separately (but consists of 2 rating categories) or a rates remission or postponement applies to a divided part of the rating unit.

Rates payable by instalment

Rates are payable in four equal instalments. A ratepayer may elect to pay rates weekly, fortnightly, monthly, quarterly or annually.

Direct debits are available as a payment method over these frequencies. Additionally, payments may be made via the internet or in person at the Council's offices.

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

Penalties on rates

Penalties for late payment of rates are set on in the rates resolution and, along with rates due dates, are clearly displayed on rates assessment notices and rates invoices. Council has the following penalty regime:

- A 10% penalty is applied on the next working day to any balance of any instalment not paid by the due date.
- A 10% penalty is applied to any unpaid balance from previous years. This is added on 1 July of each year, or five working days after Council has passed the rates resolution (whichever is later).

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

Suppression of penalties remain in place when an arrangement to pay rates has been made.

Council has adopted a penalty remission policy, this is contained in Council's rates remission and postponement policies.

General Revaluation

Council is required to revalue each rating unit at least once every three years. This is set out in the RVA 1998. Along with decisions made by Council values established under General Revaluation are used for assessing and setting rates.

The next effective date of General Revaluation for the Wairoa District is 1 August 2021, these values will be used for setting rates for a three-year period commencing 1 July 2022.

Rating values with an effective date of General Revaluation of 1 August 2018 will be used to assess and set rates in year one of the Long-term Plan (from 1 July 2021). Rating values with an effective date of General

Revaluation of 1 August 2021 will be used to assess and set rates in year two of the Long-term Plan (from 1 July 2022).

Calculating differentials following General Revaluation

Following General Revaluation Council may consider changes to differentials used for each rating category when assessing and setting rates in the year following (from 1 July 2022).

Inspection of Rating Information Database

The Rating Information Database is available for inspection at Council's municipal building during business hours and on Council's website.

The publicly available Rating Information Database does not include rating unit owner name(s) and postal addresses. A member of the public may request rating unit owner name(s) and postal address details unless the owner has requested to withhold these details.

Bulk collection of the names or postal addresses (or both) of people included in the Rating Information is prohibited.

APPENDIX 1

Property Category Code	Property Category Description	Rating Category
AI	Land which has irrigation available	Rural
AN	Land which has no irrigation available	Rural
CA	Accommodation such as motels	Commercial
CC	Cinema, theatre	Commercial
CE	Elderly rest homes	Commercial
CH	Health Operations of a small scale	Commercial
CK	Educational type uses including pre-school, primary, secondary	Commercial
CL	Liquor outlets including taverns	Commercial
CM	Motor vehicle sales or service	Commercial
CO	Office type uses	Commercial
CP	Parking buildings, and unit titles car parks which are likely to sell for commercial use	Commercial
CR	Retailing use	Commercial
CS	Service stations	Commercial
CT	Tourist type attractions as well as other amenities with an emphasis on leisure of a non-sporting type	Commercial
CV	Vacant land, or land with low value of improvements, which when developed is likely to have a commercial use	Commercial
CX	Other commercial uses or where there are multiple uses	Commercial
D	Milk is supplied for milk products	Rural
FE	Exotic forests	Forestry
FI	Indigenous forests	Commercial
FP	Protected forests of any type	Rural
FV	Vacant land suitable for planting	Rural
HB	Berry fruits	Rural
HC	Citrus	Rural
HF	Flowers	Rural
HG	Glasshouses	Rural
HK	Kiwifruit	Rural
HM	Market garden	Rural
HP	Pip fruit	Rural
HS	Stone fruit	Rural
HV	Vineyard	Rural
HX	Other horticultural uses or where there is more than one use and no use is predominant	Rural
IF	Food processing or specialised food storage	Commercial
IH	Heavy, large-scale manufacturing, including vehicle manufacturing, aluminium and steel production	Commercial
IL	Light Manufacturing	Commercial

