



# **A G E N D A**

## **Extraordinary Council Meeting**

**Council Chambers**

**16 May 2018  
Commencing at 8.00 am**

His Worship the Mayor R.B. Smith  
Deputy Mayors Cr H.M. Lash and Cr L.J. Martin  
Crs D.L. Carruthers, R.W. Eatwell, D.M.J. Havill ONZM,  
J.A. Neale, G.L. Olson, D.C. Routhan



# EXTRAORDINARY COUNCIL MEETING

**EXTRAORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL,  
TO BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA  
ON WEDNESDAY 16 MAY 2018 COMMENCING AT 8.00 AM**

## COUNCIL VISION

Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation.

This will be achieved by:

- Involving the community and stakeholders.
- Delivering core services that meet community expectations and demonstrate value and quality.
- Proudly promoting, protecting and leveraging our historic, environmental, cultural and natural resource base to enhance lifestyle and opportunity for future generations.

### **Purpose:**

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
- (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

## **1. MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:**

### **1.1 Apologies & Leave of Absence**

Deputy Mayor Martin and Cr D.C. Routhan

### **1.2 Interest Register**

## 2. BUSINESS:

- |     |   |              |
|-----|---|--------------|
| 2.1 | Adopt Council Vision  | Pages 3-7    |
| 2.2 | Audit opinion – to be tabled at the meeting   |              |
| 2.3 | Supporting Policies and Documents to the Revenue and Financing Policy   | Pages 8-64   |
| 2.4 | Revenue and Financing Policy  | Pages 65-79  |
| 2.5 | Adoption of the Draft Council Plan 2018–28 and Consultation Document, and Approval to Publicly Notify the Consultation Document | Pages 80-134 |

# Report



**DATE:** 16 May 2018

**TO:** Mayor and Councillors

**FROM:** Group Manager: Corporate Services

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## LTP VISION

### **1.0 SUMMARY**

- 1.1** The purpose of this report is to seek Council approval of a new Vision, as part of the the draft Long Term Plan (LTP) 2018/28.
- 1.2** This issue arises from the Council workshops on the new LTP, at which the new Vision and forecasting assumptions were considered.
- 1.3** Council seeks to meet its obligations under the Local Government Act 2002 to introduce a Long Term Plan 2018/28. The matters raised in this report relate to those elements of the current LTP vision.
- 1.4** This report concludes by recommending that Council adopt the new Vision for use in the draft LTP 2018/28.

### **2.0 BACKGROUND**

- 2.1** A preliminary step is to review elements of the LTP framework, including the Council Vision that Council want to utilise.
- 2.2** It is a legislative requirement that community outcome statements are included in the Council's LTP. The Council has previously chosen to utilise a 'Vision' as its community outcome statements.
- 2.3** If Council adopts these new provisions at this time, it will provide certainty and stability.

### **3.0 CURRENT SITUATION**

- 3.1 The community has previously identified the need for the Council to develop a Vision which more accurately reflects the new challenges the Council has when planning its business for the next ten years. It is also appropriate that a newly elected Council undertake this exercise for a new LTP.

#### **4.0 OPTIONS**

The Council can:

- 4.1 Adopt the new Vision.
- 4.2 Choose to adopt alternative or amended versions of the Vision.
- 4.3 Continue to carry forward the current Vision.

#### **5.0 SIGNIFICANCE AND CONSULTATION**

- 5.1 In accordance with Council's Policy on Significance, this matter has been assessed as being of high significance. The Vision is a charter for what the Council will contribute to the District. It underpins the Long Term Plan and sets the scene for the community in regards to what Council thinks is important for current and future generations in terms of community wellbeing. This is of a high level of interest to, and has a high likely impact on, the general public.
- 5.2 The Vision is an element of the draft LTP which is being taken to the public for consultation.

#### **6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

- 6.1 Adoption of the attached or an amended version of the Vision at this time will enable the LTP to progress. The project is running to a tight timetable and delays in completing project elements may impact on the Council achieving the statutory deadlines for audits and adoption.
- 6.2 A decision to carry forward the existing Vision may have a negative financial impact on some Council services. This is because elements of the current Vision are unlikely to be attainable for the next 3 years at least. At workshops the Council was clear in its intention to better recognise the purpose of local government and its own financial situation by providing

“sound infrastructure” and delivering “core services that meet community expectations and demonstrate value and quality”.

## **7.0 PREFERRED OPTION(S) AND REASONS**

**7.1** The preferred option is that the Council adopt the new Vision, as they accurately reflect the purpose of local government, the external influences and the direction that this Council has previously stated it wants to take.

## **8.0 RECOMMENDATION**

**A)** **THAT** the Council adopt the new Vision (as attached to this report).

**Lesley Crichton**  
**Group Manager, Corporate Services**

**Appendix 1:** Proposed new Vision for the Long Term Plan 2018/28.

**Appendix 1:**

*COUNCIL VISION*

*“We work for the people of Westland to grow and protect our  
Communities, our Economy and our unique natural environment”*

# Report



**DATE:** 16 May 2018  
**TO:** Mayor and Councillors  
**FROM:** Group Manager: Corporate Services

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## SUPPORTING POLICIES AND DOCUMENTS TO THE REVENUE AND FINANCING POLICY

### 1.0 SUMMARY

- 1.1 The purpose of this report is to seek Council approval of the documents listed below, attached as appendices, as supporting policies and principles to the Revenue and Financing Policy, and for consultation as components of the Long Term Plan 2018/28 (LTP):
  - 1.1.1 **Appendix 1:** draft Funding Needs Analysis
  - 1.1.2 **Appendix 2:** draft Rating Policy
  - 1.1.3 **Appendix 3:** draft Funding Impact Statement
- 1.2 This issue has arisen because of:
  - 1.2.1 the requirements of the Local Government Act 2002 (LGA) with regards to the specific content and processes to be included in the development of a Long Term Plan
- 1.3 The policies and documents contained in this report inform and are supplementary to the Revenue and Financing Policy. They are also components of the LTP.
- 1.4 Council must note that, although the draft Council Plan information and the Consultation Document have been audited, the final written Audit New Zealand approval has not been received at the time of this agenda item being distributed. The written approval will be tabled prior to this agenda item being considered by Council.
- 1.5 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in May

2018, which will be set out in the next LTP. These are stated on Page 2 of this agenda.

1.4 This report recommends that:

1.4.1 Council Receive the Audit Report, and

1.4.2 the documents attached as appendices be adopted as supporting policies and principles to the Revenue and Financing Policy, and for consultation as components of the LTP.

## 2.0 BACKGROUND

2.1 The Funding Needs Analysis is required by Section 101(3) LGA to be conducted by Council as part of every Long Term Plan process and corresponding review of its Revenue and Financing Policy.

2.2 There is no statutory requirement to adopt a Rating Policy and it is not a prescribed LTP component. The Rating Policy attached as **Appendix 2** is consistent with the current Rating System adopted in December 2014 to which no changes have been made.

2.3 The Funding Impact Statement is a compulsory component of a Long Term Plan and defined under Schedule 10 LGA. It is necessary for the calculation of the rates samples that support the LTP Consultation Document.

## 3.0 CURRENT SITUATION

3.1 As described above in Part 2, the documents presented with this report are integral to the development of the Revenue and Financing Policy and the LTP and will be referenced as supporting information to the consultations.

3.2 The Funding Needs Analysis, attached as **Appendix 1**, prescribes the funding parameters for each activity and the LTP budgets have been developed within these constraints. This analysis is the foundation for the Revenue and Financing Policy.

3.3 The Funding Impact Statement, attached as **Appendix 3**, will appear in the final LTP. It calculates the rates impact result after the connected policies relating to rates have been applied to the LTP budgets.

3.4 These documents have been drafted to facilitate the technical implementation of the decisions previously made by Council. They have been reviewed by Audit New Zealand.

#### 4.0 OPTIONS

##### 4.1 Council can choose to:

- 4.1.1 Adopt the documents as supporting material for the LTP and Revenue and Financing Policy consultations.
- 4.1.2 Adopt the documents with modifications.
- 4.1.3 Reject the proposal to adopt the documents.

#### 5.0 SIGNIFICANCE AND ENGAGEMENT

- 5.1 Adoption of these documents in their own right is administrative. This decision is therefore of low significance and requires no further consultation.
- 5.2 Notwithstanding, the documents are integral to both the Revenue and Financing Policy and the LTP. Both of these will be of high significance and require public consultation. These documents will be referenced as part of those consultations.

#### 6.0 ASSESSMENT OF OPTIONS

##### **1. Adopt the documents as supporting material for the LTP and Revenue and Financing Policy consultations.**

- 6.1 The documents inform the Revenue and Financing Policy and LTP which will be subject to public consultation.

##### **2. Adopt the documents with modifications.**

- 6.2 Minor revisions may be possible where they are considered to more accurately represent Council's intentions.
- 6.3 Any changes must preserve the integrity of the interdependencies between policies.
- 6.4 Changes cannot be inconsistent with the decisions made for the current Rating system without further consultation. The documents will be included as supporting information to the planned consultations for the LTP and Revenue and Financing Policy.

##### **3. Reject the proposal to adopt the documents**

- 6.5 Council's current policies are legally compliant and they are suitable for the current rating system.
- 6.6 If Council reject the proposal it cannot be completed and resolved before the LTP is adopted in June 2018, it will require a LTP amendment and separate consultation during 2018/19.

## **7.0 PREFERRED OPTION AND REASONS**

7.1 The preferred option is; 1) adopt the documents as supporting material for the LTP and Revenue and Financing Policy consultations; because they reflect the decisions previously made by Council and facilitate the adoption of a compliant Revenue and Financing Policy.

## **8.0 RECOMMENDATION**

- A) **THAT** Council receives the Audit report for the draft Council Plan 2018-28
- B) **THAT** Council adopts the draft Funding Needs Analysis, Rating Policy and Funding Impact Statement as supporting documentation for the Long Term Plan 2018/28 Consultation Document and Revenue and Financing Policy consultations.

**Lesley Crichton**

**Group Manager: Corporate Services**

- Appendix 1:** Funding Needs Analysis
- Appendix 2:** Rating Policy
- Appendix 3:** Funding Impact Statement



# FUNDING NEEDS ANALYSIS

The purpose of this document is to set out, in accordance with section 101 (3) of the Local Government Act 2002 how each activity of Council will be funded.

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## CONTENTS

1. Introduction
2. Funding Sources for Operating Costs
3. Funding Sources for Capital Costs
4. Overall Impact Funding Considerations
5. Activity Funding Needs Analysis – Operating Costs
6. Appendix One: Activity Funding Needs Analysis – Operating Costs

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## INTRODUCTION

The Funding Needs Analysis provides the background and analysis to explain the funding decisions made by Council. It is guided by the funding principles documented in the Revenue and Financing Policy.

Council must comply with section 101(3)<sup>1</sup>. For each activity, Council must, in the first instance, determine the appropriate sources of funding<sup>2</sup> that will meet the funding needs of each activity. In determining this Council will take into consideration:

- The community outcomes to which the activity primarily contributes.
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.
- The period in or over which those benefits are expected to occur.
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

Having completed the above analysis Council must then consider:

- The overall impact of any allocation of liability for revenue needs on the community.

The legislation places no more or less weight or priority on any one of the factors listed in section 101(3)(a)<sup>3</sup>. It also provides Council with considerable latitude for judgement in the consideration of the section 101(3)(b) requirement.

The following sections document the matters and approaches Council has taken in determining the funding needs of an activity and how that translates into Council's decision on the appropriate funding sources to be used.

### Previous reviews

In 2004 Council prepared its first Long Term Council Community Plan (later to be named the Long Term Plan). A requirement of the plan was to review and consult on the Revenue and Financing Policy every three years. The Funding Needs Analysis was incorporated in its entirety in these previous Revenue and Financing Policies.

At each review Council has considered particular activities that may need re-analysis and made incremental changes. In 2013 it became apparent that Council needed to undertake a first principles review of its rating policies. This review was undertaken during 2014 culminating in December 2014 with a decision to change the rating system.

Following the 2014 reviews, this policy along with the Revenue and Financing Policy will be effective from 1 July 2015. No further change in the rating system has been made and this policy will be effective from 1 July 2018.

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<sup>1</sup> All references to legislation are to the Local Government Act 2002, unless otherwise stated.

<sup>2</sup> The funding sources are listed in s103 LGA.

<sup>3</sup> In his High Court judgement on Neil Construction Ltd and others v. North Shore City Council 2007, Potter J made it clear that Council must for each activity consider each element of s101(3).

## FUNDING SOURCES FOR OPERATING COSTS

Operating costs are the day to day spending that maintains the services delivered by Council. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and corporate overheads.

Council must consider the funding for each activity in a way that relates exclusively to that activity. Some activities may be best funded using user charges such as swimming pool admission fees, others with targeted rates such as a water rate and others from the general rate such as road maintenance. Distinct funding enables ratepayers or payers of user charges to assess more readily whether or not the cost of the service provided to them either directly or indirectly represents good value. They can also more easily determine how much money is being raised for the service and spent on the service, which promotes transparency and accountability.

The available funding sources for operating costs include:

- User charges
- Grants, sponsorship, subsidies and other income
- Investment income
- Financial contributions
- Reserve funds
- Rates
  - General rate
  - Targeted rates

Each funding source and how Council prefers to use that funding source for operating expenses is described in detail in the Revenue and Financing Policy and is applied in this analysis.

**Table 2: Consideration of legal requirements for operating expenses**

Headings -s.101(a) reference	Matters Council might consider
<b>Community outcomes - s.101(3)(a)(i)</b>	Council determines how its vision objectives <sup>4</sup> are achieved for each activity. Council has not established a link between its vision objectives and funding requirements for an activity.
<b>Distribution benefits - s.101(3)(a)(ii)</b>	<p>The distribution of benefits is given great consideration by Council, reflecting its area of benefit preference to funding sources for an activity.</p> <p>Determining benefit is not scientific<sup>5</sup>, is very subjective and is for Council to determine.</p> <p>Council looks at many options before it determines the appropriate funding sources for each activity.</p> <p>Council may choose to target those people or organisations which Council has concluded derive a greater benefit. This may be done through user charges or targeted rates on parts of the community.</p>

<sup>4</sup> Council has adopted its vision objectives as its community outcomes.

