



**I, Steven May, Chief Executive Officer, hereby give notice that  
an Extraordinary Meeting of Council will be held on:**

**Date:** Tuesday, 25 September 2018  
**Time:** 9am  
**Location:** Council Chamber, Wairoa District Council,  
Coronation Square, Wairoa

# **AGENDA**

## **Extraordinary Council Meeting**

**25 September 2018**

The agenda and associated papers are also available on our website: [www.wairoadc.govt.nz](http://www.wairoadc.govt.nz)

For further information please contact us 06 838 7309 or by email [info@wairoadc.govt.nz](mailto:info@wairoadc.govt.nz)



**Order Of Business**

<b>1</b>	<b>Karakia.....</b>	<b>5</b>
<b>2</b>	<b>Apologies for Absence .....</b>	<b>5</b>
<b>3</b>	<b>Declarations of Conflict of Interest .....</b>	<b>5</b>
<b>4</b>	<b>Public Participation .....</b>	<b>5</b>
<b>5</b>	<b>General Items.....</b>	<b>6</b>
5.1	Updated Revenue and Financing Policy .....	6
5.2	Adoption of the Long-term Plan 2018-28 .....	19
5.3	Resolution to set Rates for the year commencing 1 July 2018 .....	23



- 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 UPDATED REVENUE AND FINANCING POLICY

**Author:** Gary Borg, Chief Financial Officer  
**Authoriser:** Steven May, Chief Executive Officer  
**Appendices:** 1. Revenue and Financing Policy [↓](#)

#### 1. PURPOSE

- 1.1 The purpose of this report is to present an updated Revenue and Financing Policy for adoption.

#### RECOMMENDATION

The Chief Financial Officer RECOMMENDS that Council adopts the updated Revenue and Financing Policy for inclusion in the Long-term Plan 2018-28.

#### EXECUTIVE SUMMARY

#### 2. BACKGROUND

- 2.1 A Long-term Plan (LTP) must include an adopted Revenue and Financing Policy (R&FP).
- 2.2 In January and February 2018 Council consulted on a significant change to its R&FP. In response to that consultation Council resolved to retain its existing policy, with the one significant subsequent change being the adjustment of the differential for the Rural Roothing Forestry (≥100ha) rate from 1.54 to 5, following direct consultation with the affected sector.
- 2.3 The policy was included in the draft LTP 2018-2028, the audit of which concluded on 20 September 2018. During that review a small number of editorial updates were identified that provide greater clarification and align to the objectives of the new LTP.
- 2.4 These updates are reflected as tracked changes in the policy attached as **Appendix 1**.

#### 3. OPTIONS

- 3.1 The options identified are:
- Adopt the Revenue and Financing Policy, attached as **Appendix 1**.
  - Adopt with further minor edits.
  - Consult on a significant change.
- 3.2 As noted in 2.2 the current R&FP was retained following consultation on significant proposed changes. Council may identify further updates that clarify its intentions in the context of the LTP 2018-18. However, significant changes would require consultation and would further delay the adoption of the LTP and the setting of rates for the year ending 30 June 2019.
- 3.3 Council has undertaken to continue the review of its funding, particularly its rating policies, and it is acknowledged that this will be an ongoing iterative process.

- 3.4 The preferred option is *a) Adopt the Revenue and Financing Policy, attached as **Appendix 1***, this meets the purpose of local government as it will help meet the current and future needs of communities by providing predictability and certainty for all future funding and rating decisions of Council.

#### **4. CORPORATE CONSIDERATIONS**

##### **What is the change?**

- 4.1 The policy attached as **Appendix 1** is fundamentally unchanged from its predecessor, but has been updated to reflect the current circumstances of Council's funding and the key objectives of the LTP 2018-28.

##### **Compliance with legislation and Council Policy**

- 4.2 Section 102(2)(a) of the Local Government Act 2002 requires Council to adopt a Revenue and Financing Policy. The policy attached as **Appendix 1** complies with section 103.

##### **What are the key benefits?**

- 4.3 The key benefit of adopting a clear R&FP is to support Council in making consistent funding and rating decisions, and that the bases for these decisions are understood by the community.

##### **What is the cost?**

- 4.4 There is no incremental cost associated with this decision.

##### **What is the saving?**

- 4.5 Nil

##### **Who has been consulted?**

- 4.6 This matter is informed by the consultation referenced in 2.2.  
4.7 The policy was made available and referenced in the consultation for the LTP 2018-28.  
4.8 This matter is relevant to the whole community including tangata whenua.

##### **Service delivery review**

- 4.9 There are no service delivery implications

##### **Māori Standing Committee**

- 4.10 There are no specific considerations relating to this committee

#### **5. SIGNIFICANCE**

- 5.1 The consultations for the LTP 2018-28 and the earlier Revenue & Financing Policy review illustrated that there is a high degree of interest in Council funding.  
5.2 However, the adoption of a Revenue & Financing Policy that reflects these outcomes is administrative and of low significance.

**6. RISK MANAGEMENT**

6.1 The strategic risks (e.g. publicity/public perception, adverse effect on community, timeframes, health and safety, financial/security of funding, political, legal – refer to S10 and S11A of LGA 2002, others) identified in the implementation of the recommendations made are as follows:

- a. In accordance with Council's Risk Management Policy the adoption of a Revenue & Financing Policy is administrative and, since there is already a policy, the risks are assessed as follows:

Human	Financial	Regulatory
Low	Low	Low
Operations	Employees	Image & reputation
Low	Low	Low

**References**

Date	Governance Body	Title
23/5/2017 20/6/2017	Finance, Audit & Risk Committee	Minor Amendment to the Revenue and Financing Policy – Alteration of the Wairoa Urban Residential Rating Differential Threshold
29/11/2017	Finance, Audit & Risk Committee	1) Revenue and Financing Policy Component - Determination of Activity Revenue Sources 2) Revenue and Financing Policy Component - Rating Review
5/12/2017	Council	Revenue and Financing Policy and Statement of Proposal
20/2/2018	Council	1) Petition Received - Revenue and Financing Policy Mahia meeting 2) Submissions Received - Revenue and Financing Policy
2/7/2018	Council	LTP 2018-2028 Deliberations



**Confirmation of statutory compliance**

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

- containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- 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 Gary Borg	Approved by Steven May

## TE KAUPAPA HERE Mō TE PuTEA WHIWHI - REVENUE AND FINANCING POLICY

### POLICY OBJECTIVES

The purpose of the Council's Revenue and Financing Policy<sup>1</sup> is to provide predictability and certainty about sources and levels of funding for all its activities. The Policy explains the rationale for and the process of the selection of various funding methods to fund the operating and capital expenditures of the Council activities. It is an important instrument of Council's financial management because how the activities are funded can have a significant impact on the financial viability of Council services, as well as on the overall impact of any allocation of liability for revenue needs on the community.