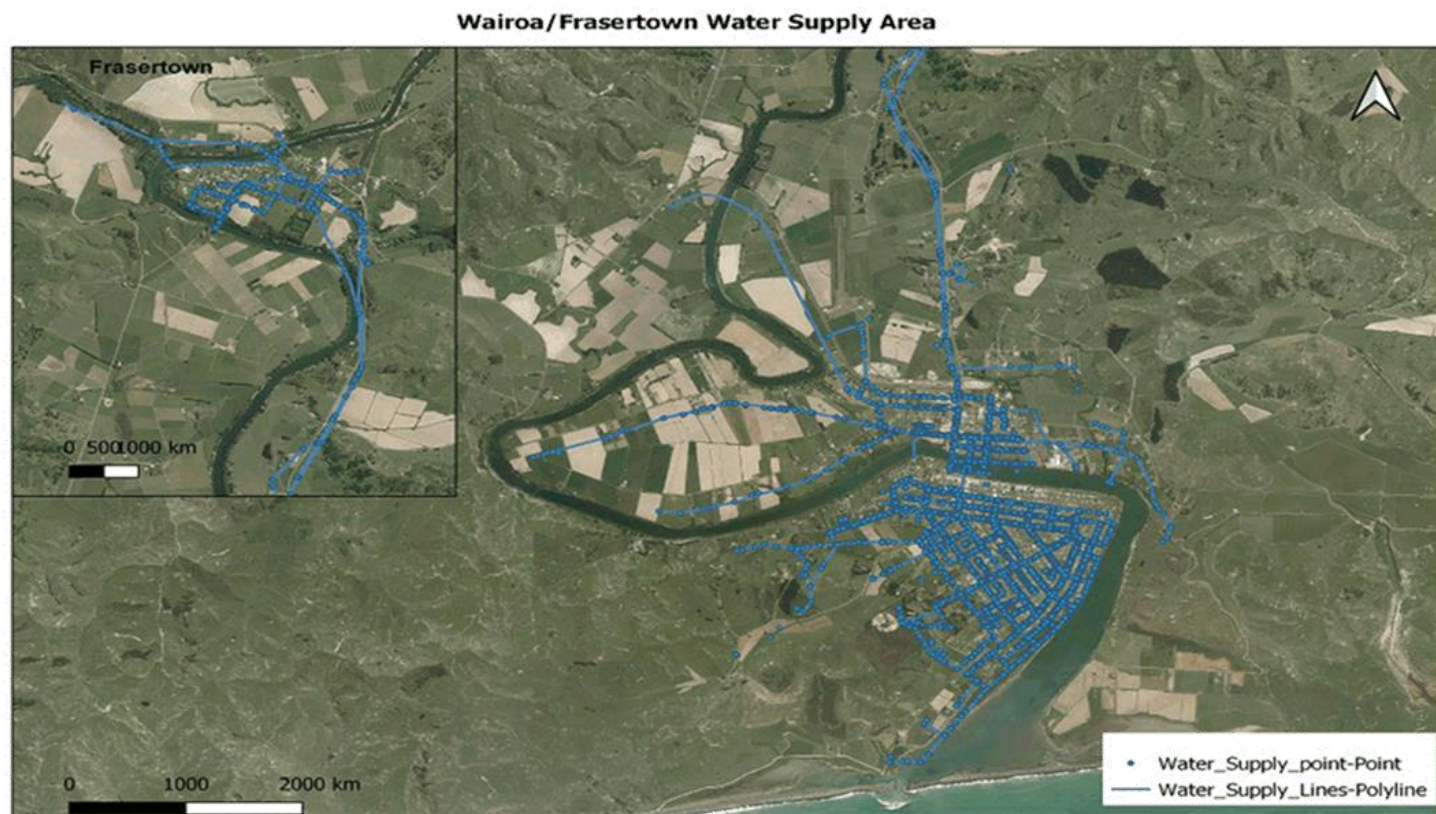
IN	Noxious or dangerous industrial uses such as oil refinery and natural gas conversion type industries and fuel tank farms would be included	Commercial
IS	Services that usually have an interface with the general public as direct clients	Commercial
IV	Vacant land, or land with low value of improvements, which when developed will have an industrial type use	Commercial
IW	Warehousing with or without associated retailing	Commercial
IX	Other industrial uses or where there are multiple uses	Commercial
LB	Bare or substantially unimproved land, which is likely to be subdivided into smaller lifestyle lots	Rural
LI	Improved to the extent that there is some residential accommodation sited on the land	Rural
LV	Vacant or substantially unimproved land without immediate subdivision potential	Rural
MC	Coal fields	Commercial
MG	Gas	Commercial
ML	Limestone quarries	Commercial
MO	Oilfields	Commercial
MP	Precious metal mining sites	Commercial
MR	Rock, shingle, or sand pits extraction	Commercial
MX	Multiple mining activities or not otherwise specified	Commercial
OA	Assembly Halls	Residential
OE	Educational type uses including pre-school, primary, secondary, and tertiary	Commercial
OH	Health and other public medical uses of large a large scale, including hospitals	Commercial
OM	Maori sites including marae and other meeting houses and including Maori burial sites	Rural or Residential
OP	Passive reserves including wilderness and conservation reserves as well as regional and national parks	Rural
OR	religious uses including places of worship	Commercial
OS	Sports grounds including racecourses, golf courses, ski fields, squash courts	Commercial
OV	Vacant land without obvious use	Rural or Residential
OX	Other uses or where there are multiple uses	Commercial
PF	Finishing land suitable for livestock, and breeding	Rural
PG	Grazing land for livestock	Rural
PR	High country runs	Rural
PS	Stud properties where the principal use is the breeding of stud stock for sale	Rural
RA	Apartments which are in multi-story buildings	Residential or Commercial
RB	Bare or substantially unimproved land, which is likely to be subdivided into dwelling house sites	Residential