<sup>5</sup> As concluded by Richardson P in the Court of Appeal decision on Wellington City Council v. Woolworths NZ Ltd and others (1996). *“The very complexity and inherent subjectivity of any benefit allocation for these specified outputs points away from using relative benefit as a definitive criterion.”*

Headings -s.101(a) reference	Matters Council might consider
<b>Period of benefit- s.101(3)(a)(iii)</b>	<p>For most operational expenses the benefit is received in the year the expense is incurred.</p> <p>For most activities Council cash funds depreciation (an operating expense) from revenue sources and places those funds into a reserve fund for the future renewal of assets.</p> <p>Some operational expenses may have a benefit over multiple years and so Council may choose to fund the activity over that period. Elections are an example of this where Council has determined that although the elections occur in one financial year the benefit exists for 3 years. Reserve funds are used to achieve this.</p>
<b>Who creates the need- s.101(3)(a)(iv)</b>	<p>Some things Council must do because the actions or inactions of individuals or groups create the need to undertake the activity.</p> <p>Council may choose to target these people or organisations through fines, charges or rates.</p>
<b>Separate funding- s.101(3)(a)(v)</b>	<p>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 Council is able to easily identify what proportion of operational expenses is recovered from each funding sources. In the case of rates Council is able to inform individual ratepayers of their rates contribution to each activity.</p>

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### Analysis for operating costs by activity

Appendix One analyses each activity against the requirements of section 101(3)(a).

## FUNDING SOURCES FOR CAPITAL COSTS

Capital costs are those costs associated with the purchase and improvement of assets and for the repayment of debt. The funding sources for capital costs include:

- User charges
- Grants, sponsorship, subsidies and other income
- Investment income
- Financial contributions
- Reserve funds
- Development contributions
- Proceeds from the sale of assets and lump sum contributions
- Borrowing
- Rates
  - General rate
  - Targeted rates

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

### Analysis for capital costs by activity

Council will fund capital costs on the same basis as determined by the operating costs funding policy, unless Council resolves otherwise. Such a resolution will follow the funding guidelines and in doing so will be considered to be consistent with this policy and not require amendment to the policy. Existing projects (projects resolved prior to 30 June 2015) will be funded according to the Annual Plan, Long-term Plan or other resolution at the time of Council approving the project. It is not practicable to determine a funding policy for an unknown future project at this time.

Council uses the following guidelines when considering the funding of capital projects:

- A Funding Needs Analysis will be completed.
- All projects are first funded from grants, subsidy or other income.
- Renewal projects that maintain the same service level are then funded from reserve funds set aside for that purpose.
- Reserve funds for other purposes (e.g. financial contributions) are considered.
- Lump sum rating options are considered.
- 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.

A single project may have a mix of each of these funding options.

Generally it is not practical to create separate funding policies for each and every capital project. Council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity. Whenever Council resolves to consider funding for a capital project Council will consider the sources of funds above and the guidelines for applying those to a capital project. Generally Council will resolve the funding policy at the time the project is proposed in an Annual Plan or Long-term Plan. In undertaking this assessment it shall have regard to the matters in table three.

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**Table 3: Consideration of legal requirements for capital expenses**

Headings -s.101 reference	Matters Council might consider
<b>Community outcomes - s.101(3)(a)(i)</b>	A capital project is expected to contribute to the vision objectives <sup>6</sup> in the same way as the activity in which it is funded, unless Council resolves otherwise.
<b>Distribution benefits - s.101(3)(a)(ii)</b>	<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 Council resolves otherwise.</p> <p>Council may choose to target those people or organisations who primarily benefit through financial contributions, lump sum options or targeted rates.</p>
<b>Period of benefit- s.101(3)(a)(iii)</b>	For most capital projects the benefit is received over the life of the asset. Council will have regard to the equitable distribution of costs to each generation for the building and renewal of the asset. For example this may result in Council not funding asset renewal while still funding debt.
<b>Who creates the need- s.101(3)(a)(iv)</b>	<p>Some things Council has to do because the actions or inactions of individuals or groups create the need to undertake the activity.</p> <p>Council may choose to target these people or organisations through financial contributions or targeted rates.</p>
<b>Separate funding- s.101(3)(a)(v)</b>	<p>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 many smaller capital projects it is not practical to have a separate funding policy. Where Council does not resolve otherwise a capital project will be funded in accordance with the funding mechanism adopted for the operating costs in the activity in which it is funded.</p>

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<sup>6</sup> Council has adopted its vision objectives as its community outcomes.  
Westland District Council Draft Funding Needs Analysis  
2018

## OVERALL IMPACT FUNDING CONSIDERATIONS

Council is required by section 101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the community. It allows Council, as a final measure, to modify the overall mix of funding in response to these considerations.

1. Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years for the purpose of smoothing the cost to users and ratepayers.
2. While an unbalanced budget is neither prudent nor sustainable in the long term, Council may choose to not fund some operating costs in the short term:
  - a. In order to phase costs and set rates at affordable levels.
  - b. Where short term expenditure [projects] is expected to deliver long term savings
3. Council may waive or discount fees and charges where it considers it appropriate to do so. Some matters Council may consider in deciding whether it is appropriate to waive fees are for social reasons, for the promotion of events and facilities, for commercial reasons or to compensate for poor service.
4. Council may remit rates where it considers it appropriate to do so and as documented in the Rates Remissions Policy. These policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (e.g. additional or no provision of some services).
5. Council having determined to use a differentiated rate will modify the differentials to adjust the rate for different rating categories. This adjustment takes account of the matters raised in paragraph two of the introduction to this policy.

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## ACTIVITY FUNDING NEEDS ANALYSIS – OPERATING COSTS

Appendix One lists each activity<sup>7</sup> and documents Council’s assessment of the components of section 101(3)(a) for that activity. Table two list the matters Council might consider under each part of the section.

### Funding Bands

After considering the section 101(3)(a) components, Council considers to what extent each of the funding sources is able to fund each activity. This policy is intended to be in place for the next three years before it is reviewed and because things change over time, it is not possible to precisely determine the percentage allocated. For this reason Council has decided to band the percentages into the categories listed in table four.

The assessment in Appendix One identifies the most likely sources of income an activity is budgeted to earn. In all case rates funds the balance of the activity after all other sources have been maximised. It is likely that from time to time Council will be able to secure additional funding that may be become available.

Council budgets will normally be set within these ranges. As these ranges are expressed as a percentage of the cost of the activity they may change over time because of changes in expenditure rather than changes in revenue. If budgets were marginally outside these ranges, it is unlikely that Council will consider that matter to have a high degree of significance and therefore warrant a consultation to change the Revenue and Financing Policy. It is also likely that actual funding sources will be different from budgeted funding sources.

**Table 4: Funding Bands**

Name	Percentage Range
<b>Unlikely</b>	0%
<b>Minimal</b>	0% - 20%
<b>Low</b>	20% - 40%
<b>Moderate</b>	40% - 60%
<b>High</b>	60% - 80%
<b>Most</b>	80% -100%
<b>All</b>	100%

### Funding Sources and Rationale

This column of Appendix One identifies which of the funding sources Council plans to use in budgeting to fund the operating costs of each activity. It is determined by Council after consideration of each clause of section 101(3)(a).

As 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 Council’s preferences for using these sources. The final choice of funding sources is subjective. Therefore Council has documented its rationale for choosing the funding source.

The funding source for an activity may be modified by Council when Council considers the requirements of section 101(3)(b). If this has occurred it is considered as part of the overall funding considerations section of this policy.

<sup>7</sup> For a description of each activity see the Long-term Plan.  
Westland District Council Draft Funding Needs Analysis  
2018