*In the past year the Council has reviewed its funding of activities, including the basis for its rating system, and is proposing the way in which the Uniform Annual General Charge (UAGC) is calculated. There are no other significant changes proposed in the Policy. During 2017/18 Council reviewed its revenue and financing policy and consulted on a range of proposed changes. In response to that consultation Council resolved to maintain status quo, and continuously evaluate its approach to funding and rating. Therefore, other than minor editorial changes to improve clarity, this policy is unchanged from the 2015/25 version.*

- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals (user/beneficiary pays principle).
- The period in or over which those benefits are expected to accrue

### REVENUE AND FINANCING POLICY CONSIDERATIONS

The Policy requirements are included in Sections 101, 102 and 103 of the Local Government Act 2002 (the Act). The Council when reviewing the most appropriate funding sources for its activities considered the following:

- The community outcomes to which the activity primarily contributes (why the service is provided).

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<sup>1</sup> Section 103 sets out the required contents of the Revenue and Financing Policy required by s102(2)(a).

(intergenerational equity principle).

- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity (exacerbator pays principle).
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

## COUNCIL OUTCOMES

A full description of the outcomes is part of the Long Term Plan. The individual activity analysis lists the community outcomes that the activity primarily contributes to and link to the reasons why the activity is undertaken.

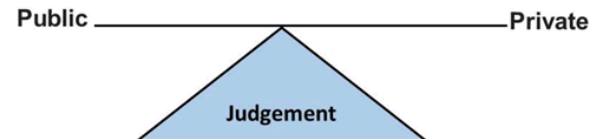
## DISTRIBUTION OF BENEFITS

In general, benefits flow to an individual or group where it is possible to identify the user and to withhold the service to the user if the user does not pay.

**PRIVATE BENEFITS:** the costs of these benefits should generally be funded on a user-pays basis.

**PUBLIC BENEFITS:** are costs which flow to the community as a whole and it is not possible to identify the individuals or groups that benefit. All the community benefits from the activity or there is little effect on the cost of additional people benefiting. The costs of these benefits are generally funded through rates as it is not possible, practicable, or it is undesirable to charge users directly.

At this stage, the council is required to consider who benefits from the activities performed by the council. This is expressed as the Public/Private split. Economic theory suggests there are two main characteristics that need to be considered when looking at a particular good or service, which are public and private goods. At one end of the continuum there are so-called 'public goods'. At the other end of the continuum are 'private goods' which are both rival and excludable. Most daily consumables are private goods.



**RIVALRY IN CONSUMPTION:** Good is a rival in consumption if one person's consumption of the good or service prevents others from doing so, e.g. a chocolate bar is a good with a large degree of rivalry in consumption, i.e. if Bill eats it, Jane cannot.

**EXCLUDABILITY:** good or service is excludable if a person can be prevented from consuming the good or service, e.g. if Bill does not buy a movie ticket, then the usher can exclude him by preventing him from entering the theatre.

These are goods which are both non-rival and non-excludable, i.e. everyone can consume them and no one can be prevented from consuming them if they wish. An example of a public good is national defence, where the whole community is protected from an invasion by the armed forces, whether it wishes to be or not, and this protection cannot be removed from anyone in New Zealand.

Very few goods and services are entirely public goods or private goods. Most goods and services are 'mixed goods' and fall somewhere between the two ends of the continuum.

The characteristics of a good or service determine what type of funding mechanism might be used to fund a particular service. Council has already made judgements about what it considers are public goods when deciding whether or not to undertake a particular activity.

For example, a good towards the public end of the continuum may not be a good candidate for user charges as people cannot be prevented from consuming it, or because everyone consumes it whether they wish to or not. Such goods will generally be candidates for funding from some general source, such as a general rate. A good towards the private end of the spectrum may be a candidate for a targeted rate or a user charge.

In the end, it is likely to come down to 'reasonable' judgement. Both the LGA and previous case law place the responsibility on elected members to make decisions about who benefits and who should pay.

### TIME PERIOD OF THE BENEFITS

The Council must assess the period over which the benefits flow from each activity. For all its activities, the operating costs directly relate to the benefits of an activity provided during the year of the expenditure. Operating costs are therefore funded on an annual basis from annual income, including rates, user charges, subsidies and other income.

Capital expenditure produces assets that will produce benefits over their useful lives. These lives range from a few years for office equipment, computers and vehicles, to a hundred years for some infrastructural assets, such as bridges and some pipe networks. The costs of these assets should therefore be funded over the time of benefit. This is the concept of intergenerational equity and is particularly relevant for larger capital assets.

Building reserves to fund the capital expenditure required to renew an existing asset is the most prudent financial method, that also preserves intergenerational equity i.e. each generation pays a share of the value of the asset while it receives benefit from the asset. The interest earned on the reserves helps to fund the appropriate amount required to eventually replace the asset. When renewals or replacement occur before the reserve has sufficient funds then loans will be utilised to fund the early deficit.

## WHO CAUSES THE NEED FOR AN ACTIVITY

The Council is required to assess the extent to which each activity exists because of the actions or inactions of an individual or group. This principle, known as the exonerator pays or polluter pays, suggests that costs should be recovered directly from those causing the need for the activity. Examples are parking fines, food licences, pool safety, dog control and trade waste.

## COSTS AND BENEFITS OF FUNDING THE ACTIVITY

The Council considers the individual costs and benefits of the funding of each activity. This analysis takes into account the consequences for transparency and accountability of the chosen funding method. Distinct funding allows ratepayers to assess whether or not the activity represents good value to them. For some activities, the costs of collecting user charges would be more than the revenue collected. As a result the Council has chosen to fund a number of activities entirely from rates.

These five matters were all considered with no single criterion given a greater weight than the others. The Council then considered the overall impact of the allocated funding, on the overall impact of any allocation of liability for revenue needs on the community, and considered the following matters:

The likely impact of the mix of funding sources on ratepayers on fixed incomes (affordability) is as follows:

- How the Policy will act as a barrier to the accessibility of the activity.
- What incentives the Policy will have for the development of the district.
- How the burden of funding will be distributed across differing sectors of the community.
- How the Policy supports people to conserve scarce resources, avoid environmentally unfriendly activities and preserve our natural heritage.
- How the Policy will support the community participating in recreational and cultural activities and to preserve historical and other cultural heritage?

## FINANCIAL MANAGEMENT

In terms of the Local Government Act 2002 (the Act) the Council is required to ensure that each year's projected operating revenues are set at a level sufficient to meet that year's operating expenses (a balanced budget). Despite this requirement, under s100(2) of the Act, the Council is allowed to set projected operating revenues at a different level from that required to achieve a balanced budget, if the Council resolves that it is financially prudent to do so, e.g. to fund a previous or future year's deficit or to repay debt.

## OTHER LEGAL REQUIREMENTS

While the Revenue and Financing Policy is governed by the Local Government Act 2002, there are a number of other pieces of legislation that are relevant for determining appropriate funding mechanisms.