RC	Converted dwelling houses which are now used as rental flats and have two or more units of use	Residential
RD	Dwelling houses of a fully detached or semidetached style situated on their own clearly defined piece of land	Residential
RF	Ownership home units which do not have the appearance of dwelling houses	Residential
RH	Home and income. The dwelling is the predominant use and there is an additional unit of use attached to, or associated with, the dwelling house which can be used to produce income	Residential
RM	Vacant or substantially unimproved land on which it is likely that multiple housing units will be built	Residential
RN	There is more than one principal dwelling house	Residential
RP	Unit-titled car park which is likely to sell for residential use	Residential
RR	Rental flats which have been purpose-built for rental purposes and have two or more units of use	Residential
RV	Vacant or substantially unimproved land on which it is likely that a single dwelling house will be built	Residential
SA	Aquaculture, including all types of fish farming	Rural
SD	Deer farming	Rural
SH	Horse studs and training operations	Rural
SP	Poultry	Rural
SS	Pigs	Rural
SX	All other specialist livestock	Rural
UC	Civic, including storm water, sewerage, and water reticulation	Commercial
UE	Energy, including electricity and gas distribution networks and supporting facilities	Commercial
UG	Generating and processing sites or plants that support utility networks	Commercial
UP	Post boxes	Commercial
UR	Rail network corridors	Commercial
UT	Telecommunication networks and supporting facilities	Commercial

Table 1.1***Allocation of Property Categories to a Rating Categories.***

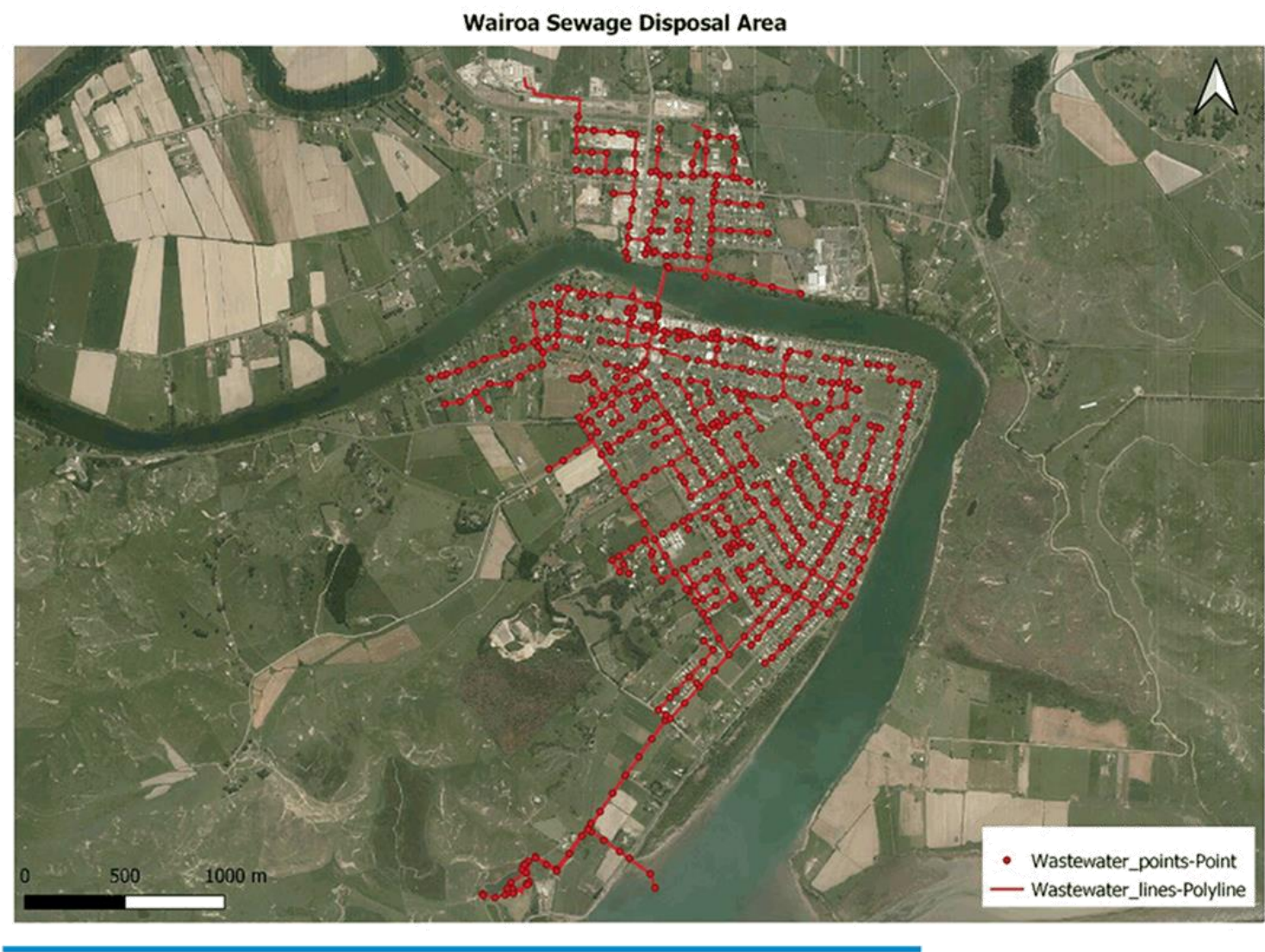
APPENDIX 2 MAPS

THE WAIROA SUPPLY AREA - WATER SUPPLY (INCLUDING FRASERTOWN AND PERI-URBAN SUPPLY)