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## APPENDIX ONE: ACTIVITY FUNDING NEEDS ANALYSIS – OPERATING COSTS

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
<b>Leadership:</b>							
<b>Democracy</b>	<p>This activity contributes to Council’s vision objective of:</p> <ul style="list-style-type: none"> <li>• Involving the community and stakeholders.</li> <li>• Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>• Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>The activity supports the decision-making function of the Council and therefore benefits the community as a whole.</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 for election costs, which is largely spent on the triennial elections.</p>	<p>The number of elected representatives is determined by government.</p>	<p>Council considers that there is little benefit of separately funding this activity.</p>	<p><b>MOST</b> General rates</p> <p><b>MINIMAL</b> Grants and subsidies User charges</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>The benefits of this activity are available to the whole community; the majority of electors are ratepayers.</p> <p>It is not appropriate to charge electors. Incidental revenue is received in the form of donations and certain election expenses are recovered.</p> <p>Spreading the funding for elections aligns with the benefit of being able to democratically elect representatives.</p>
<b>Corporate Services</b>	<p>This activity contributes to Council’s vision objective of:</p> <ul style="list-style-type: none"> <li>• Involving the community and stakeholders.</li> <li>• Delivering core services that meet community expectations and demonstrate value and quality.</li> </ul>	<p>The activity supports the decision-making function of the Council and therefore benefits the community as a whole.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a 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><b>MOST</b> General rates.</p> <p><b>MINIMAL</b> User charges</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>The benefits of this activity are available to the whole community.</p> <p>There is some opportunity to raise funding from recovery of costs for services directly provided to customers and clients.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
<b>Council Controlled Organisations</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Involving the community and stakeholders.</li> <li>Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>The activity supports the investment in the Council owned and/or controlled companies which provide services and financial returns for the benefit of the whole community.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a minor impact on this activity.</p>	<p>Council considers that there is little benefit of separately funding this activity.</p>	<p><b>ALL</b> Investment Income.</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>The benefits of this activity are available to the whole community.</p> <p>Council Controlled Organisations are expected to be self-funding and to provide a return to Council</p>
<b>Planning and Regulatory Services:</b>							
<b>Inspections &amp; Compliance</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<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.</p> <p>Information is supplied to the public through inquiries.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Primarily to individual users.</li> <li>Partly to the district as a whole.</li> </ul>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a 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><b>HIGH</b> User charges.</p> <p><b>LOW</b> General rates</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>User charges are favoured for those that apply for consents, license and other services.</p> <p>It is not practical to set charges at a level to get full cost recovery for the activity. This also recognises that there is some benefit to the wider community from these services.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
<b>Resource Management</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>• Involving the community and stakeholders.</li> <li>• Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>• Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<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.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>• Primarily to individual users.</li> <li>• Partly to the district as a whole in support of the community outcomes.</li> </ul>	<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>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p><b>MOST</b> General rates</p> <p><b>MINIMAL</b> User charges</p>	<p>A user charge recognises the benefits to people who apply for resource consents.</p> <p>The use of general rate to recover the public good recognises that the benefits are to the whole district.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
<b>Emergency Management &amp; Rural Fire</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>Civil defence and rural fire activities are provided for the benefit of all the people in the district as anyone can be affected by an emergency event. Rural fire units support the NZ Fire service in the event of major fires</p> <p>Civil defence emergency may be initiated in response to threats to life or property.</p> <p>The benefits are expected to accrue primarily to the district as a whole.</p>	<p>The benefit of operating costs is in having plans in the event of an emergency at some time in the future.</p> <p>The annual operating costs ensure there are up to date plans and staff and volunteers are trained. Costs are incurred 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 individual and groups can have a significant impact in this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p><b>MOST</b> General rates</p> <p><b>MINIMAL</b> Subsidies</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>In the event of an activation or fire Council may be entitled to subsidies for some civil defence / fire costs such as welfare.</p> <p>The costs of fighting some fires may be recoverable. Council does not budget for this income or the expense related to the possibility of a fire occurring.</p> <p>The planning for an emergency benefits the whole community and is fully rate funded.</p>
<b>Animal Control</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>Dog registration is a service that benefits dog owners by allowing legal ownership of dogs and enabling impounded dogs to be traced to their owners.</p> <p>Dog ranging, pound keeping and response to animal complaints are activities that protect the public from the negative effects of the actions or inactions of dog owners.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Primarily to individual users.</li> <li>Partly to the district as a whole.</li> </ul>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The allocation of charges is modified on grounds of fairness and equity to recognise that the costs of controlling the negative effects of the actions or inactions of animal owners should be borne by those owners.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p><b>MOST</b> User charges</p> <p><b>MINIMAL</b> General rates</p> <p><b>UNLIKELY</b> All other funding sources</p>	<p>User charges recognise that the benefits of registration activities are to dog owners and the costs of responding to complaints about dogs and wandering stock are driven by the actions or inactions of animal owners.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
<b>Community Services:</b>							
<b>Community Development &amp; Assistance</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>All the people in the district enjoy access to the services funded by way of grants. Some services are located in specific communities but the activities funded are spread across the district. Any person meeting the criteria may make application for a grant. The grants are for services that are, in the main, non-excludable.</p> <p>The benefits are expected to accrue primarily to the district as a whole in support of the community outcomes.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a 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><b>HIGH</b> Targeted rates</p> <p><b>LOW</b> General Rates</p> <p><b>MINIMAL</b> Grants and subsidies</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>This activity includes grants administered on behalf of others. This shows as an income and expense.</p> <p>Funding for the grants to Glacier Country Promotions comes from the Franz Josef Glacier and Fox Glacier Community rates.</p> <p>Funding for the grants to the Regent Theatre and Enterprise Hokitika come from the Hokitika Community rate.</p> <p>This remainder is a people based activity which is funded evenly across the district.</p>
<b>Community Halls</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>Community halls provide a venue for community activities for those in the local area. Generally each hall can be used by only one group at a time.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Primarily to the local area supporting the community hall / centre.</li> </ul>	<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 some 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><b>HIGH</b> Targeted rates</p> <p><b>LOW</b> General rate</p> <p><b>MINIMAL</b> User charges</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>Most halls using council funds are operated by local committees under delegation. Not all halls are owned by Council. Local committees retain any small amounts of income they earn separate from Council. Council does receive direct income for some halls (e.g. 3 Mile Hall)</p> <p>Targeted hall rates recognise the benefit from the activity is focussed mainly on the rating area in which the hall is used.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
<b>Township Development Fund</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>• Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>• Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>Each Community chooses the extent of funds it wishes to raise for local projects.</p> <p>The benefits are expected to accrue primarily to the local community as a whole.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a 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><b>MOST</b> Targeted rates</p> <p><b>MINIMAL</b> Grants and subsidies General Rate</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>This is a discretionary activity determined by each community.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
<b>Leisure Services &amp; Facilities:</b>							
<b>Library</b>	<p>This activity contributes to Council’s vision objective of:</p> <ul style="list-style-type: none"> <li>• Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>• Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>The primary benefit from libraries is to those that borrow and use library material and resources.</p> <p>The residents of the Hokitika ward enjoy greater access to the main library; however, the network of branches means that the other areas enjoy ready access to the service at a lower level.</p> <p>The districts residents are enriched by the preservation of collections of regional significance and the contribution of the library to a well-informed and literate community.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>• Partly to individual users.</li> <li>• Partly to the district as a whole.</li> </ul>	<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 on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council’s costs on this activity.</p>	<p><b>MOST</b> General rates</p> <p><b>MINIMAL</b> User charges, bequests, grants, sponsorship and subsidies</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>The individual benefit component of library activities is recovered through user charges, and fines.</p> <p>High levels of user charging results in less use of the services. User recovery is also constrained by s.142 of the LGA.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
<b>Museum</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>The museum activity provides exhibitions and collections for exploration by visitors and researchers.</p> <p>The residents of Hokitika enjoy proximity to the museum.</p> <p>The museum attracts visitors to Hokitika which benefits local businesses.</p> <p>The district as a whole has a collective sense of history due to preservation of collections of regional significance and the contribution of the museum to the regional visitor and tourism economy.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Partly to individual user.</li> <li>Partly to the district as a whole with recognition to proximity.</li> </ul>	<p>The benefit of most operating costs is expected to accrue 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 on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p><b>MOST</b> General rates</p> <p><b>MINIMAL</b> User charges, bequests, grants, sponsorship and subsidies</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>A high level of user charging is not cost effective and will limit access. However, some costs are recovered through donations, retail sales, and fees for use of the facilities.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
<b>Swimming Pools</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>The primary benefit from the swimming pools is the use of the pools for recreation, sporting, educational, and water safety purposes with the greatest access enjoyed by local residents.</p> <p>Visitors use the Hokitika Swimming Pool which benefits businesses in the area.</p> <p>The community enjoys access to a facility to improve fitness, health and water safety.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Primarily to individual users.</li> <li>Partly to the local community where the pool is located.</li> </ul>	<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. There is a correlation between the numbers of people using the pool and operating costs.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p><b>HIGH</b> Targeted rates</p> <p><b>LOW</b> User charges</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>User charges are made for casual recreation use, fees for recreation programmes, swim school, and retail sales at the Hokitika Swimming Pool.</p> <p>User charges do not fully recover the cost of the individual benefit and rates funding is required ensure cost effective access to this service can be provided.</p> <p>The use of targeted rates recovers costs not recovered through user charges from the local community rate.</p> <p>The Ross Swimming Pool operational review is held by the Ross Community Association and Council funds the costs agreed with the community in the local community rate.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
<b>i-Site</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>The benefit from these services is to individual visitors, businesses and the district as a whole.</p> <p>It benefits businesses involved in tourism and the wider economy with increased foot traffic entering the district - buying goods and services. Thriving business also ensures employment.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Businesses as a group receive some benefits however these have a wide flow on effect in the community.</li> <li>Partly to individuals.</li> </ul>	<p>The benefit of operating costs is expected to accrue in the year the funding is sourced.</p>	<p>The actions of many individuals and groups have an impact on tourism.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p><b>MODERATE</b> Targeted rates User charges</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>The services provided by the i-Site are partially funded from charging directly for commissions, sales and advertising.</p> <p>The benefits of tourism accrue mostly to businesses.</p>
<b>Parks &amp; Reserves</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>The activity provides a district wide landscape amenity created by maintaining green space and street beautification (including playgrounds and sports grounds).</p> <p>The benefits are expected to accrue primarily to the district as a whole.</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><b>MOST</b> Targeted rates</p> <p><b>MINIMAL</b> Reserve funds Financial contributions User charges</p> <p><b>UNLIKELY</b> All other funding sources.</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>Council may use the financial contributions reserve funds for some operating expenses, generally of a project nature. Some rents are received.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
<b>West Coast Wilderness Trail</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>The benefit from these services is to individual visitors using the trail, businesses and the district as a whole.</p> <p>It benefits businesses involved in tourism and the wider economy with increased foot traffic entering the district - buying goods and services. Thriving business also ensures employment.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Businesses as a group receive some benefits however these have a wide flow on effect in the community.</li> <li>Partly to individuals.</li> </ul>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of many individuals and groups have an impact on tourism.</p> <p>A condition of being part of Nga Haerenga –The NZ Cycle Trail is that users cannot be charged for using the trail.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p><b>ALL</b> Targeted Rates</p> <p><b>UNLIKELY</b> Other funding sources yet to be confirmed.</p>	<p>This is a new and developing activity with revenue and costs yet to develop an established pattern.</p> <p>New revenue streams are being sought to recognise individual benefits.</p> <p>The benefits of tourism accrue mostly to businesses.</p>
<b>Public Toilets</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>Mainly visitors and those away from their home use public toilets, generally in support of leisure pursuits, tourism and commercial businesses (in urban areas).</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Primarily to individual users.</li> <li>Partly to the district as a whole.</li> </ul>	<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 a 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><b>ALL</b> General rates</p>	<p>There is no practical way of charging for the use of public toilets.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
<b>Land &amp; Buildings</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>The primary benefit from property is the use of the property by tenants, be they Council or commercial. This activity is a private good.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Primarily to individual users</li> <li>Partly to the district as a whole.</li> </ul>	<p>Property benefits could accrue over a number of years as a result of some costs. However, the benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a minor impact.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p><b>MOST</b> General rates</p> <p><b>MINIMAL</b> Investment income, User charges</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>This activity has changed significantly with the transfer of assets from Westland District Properties Ltd back to Council. Cost and revenue patterns are yet to settle, which affects the ratios for funding sources.</p> <p>The benefits accrue primarily to users who pay for the service provided by way of rents, lease, licenses etc.</p> <p>Funding for Custom House, RSA Memorial Hall, Carnegie Building and the Band rooms comes from the Hokitika community rate.</p> <p>Assets sale income, unless otherwise resolved by Council is used to reduce debt.</p>
<b>Cemeteries</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>The provision of burial facilities and services is for individuals.</p> <p>The district in turn has available green space, protecting public health by ensuring the safe disposal of human remains, and in maintaining cemeteries and cemetery records for future generations to locate their ancestor's burial plot/site.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Partly to individual users.</li> <li>Partly to the district as a whole in support of the community outcomes.</li> </ul>	<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 some 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><b>MOST</b> General rates</p> <p><b>MINIMAL</b> User charges</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>Individuals pay user charges for the initial acquisition and use of a burial site (burial fees and plot charges).</p> <p>The community pays for the ongoing maintenance of that site.</p> <p>The wider district elements are collected from the uniform annual general charge as the activity is considered people based.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
<b>Elderly Housing</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>Tenants primarily benefit from community housing</p> <p>Council's objective for the community housing activity is that it should be self-funding and not be subsidised by rates.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Primarily to individual users.</li> <li>Partly to the district as a whole in support of the community outcomes.</li> </ul>	<p>The benefit of operating costs is expected to occur 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 on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p><b>MOST</b> User charges</p> <p><b>MINIMAL</b> General rates Reserve funds</p>	<p>Rents are at or near market value and set in accord with the Community Housing Policy.</p> <p>Council policy requires that any operational surpluses or deficits from this activity be placed into a community housing reserve to fund capital commitments and possible future community housing developments.</p> <p>Council recognises that at times this activity may not be self-funding. If no reserves are available then any short fall will be funded from rates. This funding will be recovered across the district as a whole on a capital value basis.</p>
<b>Wild Foods Festival</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>The benefit from this event is to individual visitors, businesses and the district as a whole.</p> <p>It benefits businesses involved in tourism and the wider economy with increased foot traffic entering the district - buying goods and services. Thriving business also ensures employment.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Primarily to individuals and businesses however these have a wide flow on effect in the community.</li> </ul>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of many individuals and groups have an impact on tourism.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p><b>MOST</b> User charges</p> <p><b>MINIMAL</b> Grants, sponsorship and subsidies General rates</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>The festival is generally expected to run at a surplus with income generated from sponsorship, grants,</p> <p>The benefits of tourism accrue mostly to businesses.</p> <p>Any surplus is used to reduce the general rate.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
<b>Infrastructure:</b>							
<b>Transportation</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>The roading network serves the whole district and everyone benefits directly in their personal use and indirectly through the supply of goods and services to businesses.</p> <p>The benefits are expected to accrue primarily to individual users and the district as a whole.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding for the local share of asset renewal is sourced from the rating for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed using a reserve fund.</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 motorcars.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p><b>MODERATE</b> Subsidy General rates</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>While there is an individual benefit to using the roading network there is no practical means available to charge for this. Subsidies sourced from New Zealand Transport Agency (NZTA) are funded from licensing revenue that represents some element of user pays, particularly in the case of Road User Charges, which is based on road kilometres travelled. Council also receives a minimal 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>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
<b>Water Supply</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>The primary benefit from water supply is to consumers in the supply area. The consumption of water is a private good.</p> <p>Good quality water improves health and minimises disease for the benefit of the whole community.</p> <p>The use of water for fire-fighting purposes may benefit properties that are not connected to a scheme, and, in the event of a fire, this benefit is principally a private good.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Primarily to individual users</li> <li>Partly, the whole community gets a benefit in terms of health protection.</li> </ul>	<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>Westland Milk Products Ltd has specific requirements for their connection to the network which require specific consideration.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p><b>ALL</b> Targeted rates.</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>Those who (either directly or indirectly) benefit should pay.</p> <p>The cost of introducing a user pays system across all connected users is impractical due to cost of installing and reading meters.</p> <p>Most users are homogenous in their consumption and a targeted rate per connection or nature of connection approximates this in a practical way.</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 water is equalised across all non-metered connections within the district. This has the effect of sharing the benefit Hokitika receives from having Westland Milk Products on its network.</p> <p>Westland Milk Products will for 5 years pay an additional targeted rate to cover Council's finance costs (both interest [an operational cost] and principal [a capital cost]).</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
<b>Wastewater</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>• Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>• Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>The collection, treatment, and disposal of wastewater are primarily a private benefit for people whose properties are connected to the schemes.</p> <p>The protection of the environment is a benefit to the serviced communities.</p> <p>The benefits are expected to accrue primarily to individual users and businesses.</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>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p><b>MOST</b> Targeted rates.</p> <p><b>MINIMAL</b> User charges.</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>In most cases it is not practicable to measure the quantity of each individual's contribution to the waste water system.</p> <p>Those who (either directly or indirectly) benefit should pay. A uniform targeted rate per pan approximates this in a practical way.</p> <p>There are some large producers or producers of abnormal waste water where direct charging is required by the Trade Waste Bylaw in addition to the targeted rate. Their share of costs is recovered by way of trade waste user charges.</p> <p>The cost of wastewater is equalised across all connections within the district.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
<b>Stormwater</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>The collection 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"> <li>To individual properties</li> <li>The whole community</li> </ul>	<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>	The actions of most individuals or groups have a minor impact	Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.	<p><b>ALL</b> Targeted rates.</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>There is no practical way to charge individuals or groups for their private benefit.</p> <p>Those who (either directly or indirectly) benefit should pay. Reticulated stormwater networks are funded from local community rates.</p>

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Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
<b>Solid Waste</b>	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> <li>Delivering core services that meet community expectations and demonstrate value and quality.</li> <li>Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.</li> </ul>	<p>This activity primarily benefits the individuals and business that through their actions create the residual waste. They receive the primary benefit of having a means to dispose of this waste.</p> <p>There are some benefits to the whole community in having this service available.</p> <p>The whole community benefits from action in this area to minimise the negative impacts of waste.</p> <p>Individuals and businesses benefit directly from having waste and recycling collected from properties.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Primarily to individual users</li> <li>Partly to the district as a whole</li> </ul>	<p>The benefit of most operating costs is expected to occur in the year the funding is sourced.</p> <p>Annual funding for landfill aftercare is sourced from revenue that may be spent partially in the current year and probably in future years. This is managed using a provision.</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><b>LOW</b> User charges Targeted rates General rates</p> <p><b>MINIMAL</b> Reserve funds</p> <p><b>UNLIKELY</b> All other funding sources.</p>	<p>The actions of individuals or groups (largely business) create the need to have this activity.</p> <p>The user charges at landfills and transfer stations (where Council provides the services), and part of the rate for refuse collection will partially fund the cost of disposal. These charges are currently higher than neighbouring councils and further increasing them creates other adverse consequences such as increased fly tipping.</p> <p>High user charges may help those who create the waste recognise the cost of their actions and encourage waste reduction.</p> <p>Kerb-side refuse collection provides a high level of service that all residents on the route have access to. A targeted rate appropriately recognises this benefit.</p> <p>There is also a small benefit to the whole community of this activity.</p>

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## RATING POLICY 2018/19

The purpose of this document is to support the Funding Impact Statement by setting out detailed rating policies applied by Council in order to determine the rates liability of a property. Council will review this policy annually as part of the rates setting process.

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### CONTENTS

1. Introduction
2. Calculation of uniform annual general charge
3. Description of general rate and community rate differentials
4. Rates based on location
5. Water and sewerage availability rates
6. Divisions
7. Payment methods and places
8. Minimum economic rate
9. Policy for early payment of rates in the current year
10. Rates penalties
11. Public availability of information
12. Disputes

## INTRODUCTION

This Rating Policy gives effect to the Funding Impact Statement contained in the Long Term Plan 2018-28. The components of the policy are integral to the Funding Impact Statement but are contained in a separate policy to enable Council to review the factors applied within the parameters of the Revenue and Financing Policy during each Annual Plan.

Council must comply with the requirements of the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002 (LGRA).

In doing so, and in order to set a lawful rate, Council must:

- Have completed a s.101(3) analysis (see Funding Needs Analysis)
- Adopted a Revenue and Financing Policy (see the Long-term Plan)
- Adopted a Funding Impact Statement (see either an Annual or Long-term Plan)
- Adopt an Annual or Long-term Plan.
- Adopt a rates resolution, consistent with everything above.

The requirements of cl.15 of Schedule 10 of the LGA, and its relationship to the LGRA, can be interpreted in several ways. Council believes the Funding Impact Statement to comply with those requirements. It may be interpreted that the requirements for cl.15 to go further than disclosed in the Funding Impact Statement. Should that be the case then those requirements are met by this Rating Policy.

## CALCULATION OF UNIFORM ANNUAL GENERAL CHARGE

Council has determined to set the Uniform Annual General Charge (UAGC) at \$690.31 including GST. A UAGC is charged to every rating unit, subject to the provisions of s20 LGRA.

## DESCRIPTION OF GENERAL RATE AND COMMUNITY RATE DIFFERENTIALS

The following rates are calculated differentially based on the use to which the land is put.

- General rate
- Community rates for:
  - Kumara
  - Hokitika
  - Ross
  - Harihari
  - Whataroa
  - Franz Josef Glacier
  - Fox Glacier
  - Haast

The LGRA Schedule 2 allows councils to rate based on the location of the land and the use to which the land is put. Each Council is able to define that use and rate based on that use. A property may be described under different rates as having different uses.