### LOCAL GOVERNMENT (RATING) ACT 2002

This Act sets out all the legal requirements for rating. It covers who is liable to pay rates, what land is rateable, what kind of rates may be set and how those rates are set. It also sets the valuation system which may be used, the various rating mechanisms available (such as targeted rates) and the number of limits on local government. For example, all rates set on a uniform basis (including the uniform annual general charge, but excluding a uniform rate for water or wastewater) may not exceed 30% of the total rates revenue.

### RESOURCE MANAGEMENT ACT 1991

This Act sets out Council's responsibilities in terms of the environment. It also specifies the circumstances in which local authorities may require financial contributions from developers to meet the costs of their impact on the environment, including their impact on the demand for infrastructure.

Alternatively, under the Local Government Act 2002, local authorities are allowed to seek development contributions or a combination of development and financial contributions under the respective Acts. The Council does not currently take development contributions but it is considering the use of financial contributions as part of its review of its District Plan.

### OTHER LEGISLATION

A number of Acts, such as the Sale and Supply of Alcohol Act 2012, set out statutory fees for various types of regulatory services. These fees may not be exceeded. Where fee setting is up to a local authority, there is often a general legal requirement for this to be 'fair and reasonable.'

### GENERAL POLICIES ON FUNDING AND SOURCES OF FUNDING

Capital expenditure is the category of spending which creates a new asset or extends the lifetime of an existing asset. Expenditure on the Council's day-to-day operations is classed as operating expenditure and also includes overhead costs, which represent all costs not directly attributed to any of the activities e.g. support services like financial services, IT services and human resources.

The sources of funding available to the Council include:

- general rates
- targeted rates
- fees and charges
- interest and dividends from investments
- borrowing
- proceeds from asset sale
- development contributions
- lump sum contributions
- financial contributions under the Resource Management Act 1991
- grants and subsidies
- any other source.

### GENERAL RATES

A General rate is assessed across all rateable properties in the district based on a property valuation system and value. It is used to fund those services where the Council has determined that the benefits from the service are available to the whole community, and where a fixed charge per rating unit is not considered appropriate. General rates are set on a differential basis.

Differentials are applied to the General Rate and Targeted Rates based on the uses to which the land is put, and activities proposed to be permitted, controlled or discretionary

within the operative District Plan at the time the rate is assessed. The General rate is split into differentials to recognise the different classifications and uses of land within the district, and the differing consumption of Council resources relative to other ratepayers in the district.

Those differentials are calculated as a percentage of the standard rates i.e. a differential rating factor of 0.50 applies a factor of 50% to the standard rate. The differential rating settings are as follows:

DIFFERENTIAL CATEGORY		REASON FOR DIFFERENTIAL	DIFFERENTIAL FACTOR
<b>URBAN DIFFERENTIAL CATEGORIES</b>			
i.	<b>Wairoa Township (all properties not included in (ii), (iii), (iv) or (v) below)</b> being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Township," and with a land value less than \$68,000.		1
ii.	<b>Wairoa Township (Commercial/Industrial)</b> being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Township Commercial/Industrial."	The reason for this differential is to reflect the relative advantage this group has relative to other ratepayers located in the same urban area. The benefits derive from the proximity to and the usage of Council services provided and the occupation of the Council developed precinct of the district.	3.85
iii.	<b>Wairoa Township (Commercial/Industrial) (CV &lt;\$200,000)</b> being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Township Commercial/Industrial with rateable capital value less than \$200,000.00."	The reason for this differential is to recognise the relative burden of rates relative to services received for these properties.	2.75
iv.	<b>Wairoa Township (Commercial/Industrial) (CV ≥\$200,000)</b> being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Township Commercial/Industrial with rateable capital value equal to or greater than \$200,000.00."	The reason for this differential is to recognise the relative burden of rates relative to services received for these properties.	2.75
v.	<b>Residential 3 (LV ≥\$68,000)</b> being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Township" and with a land value equal to or greater than \$68,000.	This differential category recognises the relative burden of rates relative to services received for these properties.	0.55
<b>RURAL DIFFERENTIAL CATEGORIES</b>			
vi.	<b>Wairoa Rural (all properties not included in (vi), (vii), (viii), (ix), (x), (xi) and (xiv) below)</b> being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Rural" with a land value less than \$100,000.		1
vii.	<b>Rural Villages of Frasertown, Nuhaka and Raupunga</b> being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Rural Residential" (the rural townships of Frasertown, Raupunga and Nuhaka).	This differential category recognises the relative burden of rates relative to services received for these properties.	1.25
viii.	<b>Rural Non-Forestry (LV ≥\$100,000 and &lt;\$1,000,000)</b> being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Rural", with a land value equal to or greater than \$100,000 and less than \$1,000,000.		1
ix.	<b>Rural Non-Forestry (LV ≥\$1,000,000)</b> being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order		1

	Resolution – E: Explanatory Statement 3a as Wairoa Rural” with Land Values greater than or equal to \$1,000,000.		
x.	<b>Rural Residential/Residential One (Mahia)</b> being all rateable properties defined under the Rate Review Special Order “Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Mahia Rural Residential.”	The reason for this differential is to recognise the relatively high property values that unfairly penalise ratepayers in the district. Also, Council is collecting the similar dollar value as was previously collected.	0.85
xi.	<b>Rural Residential – Residential One (b) (Tuai)</b> being all rateable properties defined under the Rate Review Special Order “Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Tuai Rural Residential.”	The reason for this differential is to recognise the relatively high property values that unfairly penalise ratepayers in the district. Also, Council is collecting the same dollar value as was previously collected.	0.5
xii.	<b>Rural Rooding Forestry (&lt;100ha)</b> being all rateable properties defined under the Rate Review Special Order “Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Rural Forestry” and with a land area less than 100 hectares.		1
xiii.	<b>Rural Rooding Forestry (≥100ha)</b> being all rateable properties defined under the Rate Review Special Order “Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Rural Forestry” and with a land area equal to or greater than 100 hectares.	This differential category recognises the use to which the land is put and subsequent additional maintenance costs as a result of the forestry activities.	5
xiv.	<b>Rural Commercial (CV ≥\$200,000)</b> being all rateable properties defined under the Rate Review Special Order “Differential Rating Special Order Resolution – E: Explanatory Statement 3a.”	The reason for this differential is to reflect the advantage this group has compared to other ratepayers located in the same rural area, by consuming greater Council resources relative to other rural properties.	3.7



### UNIFORM ANNUAL GENERAL CHARGE

The Uniform Annual General Charge (UAGC) is set at a fixed amount per 'separately used or inhabited part' of every rateable part of a rating unit in the district. It is used where the benefits of an activity are for the whole of the District and where the use of a value-based rate would place an unfair burden on high value properties.

### TARGETED RATES

A targeted rate is a rate that is charged to a particular group of rateable properties where the Council has identified that a group of rateable properties benefits from a specific service. It is used to fund services where a particular community or group benefits from the activity being funded. Council employs a mix of rates calculated on the following bases:

- land value, differentiated
- capital value, differentiated
- per Separately Used or Inhabited Part (SUIP) of a rating unit
- per connection or installation
- scales of charges
- per unit of consumption

### FEES AND CHARGES

The Council impose fees and charges to recover either the full or a part of the cost of a variety of services provided. These include, for example, the regulatory services such as building consents, provision of utility connections and vehicle crossings.