THE WAIROA SUPPLY AREA – SEWERAGE DISPOSAL AND WAIROA TOWNSHIP DRAINAGE



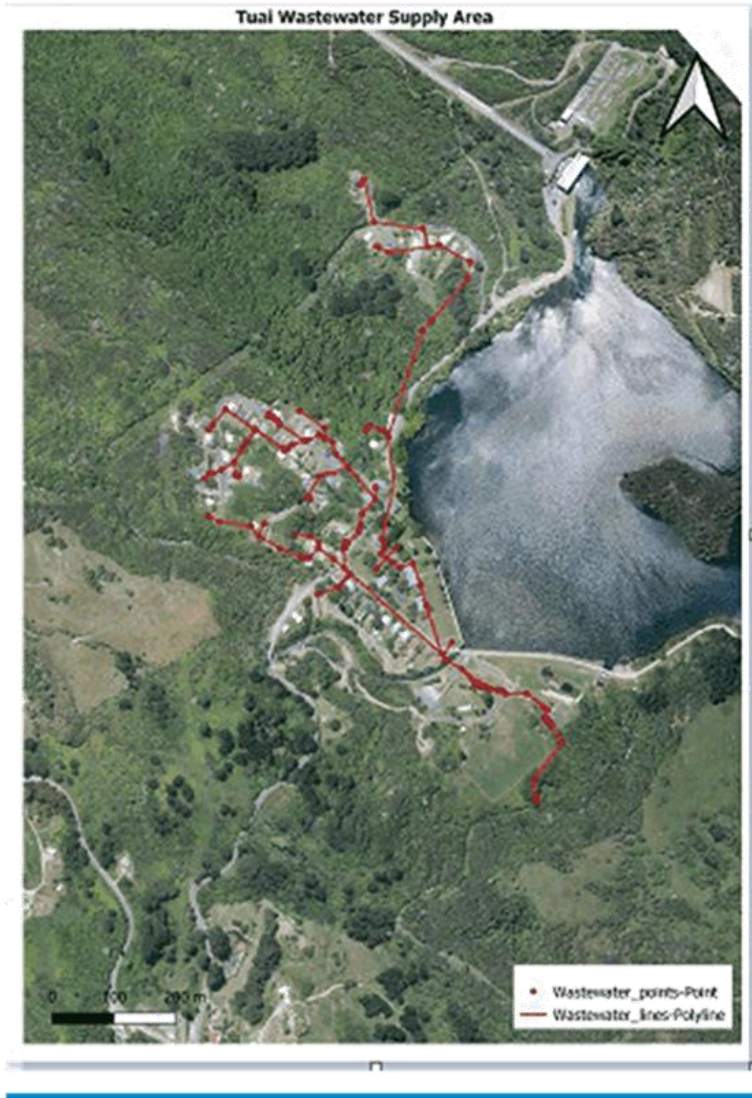


THE MAHANGA SUPPLY AREA - WATER SUPPLY



THE TUAI SUPPLY AREA - WATER SUPPLY AND SEWERAGE DISPOSAL





THE MAHIA TOWNSHIP SETTLEMENT AREA - MAHIA TOWNSHIP DRAINAGE, SEWERAGE DISPOSAL



THE OPOUTAMA SETTLEMENT AREA - SEWERAGE DISPOSAL
Opoutama Sewage Disposal Area



RATES REMISSION AND POSTPONEMENT POLICIES



WAIROA
DISTRICT COUNCIL

Approved by:	
Department:	Finance
Date Approved:	19/01/2021
Next Review Date:	19/01/2027
Reviewed:	
Revision No:	0
Relevant:	N/A
Legislation related policies:	Local Government Act 2002, Local Government (rating Act) 2002
Related forms:	N/A

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REMISSION OF PENALTIES

Objectives

- To set parameters for Council to remit penalties.
- To encourage ratepayers to pay rates arrears and keep payments of rates up-to-date.
- To consider penalty remission requests on late payment of previous rates instalment amounts.

Conditions and criteria

Applications for the remission of an instalment penalty can be made by a ratepayer who demonstrates that they meet one or more of the following criteria:

- Compassionate reasons (including illness or death of a spouse or partner).
- The rates assessment notice or rates invoice was sent to an incorrect address or it is proven that a ratepayer did not receive a rates assessment notice or rates invoice through no fault of their own.
- A penalty was incurred due to a Council error (including timing differences arising from payments by regular electronic bank transactions).
- A one-off ratepayer error (including timing differences arising from payments by regular electronic bank transactions).
- A previous property owner did not pay rates in full before a property sale was completed and a penalty has been incurred through no fault of the new owner.
- Payment was received on time but credited to a different rates assessment due to a ratepayer supplying incorrect reference details.
- There is a proven history of the rates being paid on time for the previous 2 years and the payment of the instalment to which a request for a remission of penalty request relates to has been made within 3 days after the instalment due date.
- An application for a penalty remission does not need to be in writing unless the penalty is more than \$200.00, or the penalty refers to the previous rating year.
- Council staff may recommend a penalty remission. This recommendation must identify relevant conditions and criteria identified in this policy.
- Penalties will not be applied where a ratepayer has entered into a repayment agreement satisfactory to Council and makes the agreed regular rate payments (see Rates Arrears Payment Arrangements policy).
- Where a ratepayer has not paid an instalment by a required due date and subsequently pays the balance needed to bring rates up-to-date to the next instalment period (the amount less the penalty), or the total annual rates assessed for the year by the next instalment due date, the penalty incurred on that previous instalment will be remitted.
- For the avoidance of doubt remission of penalties on previous instalments will be considered on a case by case basis where the payment of the rates assessment is made in full, or an arrangement to pay rates arrears has been agreed and adhered to.