Council has determined the following rating use categories will be used for the differential categories for the general rate and each community rate:

Differential Category	Differential Description
<b>Residential</b>	<p>a) Land not identified as commercial, rural, rural residential or services (properties as defined by Schedule 1, LGRA that receive only charges for services. and either:</p> <ul style="list-style-type: none"> <li>- located in Kumara, Hokitika, Kaniere, Ross, Harihari, Whataroa, Franz Josef Resort, Franz Josef, Fox Glacier or Haast and has a District Plan zone of residential, residential mixed, coastal settlement, small settlement, tourist; or</li> <li>- land used for a residential purpose with a District Plan zone of rural and connected to a reticulated Council township water supply and less than 4ha; or</li> <li>- Land predominantly used for a residential purpose with an industrial/commercial or tourist District Plan zone;</li> <li>- Land located at Seaview that is not used for a commercial purpose.</li> </ul> <p>b) A residential purpose is land that is primarily used for the purposes of residential accommodation in a dwelling, apartment or institutional home, not more than 5 extra people are boarding with the residents, and no persons are employed or contracted other than for the purposes of caring for residents or boarders.</p>
<b>Rural Residential</b>	<p>a) Land not identified as commercial, rural or services and either:</p> <ul style="list-style-type: none"> <li>- located in Sanctuary Place, Arahura, Lake Kaniere, Woodstock, Rimu, Kokatahi, Ruatapu, Okarito, Bruce Bay, Okuru, Hannahs Clearing, Neils Beach and Jackson Bay and has a District Plan zone of coastal settlement, small settlement, tourist; or</li> <li>- land containing a dwelling with a District Plan zone of rural and less than 10ha.</li> </ul>
<b>Commercial</b>	<p>a) Any land used for a commercial purpose and any land in an industrial/commercial or tourist zone unless it is identified used for a residential, services or rural purpose.</p> <p>b) A commercial purpose is land that is used for the purposes of the sale of food, services and other commodities (excluding those identified as rural) and merchandise or the provision of services or professional advice.</p> <ul style="list-style-type: none"> <li>- For example this includes taverns, restaurants, utility networks, electricity generation activities, agricultural contractors, mineral processing (not extraction), timber milling (not felling), intensive farming or horticulture, manufacturing, tourism activities and accommodation.</li> <li>- Council will identify commercial purposes where advertising of the commercial activity is undertaken. Advertising includes: signage on or near the property, on vehicles, in print, radio, TV or other media, on websites or other electronic media or by direct mail. Commercial does not include any part of rural zoned land that meets the definition of rural purpose.</li> <li>- Commercial purposes does not include small hobbies, sale of personal items or the occasional provision of services from a home where only one person is involved in the activity and no other persons are employed or contracted and turnover is assessed as minimal and incidental to the household income.</li> </ul> <p>c) Any residential or rural zoned land used for commercial purposes. Where a rating unit has more than one use, a division of the rating unit will be undertaken.</p>
<b>Rural</b>	<p>a) Any land used primarily for rural purposes and any land in a rural zone unless it is identified used for a residential, services or commercial purpose.</p> <p>b) A rural purpose is land that is used for the purpose of agricultural, forestry and mining exploration and extraction activities. It includes mineral valuation assessments. An agricultural activity is land used for the primary purpose of producing livestock or vegetative matter and includes horticultural and pastoral farming. It does not include rural zoned land where 75% of the rating unit is covered and used for intensive farming or horticulture. These are considered commercial use for rating purposes.</p> <p>c) Residential, Commercial, Industrial and Tourism zoned land with an area of greater than 4ha used exclusively for rural purposes. Where a rating unit has more than one use, a division of the rating unit will be undertaken.</p>

Having determined the rating differential categories Council determines the differentiation factor for the different categories. The 2015/16 differential factors are:

Rate	Differential Category	Differential Factor	Rate	Differential Category	Differential Factor
<b>General rate</b>	Residential	1.00			
	Rural Residential	0.75			
	Commercial	2.00			
	Rural	1.00			
<b>Kumara community rate</b>	Residential	1.00	<b>Whataroa community rate</b>	Residential	1.00
	Rural Residential	1.00		Rural Residential	1.00
	Commercial	1.00		Commercial	1.00
	Rural	1.00		Rural	1.00
<b>Hokitika community rate</b>	Residential	1.00	<b>Franz Josef Glacier community rate</b>	Residential	1.00
	Rural Residential	0.75		Rural Residential	0.75
	Commercial	2.00		Commercial	2.00
	Rural	0.75		Rural	0.75
<b>Ross community rate</b>	Residential	1.00	<b>Fox Glacier community rate</b>	Residential	1.00
	Rural Residential	1.00		Rural Residential	0.75
	Commercial	1.00		Commercial	2.00
	Rural	1.00		Rural	0.75
<b>Harihari community rate</b>	Residential	1.00	<b>Haast community rate</b>	Residential	1.00
	Rural Residential	1.00		Rural Residential	1.00
	Commercial	1.00		Commercial	1.00
	Rural	1.00		Rural	1.00

## RATES BASED ON LOCATION

Council has established a number of rates where location is one of the matters used to define a category of rateable land. Rating boundaries have been drawn with the intention of encompassing whole rating units. Should a boundary split a rating unit Council will rate the property based on the predominate use of the property.

The following areas have been determined:

- Community rating zones
- Hokitika Promotions rate area.

Maps showing these areas are contained in Appendix 1.

## WATER AND SEWERAGE AVAILABILITY RATES

Council charges water and sewerage rates to rating units that Council determines are able to be connected to the water or sewage systems.

## DIVISIONS

Council will undertake the division of rating units when a property has more than one use (as defined for differential rating). The legislation provides that it is Council's responsibility apportion the differential categories.

A division will create a new rating unit, with a letter being appended to the valuation number.eg. 2541096401C. The division will be calculated using one of the following methods:

- By Agreement.
  - Council and the land owner will assess the area of the rating unit used for each purpose and will apportion the rateable value according to that ratio. This agreement will be in writing signed by the owner(s) and Council, a copy held by both parties. The ratio will be reviewed and reapplied at each revaluation.
- By Council's Valuer.
  - Where Council and the owner cannot agree the value, Council will request a formal valuation of the parts from Council's rating valuer. The cost of the valuation undertaken by Council's valuer will be charged to the property owner.

## **PAYMENT METHODS<sup>1</sup> AND PLACES**

Rates will be invoiced quarterly on the following due dates of each year<sup>2</sup> or the first working day thereafter:

- 31 August
- 30 November
- 28 February
- 31 May

Monthly, fortnightly and weekly payment options will be available by arrangement with Council staff, to help customers avoid cash flow difficulties.

Rates may be paid by any of the following methods:

- Cash
- EFTPOS
- Automatic payment
- Cheque
- Internet Banking
- Credit Card
- Direct debit

Rates may be paid at Customer Service Centres:

- Westland District Council Headquarters, 36 Weld Street, Hokitika between the hours of 8.30am to 4.30pm Monday to Friday.

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

## **MINIMUM ECONOMIC RATE**

Council will not collect the rates payable on a rating unit if the sum of those rates is so small as to be uneconomic to collect<sup>3</sup>. Council has determined that it is uneconomic to collect rates owing on any rating unit of less than \$10.00 (including GST) per annum.

## **POLICY FOR EARLY PAYMENT OF RATES IN THE CURRENT YEAR**

A discount of 2.5%, calculated on total assessed rates in the current year less adjustments and remissions, will apply when all due rates are paid in full (which includes current rates and any outstanding rates and penalties from prior years). The total amount must be paid by the due date for payment of the first instalment being 31 August of each year.

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<sup>1</sup> The methods of payments are required by s.45 LGRA to be listed in the Rates Assessment

<sup>2</sup> These dates are set each year in the rates resolution as required by s.24 LGRA

<sup>3</sup> S.54 LGRA

## **RATES PENALTIES**

Council must set its rates penalties as part of its rates resolution<sup>4</sup>.

Generally Council will resolve the following penalties:

1. A 10% penalty is added on the next business day to so much of any instalment not paid by due date.
2. A 10% penalty will be added to rates that remain unpaid from previous years. This will be added on 1 July of each year, or 5 working days after Council has passed the rates resolution (whichever is the later).
3. A further 10% penalty will be added to rates that remain unpaid from previous years. This will be added 6 months after the penalty made in 2 above.

Council notes that the penalties imposed under 2 and 3 above amount to the equivalent of 21% per annum as each subsequent penalty is on the full amount outstanding including previous penalties.

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

## **PUBLIC AVAILABILITY OF INFORMATION**

Council will charge a fee for supplying any person with a copy of information from the rating information database.

The fee for this is shown in Council's Fees and Charges.

## **DISPUTES**

Objections to the Rating Information Database and rates records will follow the rules laid down by s.29 and s39 of the Local Government (Rating) Act 2002. Any dispute over the application of any of these rating policies that cannot be resolved through liaison with officers, must be made in writing to the Chief Executive. Should the Chief Executive be unable to reach agreement with the ratepayer the matter shall be decided by Council or any such committee or sub-committee it so delegates.

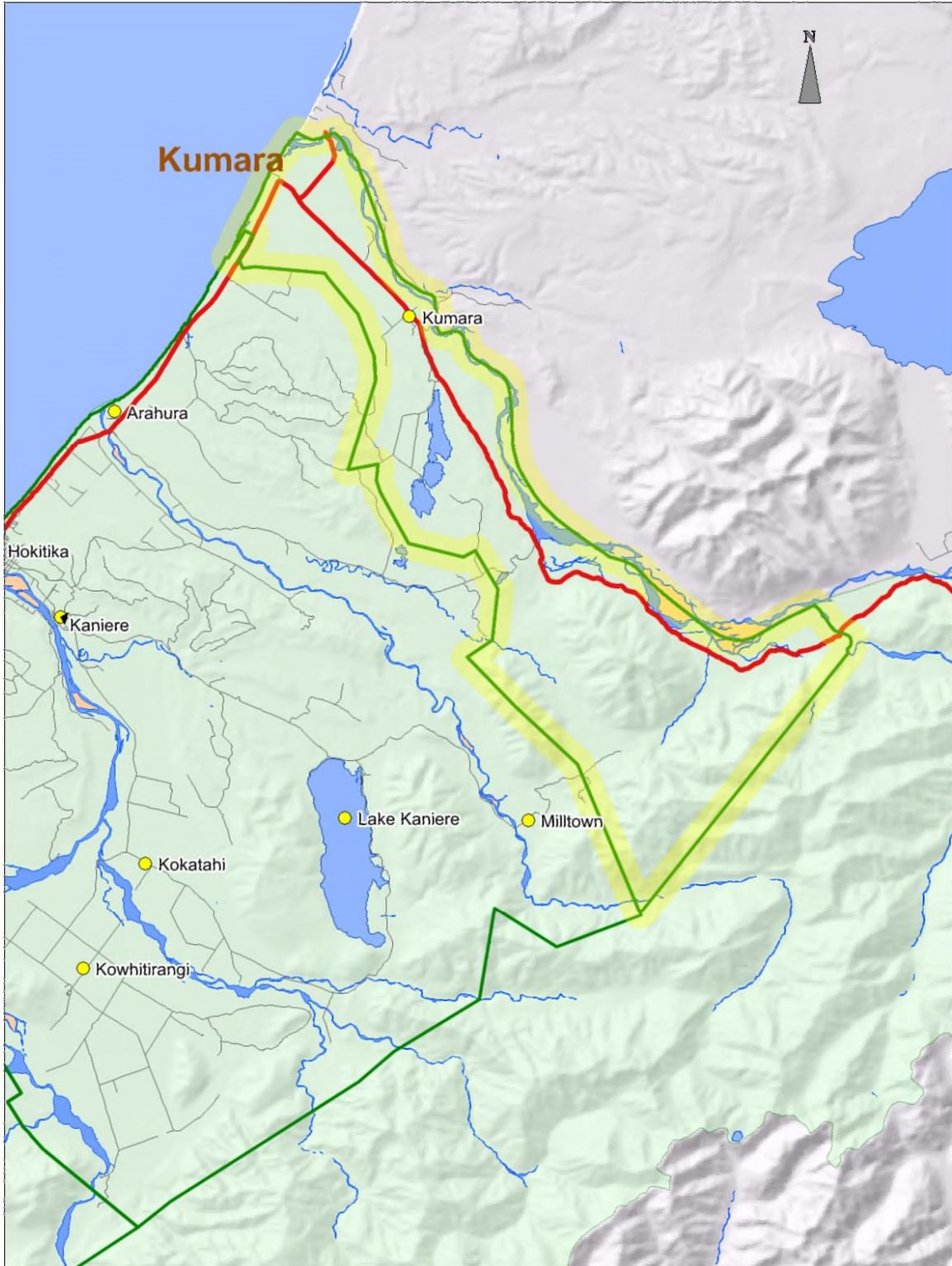
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<sup>4</sup> Penalties are set each year in the rates resolution as required by s.58 LGRA