### INTEREST AND DIVIDENDS

Interest and dividends from investments are used to reduce the amount of Rates required.

### BORROWING

When funded by debt, the Council spreads the repayment of that borrowing over several years. This enables the Council to match charges placed on the community against the period of benefits from capital expenditure.

Borrowing is managed within the framework specified in the Liability Management Policy. While seeking to minimise interest costs and financial risks associated with borrowing is of primary importance, the Council seeks to match the term of borrowings with the average life of assets when practical. The Council's overall borrowing requirement is reduced to the extent that other funds are available to finance capital expenditure. Such other funds include:

- Council reserves
- contributions towards capital expenditure from other parties such as New Zealand Transport Agency (in relation to certain roading projects)
- revenue collected to cover depreciation charges
- proceeds from the sale of assets
- operating surpluses.

### PROCEEDS FROM ASSET SALES

Proceeds from asset sales relate to funding received from selling physical assets such as plant and equipment. They are initially used to repay debt associated with that asset. Any remaining proceeds will be used to fund other capital expenditure within the activity that funded the acquisition of the asset sold.

### DEVELOPMENT CONTRIBUTIONS

The Local Government Act 2002 provides for local authorities to recover, through development contributions, capital expenditure related to growth. Councils may require development contributions from developments where the effect, including the cumulative effect, of development is to require new or additional assets or assets of increased capacity, and as a consequence, the Council incurs capital expenditure. This includes capital expenditure a Council has already incurred in anticipation of growth.

Significant growth in services resulting from a population increase is not foreseen in the district over the ten year period, therefore the Council has chosen not to take development contributions as a form of revenue at this time.

### FINANCIAL CONTRIBUTIONS UNDER THE RMA

Financial contributions can be provided for in a District Plan. Contributions may be imposed as a condition of development or resource consent. Currently the Council has no financial contributions, but the Council will consider financial contributions as part of the review for the next District Plan.

### GRANTS AND SUBSIDIES

The Council receives subsidies from the New Zealand Transport Agency, which cover a proportion of the capital and maintenance costs of our roading network. The Council may also receive subsidies from the Ministry of Health for water related capital expenditure.

#### ANY OTHER SOURCE

Special funds are funds which have either been received by the Council from a third party to be used in a specific way (Restricted Funds) or monies tagged by the Council to be applied for a specific purpose or area of benefit (Non Restricted Funds).

#### FUNDING OF CAPITAL EXPENDITURE

The Council categorises its capital expenditure projects as renewals, extending level of service or growth related projects. The following funding sources are used for each category under normal circumstances, with any alternative funding sources specifically resolved by the Council.

#### RENEWAL PROJECTS

Renewal projects restore or replace components of an asset or the entire asset to meet the current level of service (to its original size, condition or capacity). These projects will be funded from capital reserves built up from funded depreciation. Where the reserve is not sufficient to meet the programmed renewals, then loans will be utilised and repaid from a contribution from the reserve that best fits intergenerational equity and/or the operational funding sources for the particular activity, as per the Policy.

#### EXTENDING LEVEL OF SERVICE PROJECTS

The creation of a new asset or alterations to an existing asset that means a higher level of service is delivered. These projects will be funded by loans and repaid from the operational funding sources.

#### GROWTH RELATED PROJECTS

Additional assets required to serve growth in existing services due to new areas being serviced. These projects will be funded from rates with the Council considering a contribution from the Economic Development Fund towards the asset creation on a case by case basis, after considering specific criteria.

## 5.2 ADOPTION OF THE LONG-TERM PLAN 2018-28

**Author:** Gary Borg, Chief Financial Officer

**Authoriser:** Steven May, Chief Executive Officer

**Appendices:** 1. LTP 2018-28 (under separate cover) [⇒](#)  
2. Audit opinion (late attachment)

### 1. PURPOSE

1.1 The purpose of this report is to present the Long-term Plan (LTP) 2018-28 for adoption.

### RECOMMENDATION

The Chief Financial Officer RECOMMENDS that Council adopts the Long-term Plan 2018-28 attached as **Appendix 1**, receives the audit opinion (delivered separately) and acknowledges that:

1. with reference to the statement of balanced budget contained on pages 239-241, that the budget for each of the ten years contains sufficient revenue to meet its projected operating expenses, and
2. the adoption of the Long-term Plan 2018-28 has not occurred within the statutory timeframe.

### EXECUTIVE SUMMARY

### 2. BACKGROUND

- 2.1 The adoption of a LTP is a statutory requirement.
- 2.2 It is a further requirement that a LTP must be adopted before the commencement of the first year to which it relates.
- 2.3 Planning for this LTP commenced in early 2017 and was first formally considered by Council in June 2017. The process was delayed in 2018 primarily by a protracted financial planning system implementation, upon which most of the key components of the LTP depend. This led to deferred consultation and audits, and ultimately preparation of the final LTP.
- 2.4 A LTP defines Council's Vision and Outcomes for the forthcoming ten years.

### 3. CURRENT SITUATION

- 3.1 Following consultation in June 2018 and audit through August and September 2018 the LTP is attached as **Appendix 1**.
- 3.2 Verbal endorsement was received from Council's auditors on 18 September 2018 and their documented opinion will be provided to Council as supplementary to the Agenda.

### 4. OPTIONS

- 4.1 The options identified are:
  - a. Adopt the LTP 2018-28 attached as **Appendix 1**.
  - b. Adopt the LTP 2018-28 with minor edits

c. Redraft the LTP and consult on significant changes.

- 4.2 The LTP presented for adoption reflects the outcomes of the significant matters upon which Council consulted, and extensive external audit. The delays in production of the final document also mean that Council has been unable to set the rates for the year ending 30 June 2019. This has caused considerable inconvenience to ratepayers and compromised Council's ability to commence some of the key projects included in the plan. Any significant changes requiring further consultation would exacerbate this situation.
- 4.3 The preferred option is *a) Adopt the LTP 2018-28 attached as **Appendix 1***, this meets the purpose of local government as it will help meet the current and future needs of communities by providing a reference for future annual plans, funding decisions and service delivery.

## 5. CORPORATE CONSIDERATIONS

### What is the change?

- 5.1 The LTP determines the performance targets for Council for the next 10 years.
- 5.2 Levels of service and mode of service delivery were considered as part of the planning and consultation processes.

### Compliance with legislation and Council Policy

- 5.3 The legislative requirements associated with a LTP are contained in the Local Government Act 2002, in particular:
- 5.3.1. S93(3) – The requirement to adopt the LTP before the commencement of the first year to which it relates has not been met.
  - 5.3.2. S93(A) – Council undertook a special consultative procedure
  - 5.3.3. S93(C) – The consultation document was complete and compliant
  - 5.3.4. Schedule 10, Part 1 – The LTP document is complete and compliant

### What are the key benefits?

- 5.4 The main benefit of an LTP is that it provides information to the community on how Council intends to deliver service, fund its activities and achieve outcomes for the next 10 years; and to provide a reference for future decisions of Council in achieving its objectives.