RATES ARREARS PAYMENT ARRANGEMENTS

Objectives

- To facilitate repayments of rates and water rates debts.
- To encourage lump sum payments of rates and water rates debts to clear arrears in full.
- To recognise instances where an arrangement to repay rate arrears has been made, adhered to, but not concluded.

Remission Period

- One off

Remission Value

-
- A maximum of 10% of the arrears.
-

Conditions and Criteria

- Ratepayers must commit to an arrangement with Council to repay rates arrears within an agreed timeframe, and
- Council may remit rates/ water rates arrears of up to \$500 for arrears under \$5,000.00 or \$1000.00 \$1,000.00 for arrears under \$10,000.00 (this is reflective of a 10% penalty being imposed for an opening arrears balance and a 10% penalty on each rates instalment not being paid by required instalment due date).
- Rates arrears must relate to rates from previous rating years, not those assessed for the current rating year.
- Any statute barred rates arrears not already written off at the time an agreement is entered into will be excluded from the arrears total for the purposes of this policy.
- A penalty suppression on a rates assessment/ water rates debt will be added to prohibit ratepayers from incurring further arrears once an agreement has been made and adhered to. If the payment arrangement is not adhered to penalties will apply again from the date that the breach occurs.
- A default on the arrangement will result in the penalty suppression being lifted.
- Remission of the amount of any statute barred rates arrears can occur at the beginning of the repayment arrangement, part way through the arrangement or at the conclusion of arrangement and is considered on a case-by-case basis.
- Requests for payment arrangements are to be made in writing by the ratepayer or their agent.
- All repayment arrangements are to be documented.
- Consideration will be given to writing off arrears classified as statute barred rates arrears at the time an agreement is entered into and are considered on a case by case basis if they have not already been written off in the current rating year (the year that Council normally writes off statute barred rates arrears and which the provisions of section 65 Of the Local Government (Rating) Act 2002 apply).

ABANDONED LAND AND RATING SALES RATES WRITE OFF

Objectives

- To enable Council to write off rates where the full amount assessed cannot be collected after proceeds have been received from an Abandoned Land rating sale or a Rating Sale.

Conditions and Criteria

- Proceeds for an Abandoned rating sale or Rating Sale do not clear the rates balance required to clear rates to the end of an instalment period prior to a purchaser becoming the new ratepayer.
- Rates arrears cannot be collected through normal debt collection provisions and the property will change ownership by way of an Abandoned Land rating sale or a Rating Sale.
- The amount to be written off is the difference between the amount received from proceeds from an Abandoned rating sale or Rating Sale and the balance remaining to be cleared to the instalment period that the vendor is liable to bring rates up to date to that rates instalment period (and not the end of a financial year unless the end of the financial year is the current instalment period).

REMISSION OF UNIFORM ANNUAL GENERAL CHARGES AND TARGETED RATES IN CERTAIN CIRCUMSTANCES – NON RURAL LAND

Objectives

Allow for the remission of rates in situations where uniform annual general charges and other selected targeted rates are assessed on additional rating units for contiguous or non-contiguous rating unit(s), where all requirements of s.20 of the Local Government (Rating) Act 2002 are not met.

Conditions and Criteria

- One rating unit is used as a private residence or a business and the additional rating unit is used solely as a garden or similar private part of the grounds in connection with the main rating unit.
- Where a private residence or business operates from more than one rating unit (location), and the additional unit is used as a single rating unit in conjunction with the main rating unit
- A rating unit used for residential purposes, and includes a separately inhabited part, may be treated as one rating unit where the additional rating unit is used in conjunction with the main rating unit by a dependent member of the same family as that of the owner.
- This policy does not apply to untenanted flats, business premises or vacant buildings capable of use or inhabitation.

PART FOUR: REMISSION OF UNIFORM ANNUAL GENERAL CHARGES AND TARGETED RATES FOR RURAL LAND

Objectives

To provide for relief from Uniform Annual General Charges and selected targeted rates for rural land which is disadvantaged by its title structure.

Conditions and Criteria

This policy applies to rural land

The land is either contiguous, is or non- contiguous but farmed as a single entity.

A remission of rates and Uniform Annual General Charges will apply to additional rating units owned or used by a ratepayer.

In the case of general land in separate ownership there must be some significant development that combines the two properties into one and the owners of each rating unit must confirm in writing that all rating units are being used as one farming operation, and the rating units to which the application for remission relates.