## APPENDIX 1: RATING MAPS

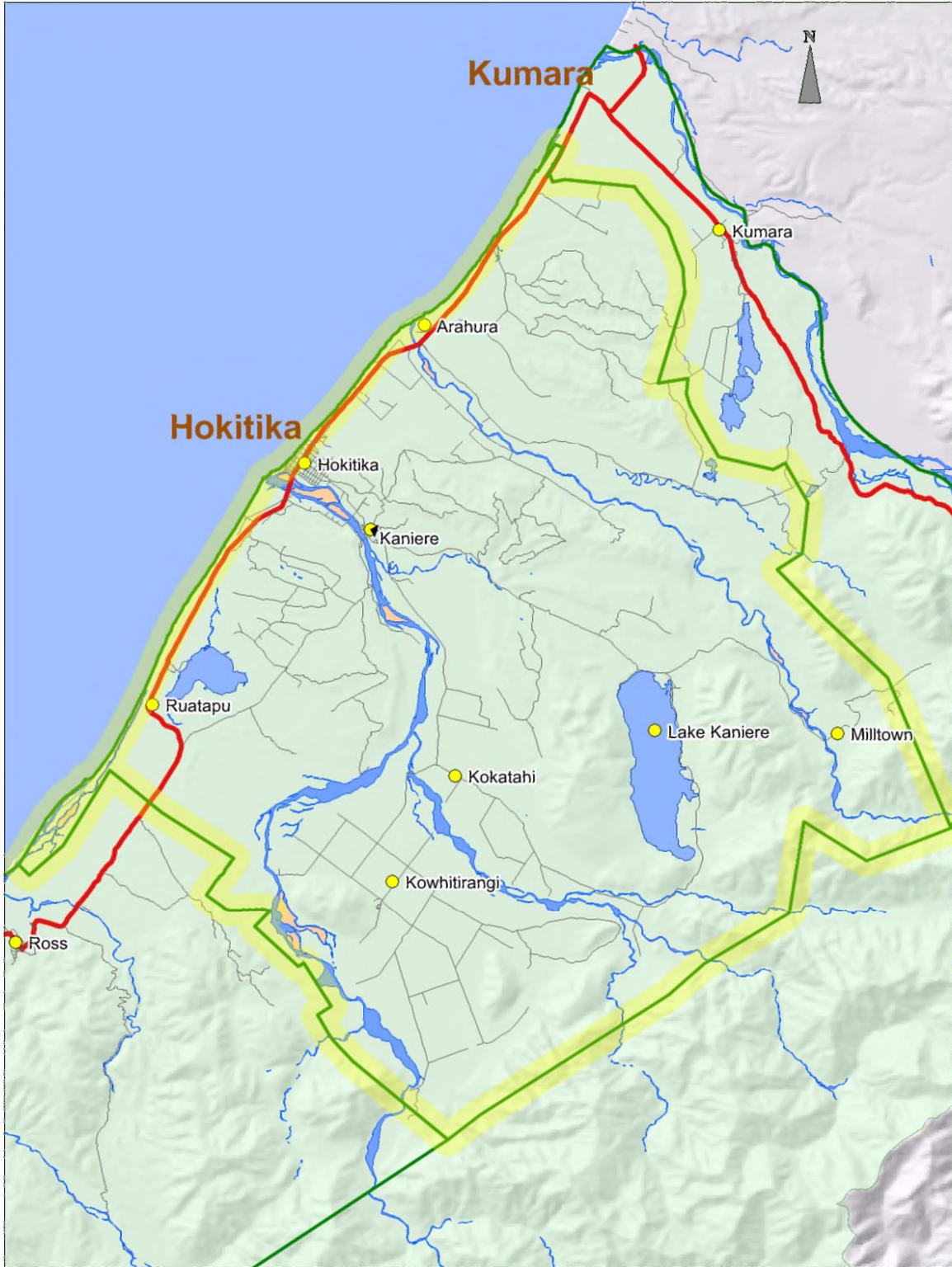


**Overview Map**  
*For Community Rating Purposes*



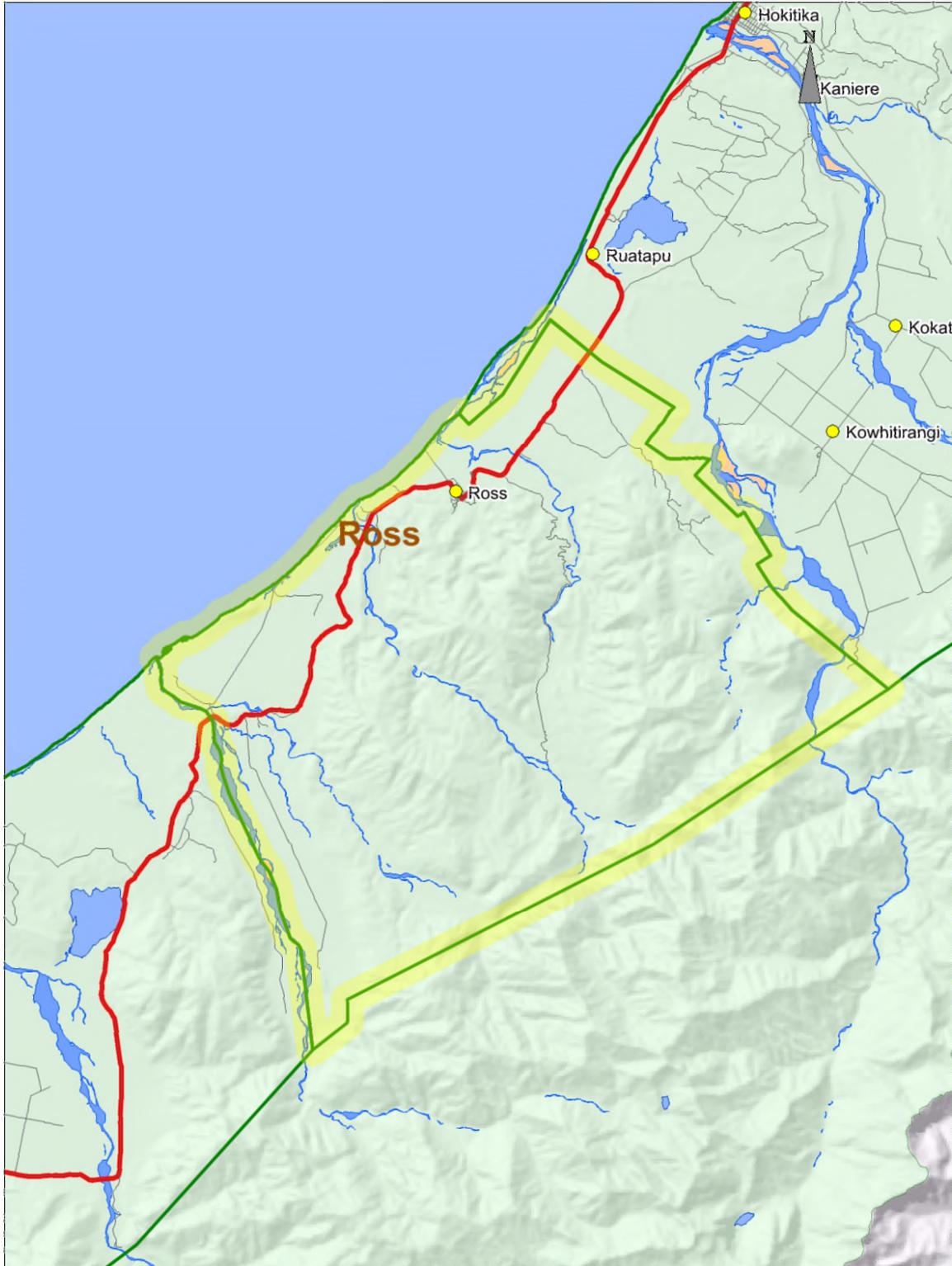
**Kumara Zone**  
*For Community Rating Purposes*





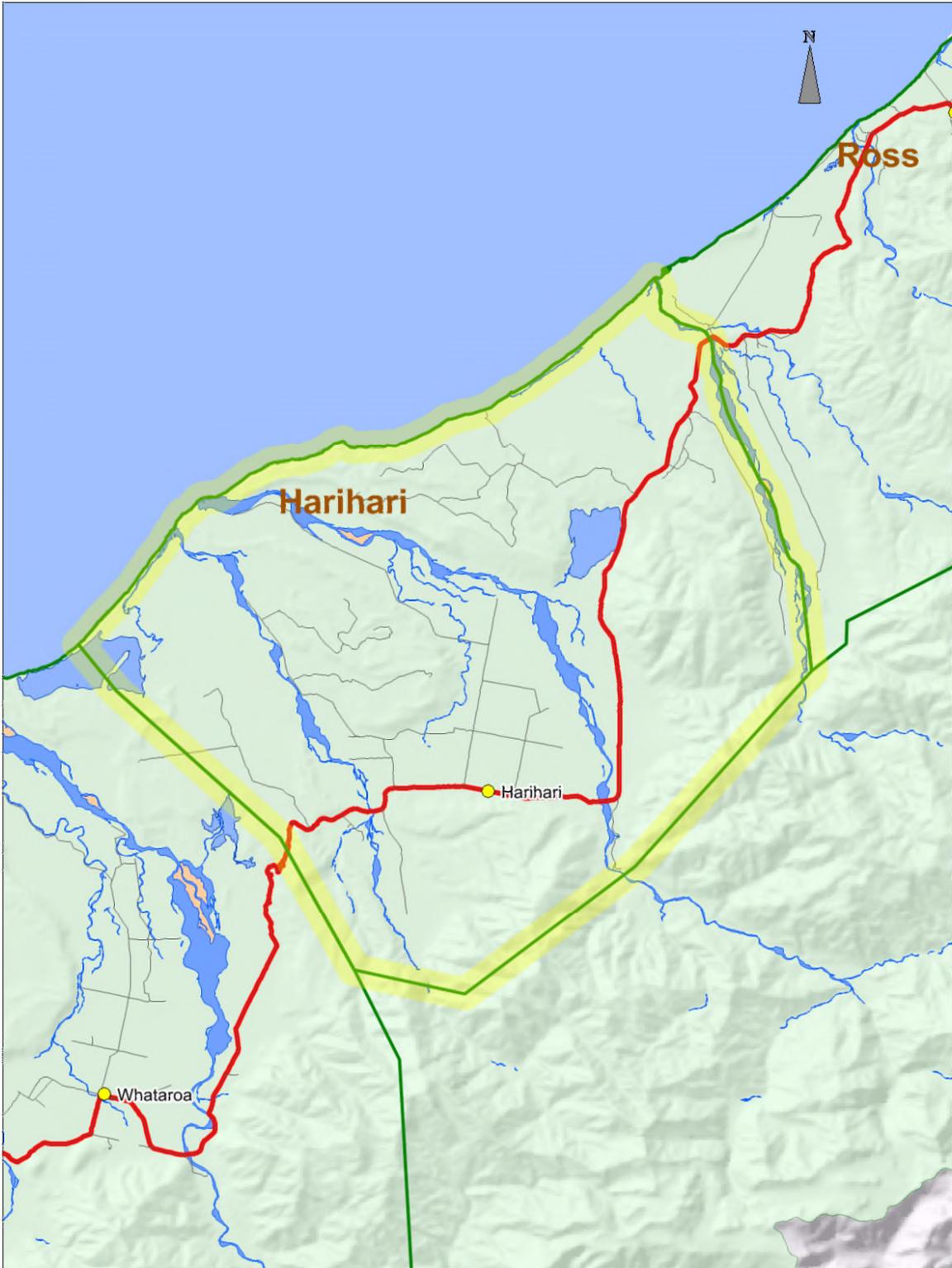
**Hokitika Zone**  
*For Community Rating Purposes*





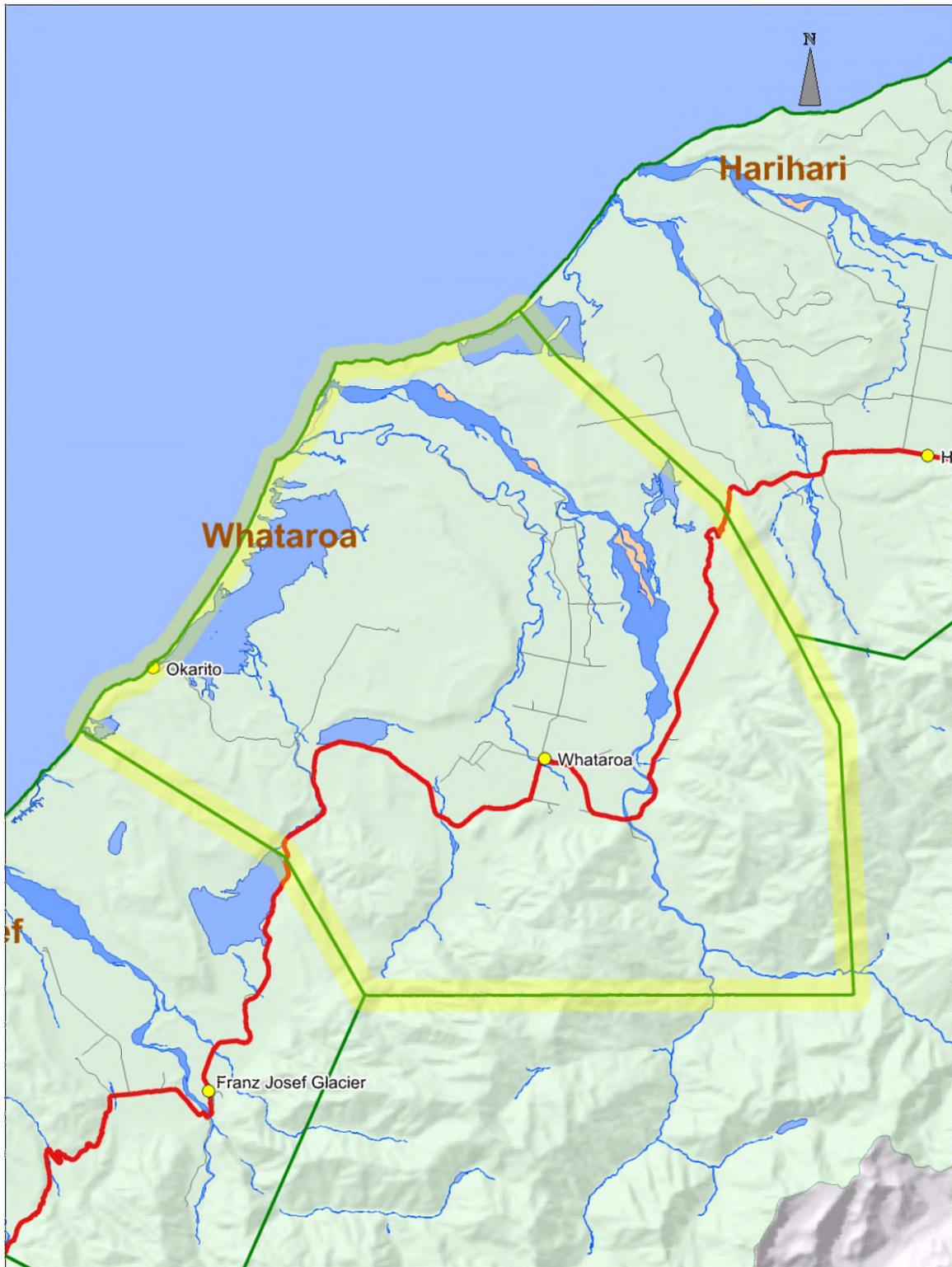
**Ross Zone**  
*For Community Rating Purposes*





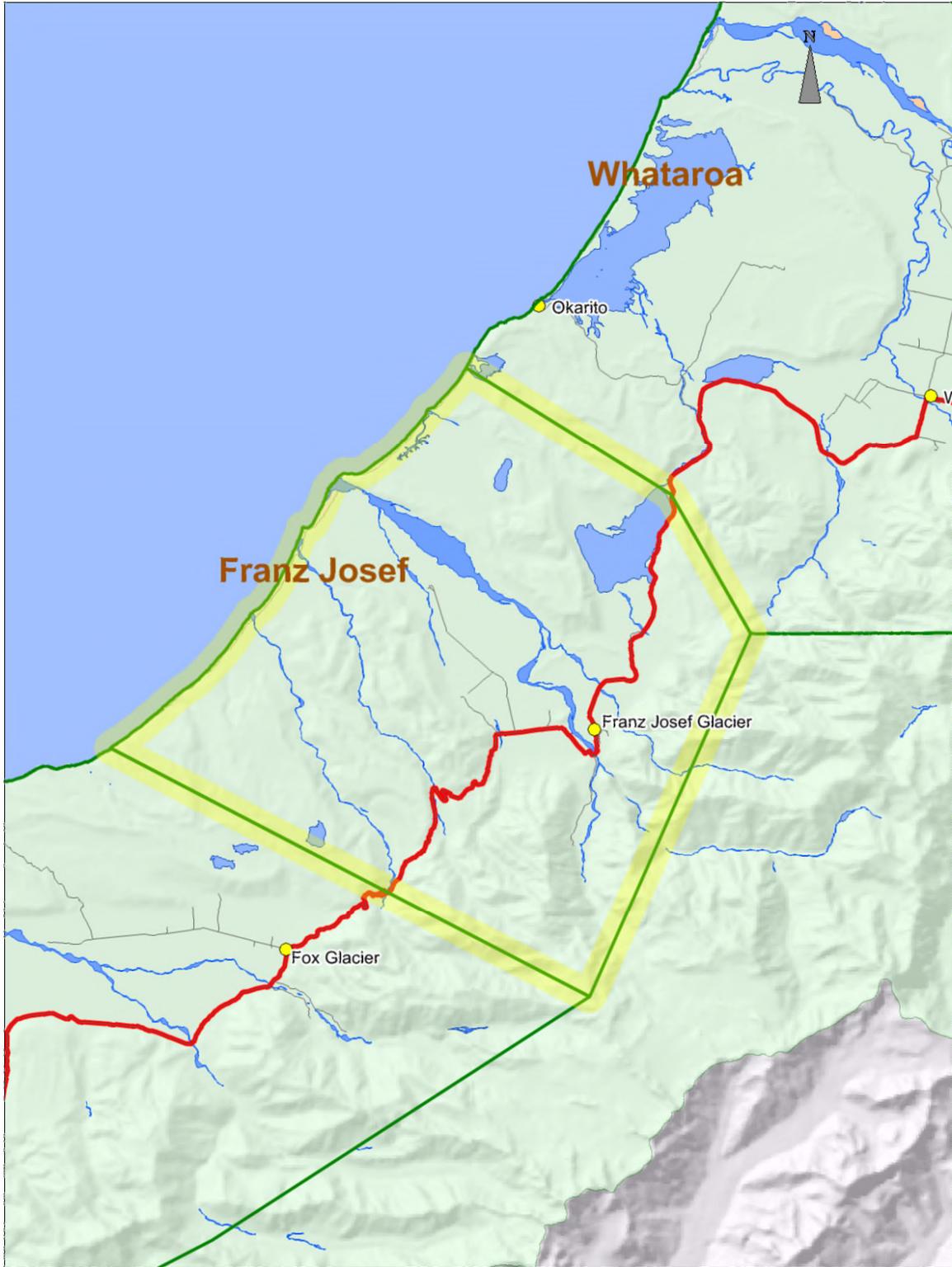
**Harihari Zone**  
*For Community Rating Purposes*