### What is the cost?

- 5.5 There is no incremental cost associated with adopting a LTP.

### What is the saving?

- 5.6 Nil

### Who has been consulted?

- 5.7 Council consulted extensively with the entire community. This took the form of media announcements, provision of information via Council's website, public meetings, submissions and personalised notifications.

**Service delivery review**

- 5.8 Service delivery was integral to determining community outcomes and performance measures.

**Māori Standing Committee**

- 5.9 The LTP is relevant to the community as a whole; there are no specific considerations relating to this committee.

**6. SIGNIFICANCE**

- 6.1 The matters contained in the LTP affect the entire community.
- 6.2 There is a high degree of public interest, demonstrated not only by the volume of submissions but also Official Information Requests.
- 6.3 The LTP determines Council's budget, service levels and funding capacity.
- 6.4 In order to modify this decision Council would need to consult on an amendment to the LTP.
- 6.5 The impact on strategic assets is considered in the Infrastructure Strategy and Asset / Activity Management Plans.
- 6.6 The adoption of a LTP is administrative and assessed as being of low significance. However, the matters addressed in the LTP affect all areas of Council for at least 3 years. In this regard it is of high significance.
- 6.7 The LTP is not required to specifically address the relationship of Māori to ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga, but these considerations are embedded in Council's vision and community outcomes.

**7. RISK MANAGEMENT**

- 7.1 The strategic risks (e.g. publicity/public perception, adverse effect on community, timeframes, health and safety, financial/security of funding, political, legal – refer to S10 and S11A of LGA 2002, others) identified in the implementation of the recommendations made are as follows:

- a. By adopting the LTP Council would mitigate the following risks:

Human	Financial	Regulatory
Low	Extreme	Low
Operations	Employees	Image & reputation
Considerable	Considerable	Extreme

**Further Information**

Full supporting information is available on Council's website and from Council's main office.

**References**

In addition to a number of workshops matters pertaining to the LTP 2018-28 were formally considered at the following meetings:

Date	Governance Body	Title
20/06/2017	Council	LTP 2018-2028 Project Plan



05/12/2017	Council	<ol style="list-style-type: none"> <li>1. Pre-engagement submissions</li> <li>2. WDC Activity Management plans 2018-2021</li> </ol>
30/01/2018	Council	<ol style="list-style-type: none"> <li>1. Significance and Engagement Policy</li> <li>2. Financial Strategy</li> <li>3. WDC Infrastructure strategy</li> </ol>
01/05/2018	Council	Amendment to the Funding Impact Statement: New Definition for 'Seperately Used and inhabited parts' of a rating unit
28/05/2018	Council	LTP 2018-2028 Consultation Document Adoption
12/06/2018	Council	Adoption of 2018/19 Fees and Charges
02/07/2018	Council	<ol style="list-style-type: none"> <li>1. Submissions to the LTP 2018-2028</li> <li>2. LTP 2018-2028 Deliberations</li> <li>3. Late Submission - LTP 2018-2028</li> </ol>
24/07/2018	Council	Amendment to Resolutions - LTP 2018-2028

### 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 Gary Borg	Approved by Steven May

**5.3 RESOLUTION TO SET RATES FOR THE YEAR COMMENCING 1 JULY 2018**

**Author:** Gary Borg, Chief Financial Officer

**Authoriser:** Steven May, Chief Executive Officer

**Appendices:** 1. Rates Resolution for the year commencing 1 July 2018 [↓](#)

**1. PURPOSE**

- 1.1 The purpose of this report is to set the rates for the year commencing 1 July 2018.

**RECOMMENDATION**

The Chief Financial Officer RECOMMENDS that Council set the rates under the Local Government (Rating) Act 2002 for the financial year commencing 1st July 2018 in accordance with the resolution attached as **Appendix 1**.

**2. BACKGROUND**

- 2.1 Having adopted the Long-term Plan 2018-28 (LTP), Council is able to set the rates for the year commencing 1 July 2018, being the first year of the LTP.

**3. CURRENT SITUATION**

- 3.1 This report discloses the individual rates required to implement decisions made in year 1 of the LTP. The individual rates shown in **Appendix 1** are inclusive of Goods and Services Tax (GST).
- 3.2 Rates are calculated in accordance with the Funding Impact Statement and Council's Revenue and Financing Policy.
- 3.3 Due to the delay in adopting the LTP, the factors contained in the resolution are consistent with the current data in Council's District Valuation Roll and Rating Information Database. No variations are anticipated.
- 3.4 In recognition of this delay, the resolution proposes that no penalties are applied for the first instalment for water by meter rates and the first 2 instalments for all other rates.

**4. OPTIONS**

- 4.1 The options identified are:
- a. Set the rates as described in **Appendix 1**.
  - b. Modify the rates.
  - c. Do not set rates for the year ending 30 June 2019.
- 4.2 Under option (a) rates would be set consistently with the LTP and the necessary funding derived to meet the commitments set out in year 1 of the plan.
- 4.3 Option (b) would require consultation if it invoked any material changes to either the LTP budgets or the Revenue and Financing Policy. This would further delay the setting of rates and Council's funding capacity would be compromised. As an interim measure s50 LGRA permits Council to continue to invoice rates equivalent to those for the year ended

30 June 2018. However this could mean further delay to Council initiating the undertakings contained in its LTP and would prolong uncertainty for ratepayers regarding their liability for the year, as well as the processing of Rates Rebates.

- 4.4 Rates comprise approximately 55% of Council's revenue. Therefore under option (c) Council would be unable to fund its operations sufficiently to meet its objectives for community services and infrastructure for the year.
- 4.5 The preferred option is *a) Set the rates as described in **Appendix 1***. This meets the purpose of local government as it will help meet the current and future needs of communities for good-quality infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

## 5. CORPORATE CONSIDERATIONS

### What is the change?

- 5.1 No change is envisaged by the recommendation and there are no service delivery implications.

### Compliance with legislation and Council Policy

- 5.2 The recommendation is consistent with:
  - 5.2.1. The Funding Impact Statement on Pages 224-238 of the LTP
  - 5.2.2. Council's Revenue and Financing Policy
  - 5.2.3. Local Government (Rating) Act 2002
  - 5.2.4. Local Government Act 2002

### What are the key benefits?

- 5.3 The setting of rates consistent with the Funding Impact Statement contained in the LTP will enable Council to derive sufficient revenue in the appropriate composition to give effect to the decisions made in the plan.

### What is the cost?

- 5.4 There is no direct cost inherent in setting rates. However, there may be revenue foregone if the rates are not set as recommended, with a consequential impact on operations and projects.

### What is the saving?

- 5.5 It is unlikely that any savings by the rates resolution alone. These possibilities were examined as part of the budget reviews for the LTP.