REMISSION OF RATES ON COASTAL RURAL LAND USED FOR GRAZING OR FARMING PURPOSES

Coastal land used as farms can qualify for a remission in rates assessed in certain circumstances.

Objectives

- To recognise the special circumstances pertaining to the value of coastal rural land used for pastoral purposes.
-

Conditions and Criteria:

- Applications for remission will be considered in relation to rating units containing multiple Separately Used or Inhabited Parts only;

- Owners or trustees making application must include a signed statement that the land is, and will be, used for grazing purposes only; and,
- Remission may be given via the application of special values that may be less than the land and capital values assessed by the Council's Valuation Service Provider.

REMISSION ON LAND FOR NATURAL, HISTORIC OR RATES REMISSION FOR LAND USED FOR OUTSTANDING LANDSCAPE, CULTURAL, HISTORICAL OR CONSERVATION PURPOSES

Objectives

To protect and promote significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites.

Conditions and Criteria

Ratepayers who own rating units which include significant natural areas; culturally significant sites; historic buildings, structures and places; and archaeological sites may qualify for remission of rates under this part of the policy.

- Applications must be made in writing. Applications should be supported by documentary evidence of the protected status of the rating unit.
- No person must be actually using the land for private pecuniary profit.
- The Council will decide what amount of rates will be remitted on a case-by-case basis subject to a maximum amount of 50 percent of rates assessed.

REMISSION OF WATER METER RATES ATTRIBUTABLE TO WATER LEAKS POLICY

Objectives

- To provide relief in situations where water usage is high due to a water leak or there has been damage to the consumers internal water reticulation system which the consumer was unaware of.

Conditions and criteria

Council may remit metered water rates where all of the following conditions and criteria apply:

- A written request for a remission of excess water rates has been received or a recommendation has been made by a Council Officer, and
 - Council is satisfied a leak on the property has caused excessive consumption and is recorded on the water meter; and
 - The water leak has been repaired as soon as practical, and within one calendar month of being identified (unless evidence is provided that the services of an appropriate repairer could not be obtained within this period); and
 - Proof of the leak being repaired has been provided to Council promptly after the repair.
-
- The amount of the remission will be the difference between the average consumption of the property prior to the leak, as deemed reasonable by Council, and the consumption over and above that average.
 - Any remission is limited to the period where the leak was identified and fixed.
 - A remission for any particular property will generally be granted on a one-off basis and only once in any rating year.

POLICY FOR REMISSION AND POSTPONEMENT OF RATES ON MAORI FREEHOLD LAND

Māori freehold land rates remission

Objectives

- To promote the collection of rates from Māori freehold land to ensure fair and equitable collection of rates from all sectors of the community.
- To recognise the unique characteristics of Māori freehold land ownership structures.
- To meet the requirements of Schedule 11 of the Local Government Act 2002.

Conditions and criteria

Land must be Māori Freehold land (as defined in the Te Ture Whenua Māori Act 1993 Part 6, Section 129(1)(c) or the Local Government (Rating) Act 2002 Part1, Sub-paragraph 1, Section 5.

- No person shall be using the land at any time the rating unit is on the register. Persons actually using the land are liable for the rates on that land.
- For the purposes of this Part, a person actually using land means a person who, alone or with others,—
 - (a) Leases the land; or
 - (b) Does 1 or more of the following things on the land for profit or other benefit:
 - (i) Resides on the land;
 - (ii) De-pastures or maintains livestock on the land;
 - (iii) Stores anything on the land; or
 - (iv) Uses the land in any other way.

Exceptions for use of land;

- Where abandoned property or dwelling/s are situated upon the land;
- Where an occupation order may have been granted but has not been put into effect; and,
- Where only a portion of the land is usable, rates may be apportioned appropriately.

The Council may give a remission of up to 100% of any and all types of rates, except targeted rates set for water supply or wastewater disposal, based on the following criteria:

- The land is unoccupied and no income is derived from the use or occupation of that land;
- The land is inaccessible, marginal in quality and/or unusable;
- Only a portion of the land is used or usable;
- The property carries a best potential use value that is significantly in excess of the economic value arising from its actual use;

MĀORI FREEHOLD LAND – WHENUA RAHUI REGISTER

Objectives

To recognise and take account of the presence of wāhi tapu that may affect the use of the land for other purposes;

- To recognise and support use of land by owners for traditional purposes as well as the relationship of Māori and their culture and traditions with their ancestral lands;
- To recognise and set aside land that is better set aside for non-use for the protection of its natural features, preservation of the natural character of the coastal environment and/or protection of significant indigenous vegetation and significant habitats of indigenous fauna;
- To recognise and take account of the importance of the land in providing economic and infrastructure support for Marae and associated papakainga housing;
- To recognise matters related to the physical accessibility and/or marginal quality of the land;
- To recognise situations where there is no person or group gaining an economic or financial benefit from the land or where part only of a block is used, to grant remission for the portion of land not in use;
- To recognise situations where fragmented ownership and/or insufficient management structures make it difficult to effectively administer the affairs relating to the land;
- To facilitate development or use of the land where Council considers rates based on the rateable value make the use of the land uneconomic; and,
- To recognise the level of community services provided to the land and its occupiers.