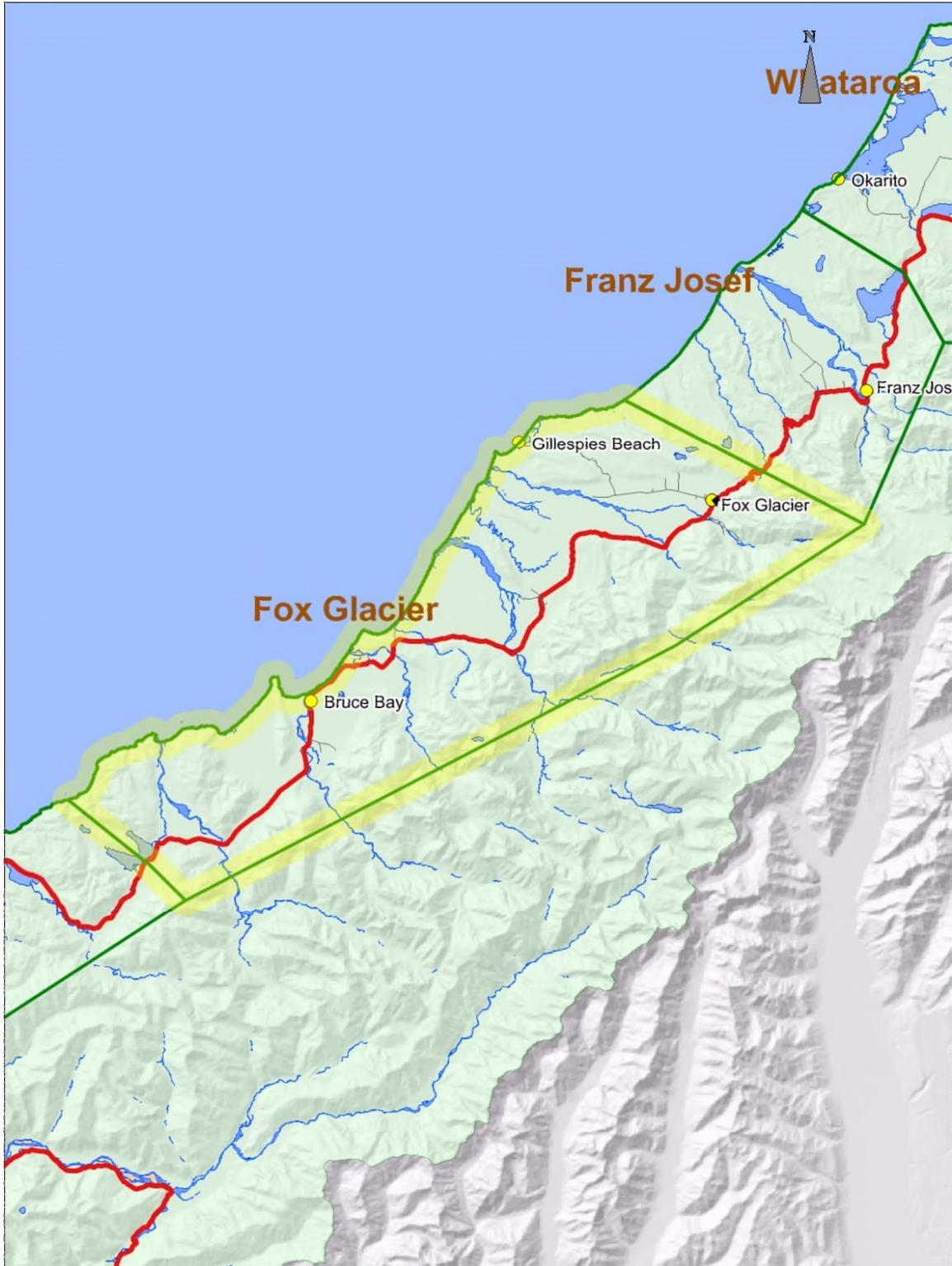
**Whataroa Zone**  
*For Community Rating Purposes*





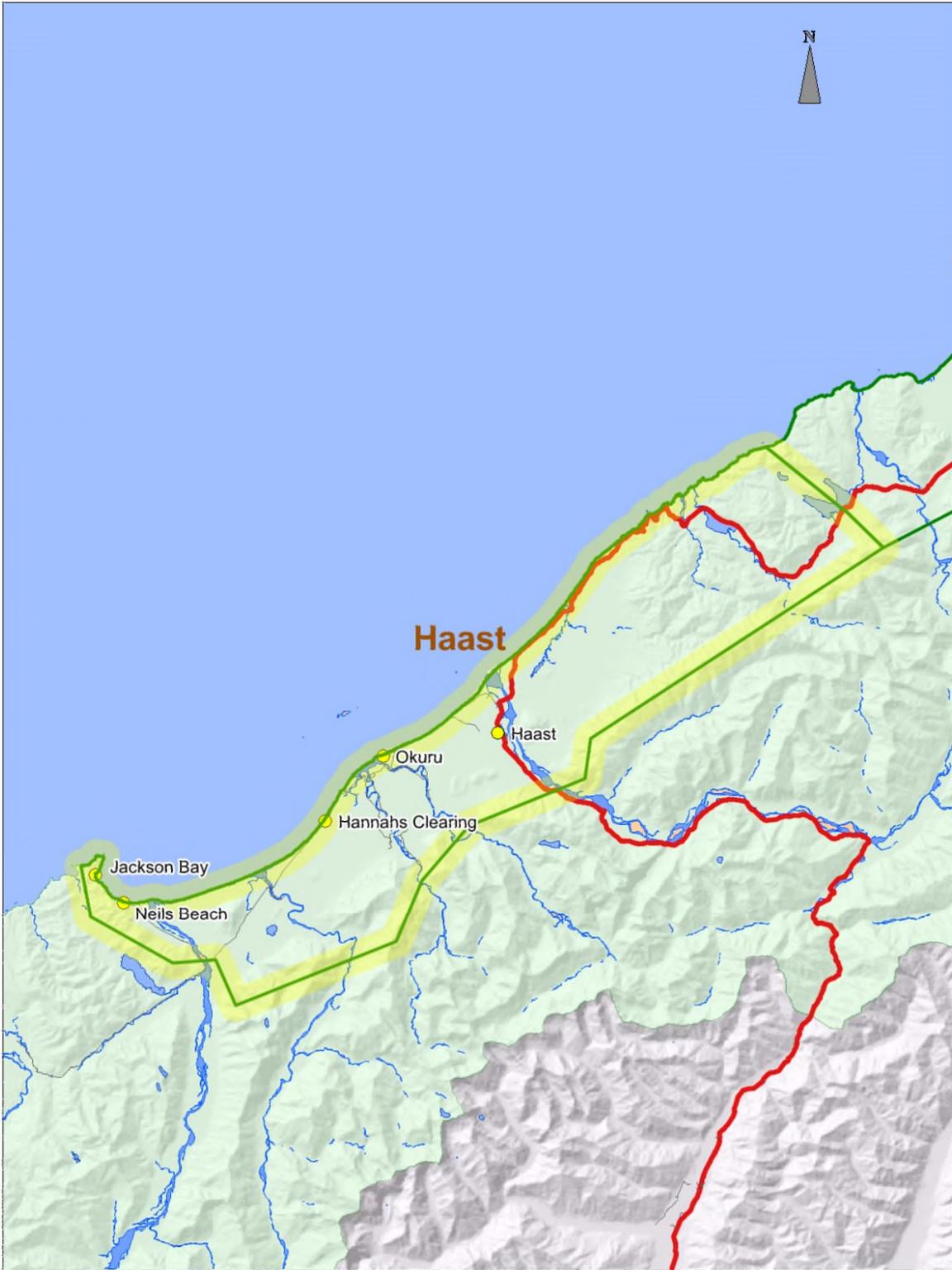
**Franz Josef Zone**  
*For Community Rating Purposes*





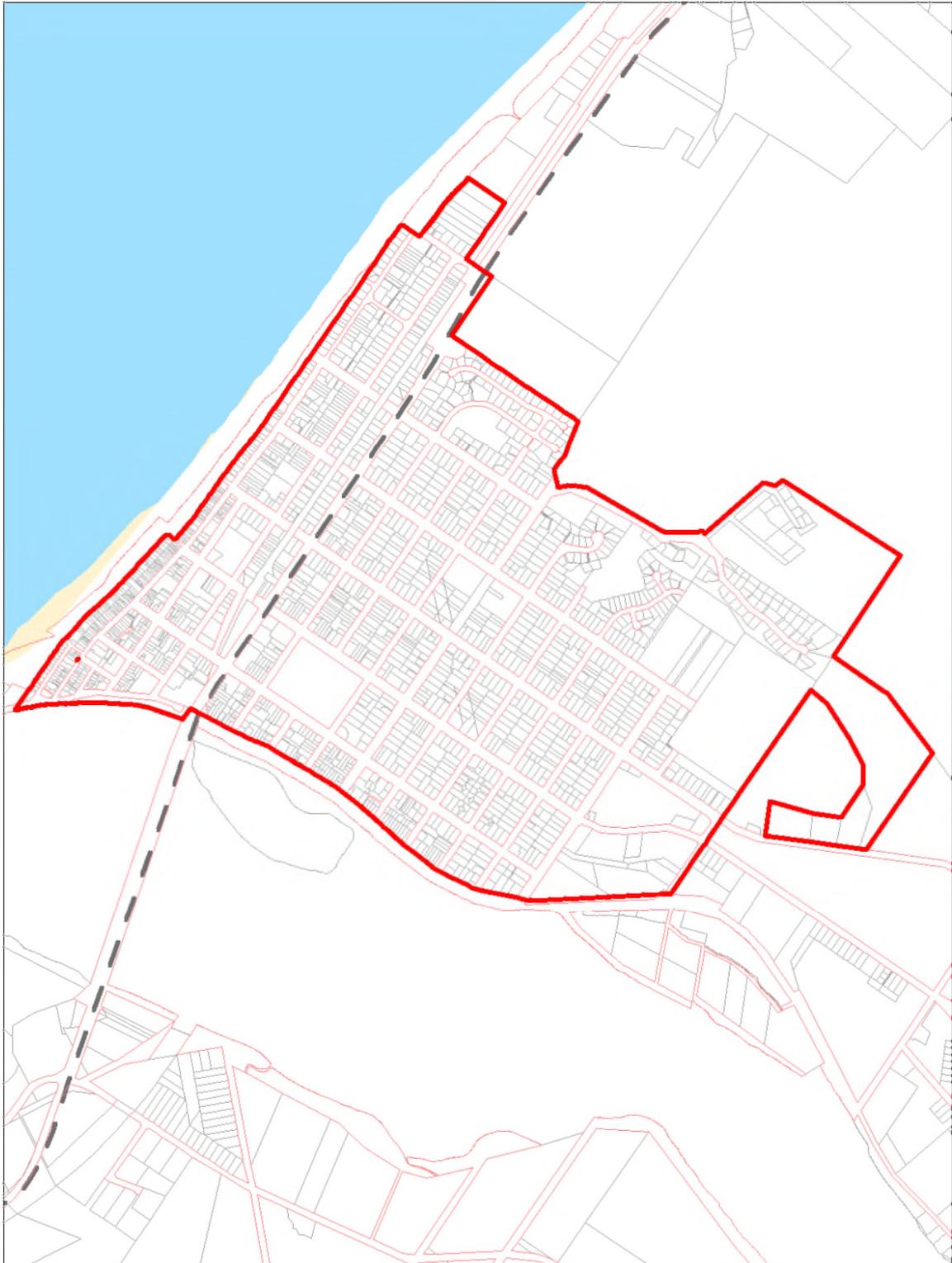
**Fox Glacier Zone**  
*For Community Rating Purposes*





**Haast Zone**  
*For Community Rating Purposes*





## Hokitika Promotions Rate Zone





# COMPREHENSIVE FUNDING IMPACT STATEMENT

The Funding Impact Statement is made up of three parts:

- Rates Information for 2018-19 including the Rating Policy,
- Rates Samples for 2018-19
- The Whole of Council FIS Statement for 2019-28.

The Funding Impact Statement is given effect by the Rating Policy and should be read in conjunction with the Revenue and Financing Policy and Financial Statements. The rates information and Rates Samples are GST inclusive; the Whole of Council Funding Impact Statement is GST exclusive.

## RATING INFORMATION FOR 2018-19

Council sets the following rates under the Local Government (Rating) Act 2002:

General Rates:

- General Rate
- Uniform Annual Charge

Targeted Rates:

- |                                      |                                 |   |
|--------------------------------------|---------------------------------|---|
| • Kumara Community Rate              | • Haast Community Rate          | • Kokatahi / Kowhitirangi Community Rates               |
| • Hokitika Community Rate            | • Water rates                   | • Kaniere Sewerage Capital Contribution Rate            |
| • Ross Community Rate                | • Metered Water Rates           | • Hannah's Clearing Water Supply Capital Repayment Rate |
| • Harihari Community Rate            | • Sewerage Rates                | • Emergency Management Contingency Fund Rate            |
| • Whataroa Community Rate            | • Refuse Collection Rates       |   |
| • Franz Josef Glacier Community Rate | • Tourism Promotion Rate        |   |
| • Fox Glacier Community Rate         | • Hokitika Area Promotions Rate |   |

Details of the activities these rates fund and the rating categories liable for the rates are listed below. This is followed by a table which shows how the rates are calculated and total revenue sought for each rate.

## General Rates

**General Rate** A general rate is set and assessed on the capital value of all rateable land in the district.

The general rate is set differentially based on the location of the land and use to which the land is put.