### Who has been consulted?

- 5.6 This matter was included in the LTP consultation.

### Māori Standing Committee

- 5.7 This matter has not been referred to the Māori Standing Committee as the setting of rates affects the community as a whole.



**6. SIGNIFICANCE**

- 6.1 In accordance with Council's Significance and Engagement Policy the setting of rates consistent with a LTP is administrative and assessed as being of low significance. It is derived from the significant matters that were considered as part of the LTP process.

**7. RISK MANAGEMENT**

- 7.1 The strategic risks (e.g. publicity/public perception, adverse effect on community, timeframes, health and safety, financial/security of funding, political, legal – refer to S10 and S11A of LGA 2002, others) identified in the implementation of the recommendations made are as follows:
- a. There are no strategic risks with setting rates consistent with a LTP.
  - b. There are risks associated with not setting rates or setting rates that differ to those contained in the Funding Impact Statement:
    - i. Financial and Reputational: Council would be unable to generate sufficient revenue to meet the objectives contained in the Annual Plan, and may be unable to fulfil its expected levels of service
    - ii. Legal: Rates not set in accordance with the Funding Impact Statement or without appropriate consultation may be ultra vires.

**Further Information**

Proposed rates for 2018-19 are available to ratepayers on Council's website.

**Background Papers**



Long-term Plan 2018-28.

**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 Gary Borg	Approved by Steven May

**Council**

25 September 2018

**Appendix 1****Resolution to set Rates for the year commencing 1st July 2018**

THAT:

The Wairoa District Council sets the following rates under the Local Government (Rating) Act 2002 for the financial year 1st July 2018 to 30 June 2019.

**1. Uniform Annual General Charge**

- (a) a uniform annual general charge under section 15 of the Local Government (Rating) Act 2002 on all rateable land of \$708.80 (incl GST) per separately used or inhabited part of a rating unit.

**2. General Rate**

- (a) a general rate under sections 13 and 14 of the Local Government (Rating) Act 2002 at different rates in the dollar of land value for all rateable land in all differential categories used for setting the general rate, as follows:

	Differential Category	Rate in the \$ of Land Value (incl GST) (\$)
i.	<b>Wairoa Township (all properties not included in 2(ii) or (iii) below) / General Urban</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Township", and with a land value less than \$68,000.</i>	0.0020063
ii.	<b>Wairoa Township (Commercial/Industrial)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Township Commercial/Industrial".</i>	0.0077243
iii.	<b>General Urban/Residential 3 (LV ≥\$68,000)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Township" and with a land value equal to or greater than \$68,000.</i>	0.0011035
iv.	<b>Wairoa Rural (all properties not included in 2(v), (vi) or (vii) below)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Rural".</i>	0.0001289

	Differential Category	Rate in the \$ of Land Value (incl GST) (\$)
v.	<b>Rural Villages of Frasertown, Nuhaka and Ruapunga</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Rural Residential" (the rural townships of Frasertown, Raupunga and Nuhaka).</i>	0.0001611
vi.	<b>General Rural Residential / Residential One (Mahia)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Mahia Rural Residential".</i>	0.0001096
vii.	<b>General Rural Residential - Residential One (b) (Tuai)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Tuai Rural Residential".</i>	0.0000644

### 3. Roothing Targeted Rate

- (a) a roading targeted rate set under section 16 of the Local Government (Rating) Act 2002 at different rates in the dollar of land value for all rateable land in all differential categories used for setting the roading targeted rate, as follows:

	Differential Category	Rate in the \$ of Land Value (incl GST) (\$)
i.	<b>Wairoa Township (all properties not included in 3(ii) or (iii) below) / Roothing Urban</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Township", and with a land value less than \$68,000.</i>	0.0061217
ii.	<b>Wairoa Township (Commercial/Industrial)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Township Commercial/Industrial".</i>	0.0235686
iii.	<b>Residential 3 (LV ≥\$68,000)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Township" and with a land value equal to or greater than \$68,000.</i>	0.0033669
iv.	<b>Wairoa Rural (all properties not included in 3(v), (vi), (vii), (viii) and (ix) below) / Roothing Rural</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Rural" with a land value less than \$100,000.</i>	0.0021949
v.	<b>Rural Villages of Frasertown, Nuhaka and Ruapunga</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Rural Residential" (the rural townships of Frasertown, Raupunga and Nuhaka).</i>	0.0027436

2

	Differential Category	Rate in the \$ of Land Value (incl GST) (\$)
vi.	<b>Rural Non-Forestry (LV ≥\$100,000 and &lt; \$1,000,000)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Rural", with a land value equal to or greater than \$100,000 and less than \$1,000,000.</i>	0.0021949
vii.	<b>Rural Non-Forestry (LV ≥\$1,000,000)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Rural" with Land Values greater than or equal to \$1,000,000.</i>	0.0021949
viii.	<b>Roading Rural Residential / Residential One (Mahia)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Mahia Rural Residential".</i>	0.0018656
ix.	<b>Roading Rural Residential - Residential One (b) (Tuai)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Tuai Rural Residential".</i>	0.0010974
x.	<b>Rural Roding Forestry (&lt;100ha)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Rural Forestry" and with a land area less than 100 hectares.</i>	0.0021949
xi.	<b>Rural Roding Forestry (≥100ha)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Rural Forestry" and with a land area equal to or greater than 100 hectares.</i>	0.0109743

#### 4. Recreation Targeted Rate

- (a) a recreation targeted rate set under section 16 of the Local Government (Rating) Act 2002 at different rates in the dollar of capital value for all rateable land in all differential categories used for setting the recreation targeted rate, as follows:

	Differential Category	Rate in the \$ of Capital Value (incl GST) (\$)
i.	<b>Wairoa Township (all properties not included in 4(ii) or (iii) below) / Recreation Urban</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Township".</i>	0.0019123
ii.	<b>Wairoa Township (Commercial/Industrial) (CV &lt;\$200,000)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Township Commercial/Industrial with rateable capital value less than \$200,000.00".</i>	0.0052589

3

	Differential Category	Rate in the \$ of Capital Value (incl GST) (\$)
iii.	<b>Wairoa Township (Commercial/Industrial) (CV ≥\$200,000)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Township Commercial/Industrial with rateable capital value equal to or greater than \$200,000.00".</i>	0.0052589
iv.	<b>Wairoa Rural (all properties not included in 4(v), (vi), (vii) and (viii) below) / Recreation Rural</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Rural".</i>	0.0003416
v.	<b>Rural Villages of Frasertown, Nuhaka and Ruapunga</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Rural Residential" (the rural townships of Frasertown, Ruapunga and Nuhaka).</i>	0.0004269
vi.	<b>Recreation Rural Residential / Residential One (Mahia)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Mahia Rural Residential".</i>	0.0002903
vii.	<b>Recreation Rural Residential / Residential One (b) (Tuai)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Tuai Rural Residential".</i>	0.0001708
viii.	<b>Commercial Rural (CV ≥\$200,000)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a."</i>	0.0012638