Whenua Rahui Register – Criteria

It must be Māori Freehold land (As defined in the Te Ture Whenua Māori Act 1993 Part 6, Section 129 or the Local Government (Rating) Act 2002 Part 1, Sub-paragraph 1, Section 5);

- No person shall be using the land at any time the rating unit is on the Whenua Rahui register. Persons actually using the land are liable for the rates on that land;
- The Council may grant a postponement of up to 100% of any and all types of rates, except targeted rates set for water supply or wastewater disposal, based on the following criteria;
- Land is better set aside for the promotion and protection of indigenous ecosystems or biodiversity management on Māori land;
- Land is used in a way that facilitates Iwi and hapū initiatives for the retention, preservation and promotion of traditional Māori knowledge, and its use in biodiversity management;
- A Whenua Rahui application should be made prior to commencement of the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of the Council;
- Owners or trustees making the application should include the following information in their applications:
 - Details of the rating unit or units involved;
 - The objectives that will be achieved by providing a remission;
 - Documentation that shows the subject land of the application is Māori freehold land; and,
 - Where land is in multiple-ownership or persons making application are not owners of the land, proof authorising individuals to act for owners is to be included with the application. Reasons for non-presentation are to be fully explained.
- The burden of proof of eligibility and ongoing compliance with the policy criteria and conditions rests entirely with the owner/s of the property;
- All entries on the Register will be reviewed every five years and eligible rating units will need to be re-registered every five years;
- Registration automatically authorises the Council to undertake periodic inspections of the land to confirm ongoing compliance with the criteria and the conditions of this policy;
- The Council reserves the right to seek further information to confirm compliance as and when necessary;

- In the event of any portion of the land being sold within the three year period the Council reserves the right to recover the rates remitted for the entire period;
- Relief, and the extent thereof, is at the sole discretion of the Council and may be reviewed, cancelled or reduced at any time; and,
-

Notification of Decision –Maori Freehold Land – Whenua Rahui Register

The applicant/s shall be notified in writing within 5 working days of the decision. Appeal Process – Māori Freehold Land – Whenua Rahui Register

All applicants shall have a right to appeal the decision. It should be noted however, that the burden of proof rests with the applicant.

Explanatory and Guidance Notes:

Unused Māori Freehold Land – Economic Development

- Given that the Council will be maintaining a register of vacant and unused land, the opportunity exists to link developers and/or entrepreneurs with land owners, and thereby explore economic development partnerships;
- Any owners of property on the register wishing to have their land considered for such opportunities may elect to have the registration noted for consideration on an as when basis;
- Applicants must have authority from land owners and/or land management administrators to apply for registration for economic development opportunities;
- All non-voted land shall remain confidential;
- 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;
- If a portion of the land is being used, those using the land will likely be held liable for the rates on the land, but rates may be apportioned according to the area of land utilised;
- If development of the land were to commence while the unit remained on the register, the Council may still apply a remission, for a maximum period of 5 years; and,
- The length and degree of the remission will be proportionate to the nature, characteristics and level of development as well as the objectives and considerations of the policy. The remission may be reviewed and amended periodically as development continues, at the Council's discretion.

Identification of Unused Māori Freehold Land – Economic Development

- Properties for inclusion can be identified by either the owner/s or the Wairoa District Council:
 - o Council Identification - Properties are generally identified for inclusion on the register when rate arrears are incurred and efforts to recover have proved ineffective. Such properties are inspected and if the criteria are met, approaches are made to land owners to make application; and,
 - o Owner Identification - If owners consider their land conforms with the criteria an approach may be made to the council.

Unused Māori Freehold Land – Economic Development - Application Process

Applications, whether initiated by the Council or the owner, will be made on the approved form. On receipt of the completed form a full investigation to validate the information presented is to be completed by

council staff. The completed form and the resultant report shall form the basis on which compliance with the criteria shall be judged.

NON-CONTACTABLE OWNERS RATES POSTPONEMENT POLICY – MAORI FREEHOLD LAND

Objectives

- This policy applies to Māori Freehold Land as defined in the Te Ture Whenua Māori Act 1993 Part 6, Section 129 or the Local Government (Rating) Act 2002 Part 1, Sub-paragraph 1, Section 5.
- To allow for rates arrears on Māori Freehold Land to be set aside and facilitate a change in the address for the rates assessment notices and rates invoices to be sent to (and paid for).
- To facilitate the use of vacant Māori Freehold Land when there is no practical way of recovering past outstanding rates arrears.
- To facilitate the use of Māori Freehold Land, when there is no practical way of contacting current owners, actual or potential preferred classes of alienees therefore allowing person(s) to use Māori Freehold Land for pastoral or grazing purposes.