The differential categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and differential factors are in the Rating Policy.

**Uniform Annual General Charge** A uniform annual general charge is set and assessed on all rateable land in the district as a fixed amount per rating unit.

The general rate and uniform annual general charge fund part of the following activities: democracy, corporate services, inspections and compliance, resource management, emergency management, animal control, community development and assistance, library, museum, public toilets, land and buildings, cemeteries, transportation and solid waste.

## Targeted Rates

**Kumara Community Rate** The Kumara community rate is set and assessed as an amount per rating unit, on all rateable land in the Kumara community rate zone (as mapped in the Rating Policy). Within that area the rate is set based on the location of the land and the use to which the land is put.

The categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and the factors applied are in the Rating Policy.

The Kumara community rate funds all or part of the following activities: Transportation, township development fund, and parks and reserves.

**Hokitika Community Rate** The Hokitika community rate is set and assessed an amount per rating unit, on all rateable land in the Hokitika community rate zone (as mapped in the Rating Policy). Within that area the rate is set differentially based on the location of the land and the use to which the land is put.

The differential categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and differential factors are in the Rating Policy.

The Hokitika community rate funds all or part of the following activities: Transportation, stormwater, township development fund, parks and reserves, land and buildings (Carnegie Building, RSA Building, Custom House and Band rooms), community development and assistance (Regent Theatre), and swimming pools (Hokitika pool).

**Ross Community Rate** The Ross community rate is set and assessed as an amount per rating unit, on all rateable land in the Ross community rate zone (as mapped in the Rating Policy). Within that area the rate is set based on the location of the land and the use to which the land is put.

The categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and factors applied are in the Rating Policy.

The Ross community rate funds all or part of the following activities: Transportation, township development fund, parks and reserves, community halls (Ross Memorial and Waitaha) and swimming pools (Ross pool).

**Harihari Community Rate** The Harihari community rate is set and assessed as an amount per rating unit, on all rateable land in the Harihari community rate zone (as mapped in the Rating Policy). Within that area the rate is set based on the location of the land and the use to which the land is put.

The categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and factors applied are in the Rating Policy.

The Harihari community rate funds all or part of the following activities: Transportation, township development fund, and parks and reserves.

**Whataroa Community Rate** The Whataroa community rate is set and assessed as an amount per rating unit, on all rateable land in the Whataroa community rate zone (as mapped in the Rating Policy). Within that area the rate is set based on the location of the land and the use to which the land is put.

The categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and factors applied are in the Rating Policy.

The Whataroa community rate funds all or part of the following activities: Transportation, township development fund (including Okarito), and parks and reserves.

**Franz Josef /Waiau Community Rate** The Franz Josef Glacier community rate is set and assessed as an amount per rating unit, on all rateable land in the Franz Josef /Waiau community rate zone (as mapped in the Rating Policy). Within that area the rate is set differentially based on the location of the land and the use to which the land is put.

The differential categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and differential factors are in the Rating Policy.

The Franz Josef /Waiau community rate funds all or part of the following activities: Transportation, stormwater, township development fund, parks and reserves and community development & assistance (Glacier Country Promotions).

**Fox Glacier Community Rate** The Fox Glacier community rate is set and assessed as an amount per rating unit, on all rateable land in the Fox Glacier community rate zone (as mapped in the

Rating Policy). Within that area the rate is set differentially based on the location of the land and the use to which the land is put.

The differential categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and differential factors are in the Rating Policy.

The Fox Glacier community rate funds all or part of the following activities: Transportation, stormwater, township development fund, parks and reserves and community development & assistance (Glacier Country Promotions).

**Haast Community Rate**

The Haast community rate is set and assessed as an amount per rating unit, on all rateable land in the Haast community rate zone (as mapped in the Rating Policy). Within that area the rate is set based on the location of the land and the use to which the land is put.

The categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and factors applied are in the Rating Policy.

The Haast community rate funds all or part of the following activities: Transportation, stormwater, township development fund (Haast, Hannahs Clearing and Neils Beach), parks and reserves and community halls (Haast and Okuru).

**Water Rates**

Water rates are set and assessed as a fixed amount per connection for connected rating units and per rating unit for unconnected rating units, on all land, situated in specified locations, to which is provided or is available a council funded water supply service that is not metered.

The rate is set differentially depending on the nature of the connection to the land and the use to which the land is put. Commercial properties are defined as they are for the general rate (see Rating Policy).

The locations and differential categories are:

- Hokitika and Kaniere Treated water – Connected (all rating units other than commercial ones)
- Hokitika and Kaniere Treated water – Commercial connected
- Hokitika and Kaniere Treated water – Unconnected
- Rural Townships Treated water – Connected (all rating units other than commercial ones)
- Rural Townships Treated water – Commercial connected
- Rural Townships Treated water - Unconnected
- Rural Townships Untreated – Connected (all rating units other than commercial ones)
- Rural Townships Untreated –Commercial connected
- Rural Townships Untreated – Unconnected

Water rates fund part of the water supply activity.

**Metered Water Rates**

Water rates are set and assessed as a fixed charge per unit of water supplied on all properties located in a specified location and where the nature of the connection is a metered water supply.

The locations are:

- Hokitika and Kaniere metered water
- Rural Townships metered water

Metered water rates fund part of the water supply activity.

**Milk Treatment Plant Water Rates**

Water rates are set and assessed on the property used as a milk treatment plant in Hokitika. For 2018/19, the rates are:

- Hokitika Milk Treatment Plant rate fixed charge (includes water 0 to 2,000,000 m3)
- Hokitika Milk Treatment Plant metered water greater than 2,000,000 m3

Hokitika Milk Treatment Plant rates fund part of the water supply activity and as part of the first 2,000,000 m3 includes the cost of finance for the upgrade of the Hokitika Water Supply include the river intake, plant and new trunk main.

**Sewerage Rates**

Sewerage rates are set and assessed on all land to which is provided or has available to the land a council funded sewerage supply service.

The rates are:

- Sewerage Connected (per water closet or urinal)
- Sewerage Unconnected (per rating unit)

Sewerage rates fund part of the wastewater activity.

**Refuse Collection Rates**

Refuse collection rates are set and assessed as a fixed amount per bin on all land, located in specific locations, which is provided with a refuse collection service and according to where the land is situated.

The locations are:

- Hokitika refuse collection area
- Rural refuse collection area

A property may choose to have more than one supply and will pay a full refuse collection rate for each supply.

Refuse collection funds part of the solid waste activity.

**Tourism  
Promotion Rate**

The tourism promotion rate is set and assessed as an amount per rating unit on all rateable properties in the district.

The tourism promotion rate is set differentially based on the use to which the land is put and for commercial use properties on the capital value of the rateable properties.

The differential categories are:

- Commercial
  - Greater than \$10m
  - Greater than \$3m and up to \$10m
  - Greater than \$1m and up to \$3m
  - \$1m or less
- Residential, Rural Residential and Rural

The definitions of each category are the same as those in the Rating Policy for the general rate.

The tourism and promotions rate funds part or all of the following activities: West Coast Wilderness Trail, i-Site and community development & assistance (Tourism West Coast grant).

**Hokitika Area  
Promotions Rate**

The Hokitika area promotions rate is set and assessed as a fixed amount per rating unit on all rateable properties defined as commercial use properties (using the same definition as for the general rate) and located in Hokitika (as mapped in the Rating Policy).

The Hokitika area promotions rate funds the community development & assistance activity (Enterprise Hokitika grant).

**Kokatahi /  
Kowhitirangi  
Community Rates**

Kokatahi / Kowhitirangi community rates are set and assessed on all rateable properties located in the Kokatahi / Kowhitirangi Community area. The rate will be charged on the rateable land value of each property in the Kokatahi/Kowhitirangi area from Geologist Creek in the north to Hokitika Gorge in the south and the Kaniere/Kowhitirangi Road from Nesses Creek onward.

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

The Kokatahi / Kowhitirangi community rate funds the community development & assistance activity (Kokatahi / Kowhitirangi community grant).

**Kaniere Sewerage  
Capital  
Contribution Rate**

The Kaniere sewerage capital contribution rate is set and assessed as a fixed rate per rating unit on all rateable properties that are connected to the Kaniere sewerage scheme and have not repaid the capital amount.

The Kaniere Sewerage Capital Contribution Rate funds part of the Waste water activity (Kaniere sewerage upgrade loan).

**Hannah's Clearing  
Water Supply  
Capital  
Repayment Rate**

The Hannahs Clearing water supply capital repayment rate is set and assessed as a fixed rate per rating unit on all rateable properties located in Hannahs Clearing where the nature of the connection is a Council funded water supply.

The Hannahs Clearing water supply capital repayment rate funds part of the water supply activity.

**Emergency  
Management  
Contingency Fund  
Rate**

The emergency management contingency fund rate is set and assessed on the land value of all rateable properties in the district.

The emergency management contingency fund rate funds part of the emergency management & rural fire activity.

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

- Kaniere Sewerage Capital Contribution Rate
- Hannahs Clearing Water Supply Capital Repayment Rate

Rate	Factor	Rural	Rural Residential	Residential	Commercial	Units	Revenue		
<b>General Rates</b>							Inc GST \$	Ex GST \$	
General Rate	Capital Value	1,001,093,200	382,317,470	597,204,250	428,363,180	2,408,978,100			
	Per \$ Capital Value	0.001465556	0.001099167	0.001465556	0.002931111				
	Revenue	1,467,158	420,231	875,236	1,255,580		4,018,205	3,494,091	
Uniform Annual General Charge	Rateable Units	1,411	2,527	373	1307				
	Each	690	690	690	690				
	Revenue	974,030	1,744,417	257,141	902,237		3,877,825	3,372,022	
<b>Total General Rates</b>		<b>1,467,158</b>	<b>420,231</b>	<b>875,236</b>	<b>1,255,580</b>		<b>7,896,030</b>	<b>6,866,113</b>	
<b>Table 1, Part b</b>									
<b>Targeted Rates</b>									
		<b>Sector</b>				<b>Totals</b>			
Rate	Factor	Rural	Rural Residential	Residential	Commercial	Units	Revenue		
<b>Community Rates</b>							Inc GST \$	Ex GST \$	
Kumara	Rateable Units	108	131.9	182	11.1	433			
	Each	114	114	114	114				
	Revenue	12,278	14,995	20,691	1,262		49,227	42,806	
Hokitika	Rateable Units	566	699	1,723	189	3176.5			
	Each	419	419	559	1119				
	Revenue	237,409	293,407	963,376	210,884		1,705,076	1,482,675	
Ross	Rateable Units	117	22	170	12	321			
	Each	474	474	474	474				
	Revenue	55,503	10,437	80,646	5,693		152,279	132,416	
Harihari	Rateable Units	95	33	97	12	237			
	Each	112	112	112	112				
	Revenue	10,661	3,703	10,885	1,347		26,595	23,126	
Whataroa	Rateable Units	94	88	56	18	255			
	Each	157	157	157	157				
	Revenue	14,781	13,798	8,752	2,766		40,097	34,867	
Franz Josef	Rateable Units	77	44	140	63	324			
	Each	286.46	286.46	381.95	763.89				
	Revenue	22,057	12,604	53,472	48,125		136,259	118,486	
Fox Glacier	Rateable Units	88	53	81	37	259			
	Each	324	324	431	863				
	Revenue	28,475	17,150	35,163	31,495		112,283	97,638	
Haast	Rateable Units	198	218	79	27	522			
	Each	118	118	118	118				
	Revenue	23,419	25,785	9,344	3,194		61,742	53,689	
<b>Total Community Rates</b>	<b>Rateable Units</b>	<b>1,343</b>	<b>1,289</b>	<b>2,528</b>	<b>368</b>	<b>5527.5</b>			
	<b>Revenue</b>	<b>404,584</b>	<b>391,879</b>	<b>1,182,329</b>	<b>304,766</b>		<b>2,283,558</b>	<b>1,985,703</b>	
<b>Other Targeted Rates</b>									
		<b>Unit Amounts</b>				<b>Totals</b>			
Rate	Factor					Units	Revenue		
		\$	\$	\$	\$		Inc GST \$	Ex GST \$	
<b>Refuse Collection Rates</b>									
Hokitika Refuse Collection	Per bin				279	1,596	445,325	387,239	
Rural Refuse Collection	Per bin				279	1,423	397,114	345,316	
<b>Total Refuse Collection Rates</b>						<b>3,019</b>	<b>842,438</b>	<b>732,555</b>	
<b>Water Supply Rates</b>									
		<i>Connected non-commercial</i>	<i>Connected Commercial</i>	<i>Unconnected</i>					
Rural Township Untreated Water	Each	333	578	167		187 / 5 / 27			
Rural Township Treated Water	Each	444	778	222		558 / 39 / 87			
Hokitika/Kaniere Water	Each	444	778	222		1797 / 12 / 123	1,201,855		
Hannah's Clearing Capital	Each				575	10	5,750		
Hokitika Milk Treatment Plant Fixed Water Rate					3,128,230	1	3,128,230		
Metered Water Rates	Volumetric						405,950		
<b>Total Water Supply Rates</b>							<b>4,741,785</b>	<b>4,123,291</b>	
<b>Sewerage Rates</b>									
Connected	Each				448	3,735	1,673,897		
Unconnected	Each				224	181	40,559		
<b>Total</b>							<b>1,714,456</b>		
Kaniere Sewerage Capital	Each				417	56	23,352		
<b>Total Sewerage Rates</b>							<b>1,737,808</b>	<b>1,511,137</b>	
<b>Kokatahi / Kowhitirangi Community Rate</b>									
Rate	Factor	<b>Unit Amounts \$</b>				Units	<b>Revenue</b>		
							Inc GST \$	Ex GST \$	
Land Value	Per \$ Value				0.000063	201,060,000	12,758		
Uniform Basis	Rateable Units					74	12,758		
<b>Total Kokatahi / Kowhitirangi Community Rates</b>							<b>25,516</b>	<b>22,188</b>	
<b>Hokitika Area Promotions Rate</b>	Rateable Units					335	134	<b>44,850</b>	<b>39,000</b>
<b>Tourism Promotions Rates</b>									
Non Commercial	Each				8	5,237	41,403	<b>36,002</b>	
Commercial within Capital Value Range:		<i>Over \$10 million</i>	<i>\$3 - 10 million</i>	<i>\$1 - 3 million</i>	<i>\$0 - 1 million</i>				
	Units	5	13	70	294	381			
	Each	5,219	2,609	1,044	522				
	Revenue	26,093	33,921	72,538	153,327		285,878	<b>248,590</b>	
<b>Total Tourism Promotions Rates</b>							<b>327,281</b>	<b>284,592</b>	
<b>Total Other Targeted Rates</b>							<b>7,719,678</b>	<b>6,712,763</b>	
<b>Total Rates</b>							<b>17,899,266</b>	<b>15,564,579</b>	