#### 5. Services Targeted Rate

- (a) a services targeted rate set under section 16 of the Local Government (Rating) Act 2002 at different rates in the dollar of capital value for all rateable land in all differential categories used for setting the services targeted rate, as follows:

	Differential Category	Rate in the \$ of Capital Value (incl GST) (\$)
i.	<b>Wairoa Township (all properties not included in 5(ii) or (iii) below) / Services Urban</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Township".</i>	0.0029898
ii.	<b>Wairoa Township (Commercial/Industrial) (CV &lt;\$200,000)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Township Commercial/Industrial with rateable capital value less than \$200,000.00".</i>	0.0082219

4

	Differential Category	Rate in the \$ of Capital Value (incl GST) (\$)
iii.	<b>Wairoa Township (Commercial/Industrial) (CV ≥\$200,000)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Township Commercial/Industrial with rateable capital value equal to or greater than \$200,000.00".</i>	0.0082219
iv.	<b>Wairoa Rural (all properties not included in 5(v), (vi), (vii) and (viii) below) / Recreation Rural</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Rural".</i>	0.0005491
v.	<b>Rural Villages of Frasertown, Nuhaka and Ruapunga</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Wairoa Rural Residential" (the rural townships of Frasertown, Ruapunga and Nuhaka).</i>	0.0006863
vi.	<b>Services Rural Residential / Residential One (Mahia)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Mahia Rural Residential".</i>	0.0004667
vii.	<b>Services Rural Residential / Residential One (b) (Tuai)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a as Tuai Rural Residential".</i>	0.0002745
viii.	<b>Commercial Rural (CV ≥\$200,000)</b> <i>being all rateable properties defined under the Rate Review Special Order "Differential Rating Special Order Resolution – E: Explanatory Statement 3a."</i>	0.0020316

#### 6. Water Supply (Fixed Charges) Targeted Rate

- (a) a water supply (fixed charges) targeted rate set under section 16 of the Local Government (Rating) Act 2002 on all land connected to a water supply in the district (and not metered exclusively for water supply), set differentially for different categories of land, as follows:

	Differential Category	Basis for Liability	Charge (incl GST) (\$)
i.	<b>Wairoa Township/Wairoa Ward Supply Area (including Frasertown and Wairoa Environs) - connected</b>	Per separately used or inhabited part of a rating unit	703.70
ii.	<b>Wairoa Township Supply Area (including Frasertown and Wairoa Environs) – not connected but available</b> <i>being a property to which water can be supplied but is not supplied (being a property within 100 metres of any part of the water reticulation system)</i>	Per separately used or inhabited part of a rating unit	351.90

5

	Differential Category	Basis for Liability	Charge (incl GST) (\$)
iii.	<b>Mahanga Supply Area – connected</b>	Per separately used or inhabited part of a rating unit	610.80
iv.	<b>Mahanga Supply Area – not connected but available</b> <i>being a property to which water can be supplied but is not supplied (being a property within 100 metres of any part of the water reticulation system)</i>	Per separately used or inhabited part of a rating unit	305.40
v.	<b>Tuai Supply Area – connected</b>	Per separately used or inhabited part of a rating unit	581.90
vi.	<b>Tuai Supply Area – not connected but available</b> <i>being a property to which water can be supplied but is not supplied (being a property within 100 metres of any part of the water reticulation system)</i>	Per separately used or inhabited part of a rating unit	291.00
vii.	<b>Blue Bay Supply Area – connected</b>	Per separately used or inhabited part of a rating unit	703.70
viii.	<b>Blue Bay Supply Area – not connected but available</b> <i>all land to which water can be supplied but is not supplied (being a rating unit within 100 metres of any part of the water reticulation system) in the Blue Bay Subdivision between Valuation roll numbers 087001300 to 0870013343</i>	Per separately used or inhabited part of a rating unit	351.90
ix.	<b>Blue Bay Capital Repayment</b> <i>all land to which water can be supplied (being a rating unit within 100 metres of any part of the water reticulation system) in the Blue Bay Subdivision between Valuation roll numbers 087001300 to 0870013343 for which the full allocated cost of the capital funding has not been paid.</i>	Per separately used or inhabited part of a rating unit	324.70

#### 7. Water by Meter Targeted Rate

- (a) A water supply (water by meter) targeted rate set under section 19 of the Local Government (Rating) Act 2002 for all rating units fitted with a water meter and metered for ordinary water supply or extraordinary supply, set on a differential basis as a volumetric charge, as follows:

	Area	Basis for Liability	Charge per m <sup>3</sup> (incl GST) (\$)
i.	<b>Wairoa Township Reticulation Area</b>	All rating units fitted with a meter and metered exclusively for ordinary	0.61

6



	Area	Basis for Liability	Charge per m <sup>3</sup> (incl GST) (\$)
		supply or metered for extraordinary supply	
ii.	<b>Wairoa Environs Area (not including rating units in (i), (iii) and (iv))</b>	All rating units fitted with a meter and metered exclusively for ordinary supply or metered for extraordinary supply	0.61
iii.	<b>Frasertown Reticulation Area</b>	All rating units fitted with a meter and metered exclusively for ordinary supply or metered for extraordinary supply	0.61
iv.	<b>Tuai Reticulation Area</b>	All rating units fitted with a meter and metered exclusively for ordinary supply or metered for extraordinary supply	0.61
v.	<b>Land used for meat processing located within the Wairoa Township Reticulation Area</b>	All rating units fitted with a meter and metered exclusively for ordinary supply or metered for extraordinary supply	0.32

#### 8. Targeted Waste Management Rate

- (a) a waste management targeted rate under section 16 of the Local Government (Rating) Act 2002 set differentially for different categories of rateable land as follows:

	Differential Category	Basis for Liability	Charge (incl GST) (\$)
i.	<b>Wairoa Township Area</b> <i>being all rateable properties defined under the Rate Review Special Order Differential Rating Special Orders Resolution confirmed on 1<sup>st</sup> August 2001 under A General 2 "The Urban Area".</i>	Per separately used or inhabited part of a rating unit	212.50
ii.	<b>Rural Areas</b> <i>being all rateable properties defined under the Rate Review Special Order Differential Rating Special Orders Resolution confirmed on 1<sup>st</sup> August 2001 under A General 2 "The Rural Area".</i>	Per separately used or inhabited part of a rating unit	176.90

#### 9. Drainage Targeted Rate

- (a) a drainage targeted rate under section 16 of the Local Government (Rating) Act 2002 on all rateable land in the Wairoa Urban Area and specified Mahia Township areas, set differentially as follows:

7

	Differential Category	Basis for Liability	Charge (incl GST) (\$)
i.	<b>Wairoa Urban Area</b> <i>being all rateable properties defined under the Rate Review Special Order Differential Rating Special Orders Resolution confirmed on 1<sup>st</sup> August 2001 under A General 2 "The Urban Area".</i>	Per separately used or inhabited part of a rating unit	215.10
ii.	<b>Mahia Township Area</b> <i>being all rateable properties situated within the Mahia Township area</i>	Per separately used or inhabited part of a rating unit	150.20