Conditions and criteria

- Rates on the land cannot be collected and the rates assessment would otherwise accumulate until the statutory write-off of statute barred rates arrears applies, and
- There is an undertaking to keep current and future rates up-to-date by the new addressee, and
- The land is vacant Pastoral or Lifestyle land located in the rural District Plan zoning area and to be used for grazing or farming purposes only, and
- No substantial development is to occur on the land, and
- No harvesting of trees, mineral extraction or excavation is to occur on the land, and
- The land is not eligible to be entered into the Whenua rahui register, and
- Multiple attempts have been made to locate, engage with current or preferred class of alienees and facilitate the payment of rates by these owners or trustees Māori Freehold Land. In the case of deceased estates all reasonable attempts have been made to contact actual or potential preferred classes of alienees, and
- There are rates arrears for at least 3 previous financial years.
- All applications are to be made in writing by the person(s) wishing to uptake this policy.
- For the avoidance of doubt any Māori Freehold Land that is considered to have sites of cultural or spiritual significance will not be eligible to be used by persons other than owners or trustees.
- If the conditions and criteria are met rates arrears will be postponed until they become statute barred and no active debt recovery will take place.
- Should the policy criteria no longer be met rates arrears will no longer be postponed and will become payable within 60 days of the date that this first occurs.

PARTIAL USE OF MAORI FREEHOLD LAND

Objective

- This policy applies to Māori Freehold Land as defined in the Te Ture Whenua Māori Act 1993 Part 6, Section 129 or the Local Government (Rating) Act 2002 Part1, Sub-paragraph 1, Section 5.
- To provide rates relief to ratepayers who wish to use a portion of Māori freehold rating unit.
- To recognise an ability of a person to use a portion of (vacant) Māori freehold rating unit in as expressed in section 27(5) of the LGRA 2002.
- To facilitate the use of Māori freehold and minimise the alienation of Māori freehold.

Conditions and criteria

1. The portion of unused or unoccupied land is greater than 2 hectares of the rating unit.
2. The land is vacant Pastoral or Lifestyle land and located in the rural District Plan zoning area and to be used for grazing or farming purposes only.
3. No harvesting of trees, mineral extraction or excavation is to occur on the land.
4. Carbon farming and apiculture activities are considered land use under this policy.
5. Council's Valuation Service Provider will create a division of a rating unit on more than one area representing:
 - a. The area of the rating unit that is used by the applicant.
 - b. The area of the rating unit that is not used by the applicant.
5. Council will assess rates on each area based on the Revenue and Financing Policy and the Funding Impact Statement.
6. The Uniform Annual General Charge will be apportioned between each vacant area. A full Uniform Annual General charge and targeted rate for waste management will remain on any divided area that has structures on it and will be levied on a SUIP basis.
7. The status (use or non-use) of the land will be continually monitored.
8. This policy applies to rateable Māori freehold land and not non-rateable Māori freehold land.

REMISSION OF RATES FOR LAND USED FOR PAKAĀINGA HOUSING

Policy objectives

- To provide rates relief to rural Māori Freehold land used for papakāinga housing.
- To provide an alternative to low income occupants living on Māori Freehold land used for papakāinga housing when they would not eligible to receive a rates rebate because of the current eligibility criteria for rates rebates.
- To avoid the alienation of owners and occupants from rural Māori Freehold land used for papakāinga housing.
- To meet the requirements of schedule 11 of the Local Government Act 2002.
- To assist Māori to establish papakāinga housing on rural Māori Freehold Land.

Conditions and criteria

Council recognises that the imposition of multiple UAGCs or other non-service 'separately used and uninhabited' levied rates might act as a deterrent to Māori seeking to occupy Māori Freehold Land for housing purposes.

Council will consider applications for the remission of multiple UAGCs and other charges, with the exception of those that are set for the provision of utilities such as water, sewerage in respect of separately used or inhabited parts of a rating unit where these are covered by occupation licenses, or other informal arrangements subject to the conditions and criteria set out below:

- The land must be Māori Freehold Land (As defined in Te Ture Whenua Act 1993 Part VI Section), and
- The part of the land used for papakāinga must be the subject of an occupation license or

other informal arrangement for the purposes of providing residential housing for the occupier on a rent free basis, and

- The area of land must be less than 3.2 hectares and located outside the Wairoa township and have no less than three dwellings on it, and
- The land must have a primary and actual use code of lifestyle or residential as defined by current rating valuation rules.
- The balance of rates that are not remitted must be paid by the relevant due dates.
- Each occupant must have a level of income no greater than the level of NZ superannuation used for the calculation of rates rebates in accordance with the Rates Rebate Act 1973.

Remission of Uniform Annual General Charges and Targeted Rates for Waste Management

- Applications must be received in writing from the owners or trustees of the land and signed by the owners or trustees.
- The application must contain the names of the occupants of each dwelling and a statutory declaration that each occupant of each dwelling has a level of income no greater than the level of NZ superannuation used for the calculation of rates rebates in accordance with the Rates Rebate Act 1973.
- All successful applications will be granted a remission of 50% of the uniform annual general charge and targeted rate for waste management on the third and subsequent dwellings on the land that are applicable based on the pre-mentioned income level of the occupants.
- For the avoidance of doubt 100% of the uniform annual general charge and waste management rural charge will apply two dwellings on the land.

The remission of the UAGC and other charges will remain on the land so long as the arrangement is in force subject to the occupation complying with the conditions and criteria set out above.