#### 10. Sewerage Disposal Targeted Rate

- (a) a sewerage disposal targeted rate under section 16 of the Local Government (Rating) Act 2002 on all land connected to a sewerage disposal scheme in the district, set differentially for different categories of land as follows:

	Differential Category <sup>1</sup>	Basis for Liability	Charge (incl GST) (\$)
i.	<b>Wairoa Ward – connected (not temporary accommodation businesses)</b>	Per water closet or urinal connected (for up to the first five)	365.90
ii.	<b>Wairoa Ward (not temporary accommodation businesses) – connected</b>	Per water closet or urinal connected (for six to up to and including 15)	256.10
iii.	<b>Wairoa Ward (not temporary accommodation businesses) – connected</b>	Per water closet or urinal connected (for 16 or more)	183.00
iv.	<b>Wairoa Ward – connected (temporary accommodation businesses)</b>	Per water closet or urinal connected (for up to the first five)	365.90
v.	<b>Wairoa Ward – connected (temporary accommodation businesses)</b>	Per water closet or urinal connected (for six or more)	256.10
vi.	<b>Wairoa Ward – not connected but available</b> <i>where a property is situated within 30 metres of a public sewerage to which it is capable of being connected, either directly or through a public drain.</i>	Per rating unit	183.00
vii.	<b>Tuai Village - connected</b>	Per water closet or urinal connected	365.90

<sup>1</sup> For the purposes of this rate, a rating unit used primarily as a residence for one household must not be treated as having more than one water closet or urinal.

	Differential Category <sup>1</sup>	Basis for Liability	Charge (incl GST) (\$)
viii.	<b>Tuai Village – not connected but available</b> <i>where a property is situated within 30 metres of a public sewerage system to which it is capable of being connected, either directly or through a public drain.</i>	Per rating unit	183.00
ix.	<b>Mahia wastewater – connected or required to be connected under the Trade Waste and Wastewater Bylaw 2012</b>	Per number or nature of connections from land within each rating unit to the reticulation system	365.90
x.	<b>Mahia wastewater – not connected or required to be connected under the Trade Waste and Wastewater Bylaw 2012</b> <i>where a property is situated within 30 metres of a public sewerage system to which it is capable of being connected, either directly or through a public drain.</i>	Per rating unit	183.00
xi.	<b>Opoutama &amp; Blue Bay wastewater – connected or required to be connected under the Trade Waste and Wastewater Bylaw 2012</b>	Per number or nature of connections from land within each rating unit to the reticulation system	365.90
xiii.	<b>Opoutama &amp; Blue Bay wastewater – not connected or required to be connected under the Trade Waste and Wastewater Bylaw 2012 where a property is situated within 30 metres of a public sewerage system to which it is capable of being connected, either directly or through a public drain.</b>	Per rating unit	183.00
ix.	<b>Rural wastewater –all land that is not connected or able to connect to a reticulated wastewater system for which Council wastewater treatment facilities are provided.</b>	Per Separately Used or Inhabited Part 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	30.00
x.	<b>Mahia Wastewater Scheme – capital repayment and finance costs associated with the scheme over 5 years.</b> <i>In accordance with the Capital Funding Plan.</i>	The capital funding components of the Mahia Wastewater Scheme including the infrastructure costs, connection costs (if any), and finance costs, relating to that property.	
xi.	<b>Mahia Wastewater Scheme – capital repayment and finance costs</b>	The capital funding components of the Mahia Wastewater Scheme	

9

	Differential Category <sup>1</sup>	Basis for Liability	Charge (incl GST) (\$)
	<b>associated with the scheme over 10 years.</b> <i>In accordance with the Capital Funding Plan.</i>	including the infrastructure costs, connection costs (if any), and finance costs, relating to that property.	
xii.	<b>Mahia Wastewater Scheme – capital repayment and finance costs associated with the scheme over 20 years.</b> <i>In accordance with the Capital Funding Plan.</i>	The capital funding components of the Mahia Wastewater Scheme including the infrastructure costs, connection costs (if any), and finance costs, relating to that property.	
xiii.	<b>Mahia Wastewater Scheme – capital repayment and finance costs associated with the scheme over 30 years.</b> <i>In accordance with the Capital Funding Plan.</i>	The capital funding components of the Mahia Wastewater Scheme including the infrastructure costs, connection costs (if any), and finance costs, relating to that property.	
xiv.	<b>Opoutama Wastewater Scheme – capital repayment and finance costs associated with the scheme over 5 years.</b> <i>In accordance with the Capital Funding Plan.</i>	The capital funding components of the Opoutama Wastewater Scheme including the infrastructure costs, connection costs (if any), and finance costs, relating to that property	
xv.	<b>Opoutama Wastewater Scheme – capital repayment and finance costs associated with the scheme over 10 years.</b> <i>In accordance with the Capital Funding Plan.</i>	The capital funding components of the Opoutama Wastewater Scheme including the infrastructure costs, connection costs (if any), and finance costs, relating to that property	
xvi.	<b>Opoutama Wastewater Scheme – capital repayment and finance costs associated with the scheme over 20 years.</b> <i>In accordance with the Capital Funding Plan.</i>	The capital funding components of the the Opoutama Wastewater Scheme including the infrastructure costs, connection costs (if any), and finance costs, relating to that property	
xvii.	<b>Opoutama Wastewater Scheme – capital repayment and finance costs associated with the scheme over 30 years.</b> <i>In accordance with the Capital Funding Plan.</i>	The capital funding components of the the Opoutama Wastewater Scheme including the infrastructure costs, connection costs (if any), and finance costs, relating to that property	

**11. Due dates for payment**

That the Wairoa District Council resolves that rates be due, as set out below:

- (a) All rates (other than water by meter targeted rates) will be invoiced in quarterly instalments over the whole of the district. The due dates for payment are as set out below:

Instalment	Due Date
1	26 October 2018
2	4 December 2018
3	20 February 2019
4	20 May 2019

- (i) Water by meter targeted rates will be invoiced to all relevant rating units in quarterly instalments. The due dates are as set out below:

Instalment	Due Date
1	19 October 2018
2	20 December 2018
3	20 March 2019
4	20 June 2019

**12. Penalties**

That the Wairoa District Council resolves to apply the following penalties on unpaid rates:

- (a) a charge of 10 per cent will be added to any portion of rates assessed in the current year which remains unpaid after the relevant due date of each instalment as set out above. For rates other than water by meter targeted rates, the penalty will be applied on the relevant penalty date as set out below:

Instalment	Penalty Date
3	21 February 2019
4	21 May 2019

- (b) penalties will be applied for unpaid water by meter rates on the relevant penalty date as set out below:

Instalment	Penalty Date
2	21 December 2018
3	21 March 2019
4	21 June 2019

- (c) an additional charge of 10 per cent on any portion of rates assessed (including previously applied penalties) in previous financial years which remain unpaid on 5 July 2019. The penalty will be added on 8 July 2019.