Sector	Community	Capital Value 2017	Actual Rates 2017/2018 \$	Draft LTP Rates 2018/2019 \$	Value Change \$	Percentage Change %
Commercial	Fox Glacier	690,000	4,978	4,994	16	0.32%
Commercial	Franz Josef	1,060,000	12,491	15,465	2,974	23.81%
Commercial	Haast	1,290,000	6,636	5,633	- 1,002	-15.10%
Commercial	Hari Hari	235,000	3,162	2,791	- 371	-11.74%
Commercial	Hokitika	480,000	4,348	4,668	320	7.36%
Commercial	Kumara	165,000	2,809	2,422	- 387	-13.77%
Commercial	Ross	129,000	1,872	1,909	38	2.01%
Commercial	Whataroa	250,000	2,525	2,102	- 423	-16.74%
Residential	Fox Glacier	140,000	1,576	1,781	205	13.02%
Residential	Franz Josef	375,000	2,316	2,522	207	8.92%
Residential	Haast	230,000	1,820	2,046	226	12.41%
Residential	Hari Hari	114,000	1,272	1,311	39	3.07%
Residential	Hokitika	345,000	2,712	2,935	223	8.23%
Residential	Kumara	132,000	1,571	1,618	47	3.01%
Residential	Ross	170,000	2,085	2,145	60	2.89%
Residential	Whataroa	125,000	1,424	1,483	59	4.17%
Rural	Fox Glacier	130,000	1,131	1,212	82	7.22%
Rural	Franz Josef	89,000	1,098	1,115	17	1.54%
Rural	Haast	50,000	868	890	22	2.57%
Rural	Hari Hari	2,100,000	4,373	4,250	- 123	-2.82%
Rural	Hokitika	475,000	1,921	1,915	- 6	-0.30%
Rural	Kumara	12,000	813	829	17	2.05%
Rural	Ross	255,000	1,540	1,546	6	0.42%
Rural	Whataroa	1,170,000	2,587	2,525	- 62	-2.38%
Rural Residential	Fox Glacier	86,000	1,030	1,116	86	8.37%
Rural Residential	Franz Josef	290,000	1,296	1,303	8	0.60%
Rural Residential	Haast	245,000	1,073	1,086	13	1.19%
Rural Residential	Hari Hari	104,000	910	925	15	1.64%
Rural Residential	Hokitika	450,000	1,858	1,891	33	1.79%
Rural Residential	Kumara	161,000	1,246	1,268	22	1.73%
Rural Residential	Ross	570,000	2,071	2,078	7	0.33%
Rural Residential	Whataroa	295,000	1,163	1,180	17	1.47%

Annual Plan 30 June 2018 \$		LTP 30 June 2019 \$	LTP 30 June 2020 \$	LTP 30 June 2021 \$	LTP 30 June 2022 \$	LTP 30 June 2023 \$	LTP 30 June 2024 \$	LTP 30 June 2025 \$	LTP 30 June 2026 \$	LTP 30 June 2027 \$	LTP 30 June 2028 \$
	<b>OPERATING FUNDING</b>										
	<b>Sources of operating funding</b>										
7,006,077	General rates, UAGC and rates penalties	7,029,113	7,258,624	7,634,036	7,753,048	7,899,141	8,079,377	8,114,342	8,334,128	8,425,265	8,402,744
8,198,621	Targeted rates	8,673,160	9,022,574	8,846,707	8,671,063	9,008,603	9,264,327	9,420,289	9,592,460	9,752,447	9,815,668
2,235,269	Grants, subsidies and donations	1,942,569	1,994,656	1,835,214	1,806,078	1,857,067	1,910,391	1,968,316	2,031,259	2,099,554	2,173,741
2,409,414	Fees and charges	1,840,137	1,885,101	1,929,434	1,970,489	2,018,822	2,059,212	2,107,106	2,162,943	2,209,527	2,265,399
622,314	Interest and dividends from investments	608,515	619,478	631,219	643,150	655,908	669,537	683,412	698,815	715,561	734,139
4,673,019	Local authorities fuel tax, fines, infringement fees and other	4,329,948	4,512,935	4,839,152	4,643,239	4,691,089	5,037,067	4,878,757	4,951,336	5,346,847	5,113,716
25,144,714	<b>Total operating funding</b>	24,423,441	25,293,368	25,715,763	25,487,067	26,130,631	27,019,911	27,172,221	27,770,941	28,549,202	28,505,408
	<b>Applications of operating funding</b>										
18,684,923	Payments to staff and suppliers	18,693,335	19,106,911	19,767,474	19,752,361	20,039,213	20,790,343	20,816,233	21,284,843	22,116,292	22,099,008
777,592	Finance costs	756,669	797,398	831,090	880,314	981,897	1,031,640	1,049,027	998,404	947,769	897,122
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
19,462,515	<b>Total applications of operating funding</b>	19,450,004	19,904,309	20,598,564	20,632,675	21,021,110	21,821,983	21,865,259	22,283,247	23,064,061	22,996,130
5,682,199	<b>Surplus/(deficit) of operating funding</b>	4,973,437	5,389,059	5,117,199	4,854,392	5,109,520	5,197,928	5,306,962	5,487,694	5,485,140	5,509,278
	<b>CAPITAL FUNDING</b>										
	<b>Sources of capital funding</b>										
2,391,040	Grants, subsidies and donations	3,753,695	1,798,153	2,040,984	2,159,167	2,203,234	2,247,302	2,293,205	2,340,945	2,390,521	2,441,933
93,795	Development and financial contributions	93,336	94,936	96,650	98,399	100,271	102,270	104,316	93,347	95,583	98,063
2,760,196	Increase/(decrease) in debt	1,044,324	863,899	1,262,148	2,604,706	1,275,454	445,812	(1,298,013)	(1,298,327)	(1,298,643)	(1,298,963)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
5,245,031	<b>Total capital funding</b>	4,891,355	2,756,988	3,399,782	4,862,272	3,578,959	2,795,384	1,099,507	1,135,965	1,187,460	1,241,033
	<b>Applications of capital funding</b>										
60,300	Capital expenditure - meet additional demand	39,300	30,650	10,480	21,340	10,960	22,280	11,470	23,270	12,000	24,320
588,800	Capital expenditure - improve level of service	4,844,880	2,731,845	2,729,681	3,545,102	2,459,204	1,672,817	12,600	12,884	13,178	13,484
6,721,475	Capital expenditure - replace existing assets	4,123,713	4,405,048	3,328,543	3,807,697	4,134,084	4,598,429	4,097,291	4,514,038	4,457,928	4,494,355
3,556,654	Increase/(decrease) in reserves	856,899	978,504	2,448,277	2,342,525	2,084,231	1,699,786	2,285,108	2,073,467	2,189,495	2,218,152
-	Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-
10,927,229	<b>Total applications of capital funding</b>	9,864,792	8,146,047	8,516,981	9,716,664	8,688,479	7,993,311	6,406,469	6,623,659	6,672,601	6,750,311
(5,682,198)	<b>Surplus/(deficit) of Capital Funding</b>	(4,973,437)	(5,389,059)	(5,117,199)	(4,854,392)	(5,109,520)	(5,197,928)	(5,306,962)	(5,487,694)	(5,485,140)	(5,509,278)
-	<b>Funding balance</b>	-	-	-	-	-	-	-	-	-	-

# Report



**DATE:** 16 May 2018

**TO:** Mayor and Councillors

**FROM:** Group Manager: Corporate Services

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## REVENUE AND FINANCING POLICY

### 1.0 SUMMARY

- 1.1 The purpose of this report is to seek Council approval of the Revenue and Financing Policy, attached as **Appendix 1**, for consultation.
- 1.2 This issue has arisen from an administrative amendment to the Revenue and Financing Policy on which Council is required to consult by Section 102 (4) (a) of the Local Government Act 2002 (LGA).
- 1.3 A Long Term Plan must include Council's adopted Revenue and Financing Policy.
- 1.4 Council seeks to meet its obligations under the LGA and the achievement of the District Vision adopted by the Council in May 2018, which will be set out in the next Long Term Plan 2018-28 (LTP). These are stated on Page 2 of this agenda.
- 1.5 This report recommends the Revenue and Financing Policy, attached **Appendix 1**, be adopted for consultation concurrently with the LTP consultation as provided by LGA s83A.

### 2.0 BACKGROUND

- 2.1 The current Revenue and Financing Policy was adopted in the 2015/25 LTP and is required to be reviewed every three years.
- 2.2 During 2014 Council completed a Rating Review which made significant changes to the rating methodology.
- 2.3 There have been no changes to the rating methodology since that time.

### 3.0 CURRENT SITUATION

- 3.1 The changes to the rating system were implemented from 1 July 2015.
- 3.2 The current rating system has been reviewed and no changes are recommended.
- 3.3 The only change to the Revenue and Financing Policy is to the dates.
- 3.4 The Revenue and Financing Policy outlines the sources of funds and how those sources will be used by Council. The policy gives effect to the decisions from the Rating Review and provides for the lawful collection and use of all funding sources.
- 3.5 The Revenue and Financing Policy is supported by the Funding Needs Analysis, Rating Policy and Funding Impact Statement.
- 3.6 The policy has been reviewed by Audit New Zealand.

### 4.0 OPTIONS

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

### 5.0 SIGNIFICANCE AND ENGAGEMENT

- 5.1 The Revenue and Financing Policy defines the methods by which Council will fund its activities and thus the application of rates therefore is deemed to be of high significance.
- 5.2 Changes to the Revenue and Financing Policy require public consultation, applying the principles of LGA Section 82. As a s82 consultation, Council must make the following available:
  - 5.2.1 The proposal (being the Revenue and Financing Policy attached as **Appendix 1**).
  - 5.2.2 The reasons for the proposal; being the policy is updated as a consequence of administrative changes in dates within the policy. There are no other changes to the Revenue and Financing Policy.
- 5.3 It is proposed that the consultation takes place concurrently with the LTP consultation; as it is efficient to do so and would ensure that ratepayers are informed of all interdependent issues at the same time.

## 6.0 ASSESSMENT OF OPTIONS

### 1. Adopt the Policy (recommended)

- 6.1 The proposal is subject to consultation.
- 6.2 The changes are administrative only and reflect the current rating system.
- 6.3 Council must undertake a process so that this policy can be adopted prior to adoption of the LTP.

### 2. Adopt a Modified Policy

- 6.4 Minor modifications may be possible, however due to the complex nature of the policy it may not be wise to make ad-hoc changes at this time. Changes can be made following the consultation.
- 6.5 Changes cannot be inconsistent with current Rating System without further consultation.

### 3. Reject the Policy.

- 6.6 If Council reject the policy, it must revisit principles it previously determined and develop a new policy.
- 6.7 The Revenue and Financing Policy is a statutory component of a Long Term Plan. LTP consultation cannot proceed without this and hence the statutory deadline for LTP adoption would certainly be missed.

## 7.0 PREFERRED OPTION AND REASONS

- 7.1 Option 1; adopt the proposal, is the preferred option because it reflects the decisions from the current Rating System in a legally compliant form.

## 8.0 RECOMMENDATION

- A) **THAT** Council adopts the Revenue and Financing Policy, attached as **Appendix 1**, for consultation concurrent with the LTP consultation.

**Lesley Crichton**  
**Group Manager: Corporate Services**

**Appendix 1:** Revenue and Financing Policy

# **REVENUE AND FINANCING POLICY**

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

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## **CONTENTS**

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

## INTRODUCTION

This policy outlines the choices Council has made about the appropriate funding of operational and capital expenditure from the sources<sup>1</sup> of funds listed in the Local Government Act 2002 (LGA). The policy also shows how Council has complied with section 101(3)<sup>2</sup>. The comprehensive section 101(3) analysis is separately documented in the Funding Needs Analysis.

Determining the appropriate way to fund Council activities is complex. It is a process that takes account of many variables including, but not limited to, the following matters:

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

In determining the appropriate Revenue and Financing Policy, Council plans to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

### Funding Principles

Council has determined the following basic principles to guide the appropriate use of funding sources.

- User charges are preferred when a private benefit can be identified and it is efficient to collect the revenue.
- Subsidies, grants and other income options are fully explored prior to rates being used.
- Each generation of ratepayers should pay for the services they receive and borrowing can assist to achieve this outcome.
- Capital expenditure to replace assets that reach their projected economic life is firstly funded from asset renewal reserves built up over time by funding depreciation, rates and then borrowing.
- Capital expenditure to upgrade or build new assets is funded firstly from other sources (e.g. subsidies, grants, fundraising, financial contributions) and then borrowing.

Complying with these principles can at times be challenging. The Council must apply judgment in assessing many options to determine appropriateness in its development of budgets or acquisition of assets and the choice of funding sources to implement these.

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<sup>1</sup> The sources of funds are listed in section 103(2).

<sup>2</sup> All legislative references are to the Local Government Act 2002 unless otherwise stated.

### **Related Policies**

The Development and Financial Contributions Policy provides further analysis, as required by section 106(2)(c). This explains why Council has chosen to use financial contributions but not development contributions to fund the capital expenditure needed to meet increased demand for community infrastructure.

The Westland District Plan determines those matters that financial contributions are required under the Resource Management Act 2001.

The Liability Management Policy places restrictions on the use of borrowing as a funding source.

The Investment Policy places conditions on how surplus funds should be invested, the reasons for holding investments, the type of investments that may be held, and how they might be used as a source of funds.

The Rating Policy, sits with the Funding Impact Statement, and further clarifies the funding requirements of Council by documenting matters not included in the Funding Impact Statement, rates resolution or this policy. It includes the allocation of activity rates requirements to different rate types, detailed definitions and maps for rating areas.

The Funding Impact Statement is included in each Long-term Plan and Annual Plan as required by clauses 15 or 20 of schedule 10. This statement shows the basis for the rates calculation for the following year. Together the above documents form the necessary components to lawfully charge under the LGA for the revenue requirements of Council. Council must also comply with other legislation in regard to the setting of some fees and charges and the Local Government (Rating) Act 2002 for the setting of rates.

### **Previous reviews**

In 2004/14 Council prepared its first Long Term Council Community Plan (later to be named the Long Term Plan). A requirement of the plan was to every three years review and consult on the Revenue and Financing Policy. The Funding Needs Analysis was incorporated in its entirety in these previous Revenue and Financing Policies, but is now separated, to enhance clarity of the separate requirements of the parts of the Act.

At each review Council has considered particular activities that may need re-analysis and made incremental changes. In 2013 it became apparent that Council needed to undertake a first principles review of its rating policies. This review was undertaken during 2014 culminating in December 2014 with a decision to change the rating system.

Following the 2014 review, this policy along with the Funding Needs Analysis became effective from 1 July 2015, after Council approval.

## FUNDING SOURCES FOR OPERATING COSTS

Operating costs are the day to day spending that maintains the services delivered by Council. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and corporate overheads.

Council must consider the funding of each activity in a way that relates exclusively to that activity. Some activities may be best funded by user charges, such as swimming pool admission fees, others with targeted rates, such as a water rate, and others from the general rate, such as road maintenance. Distinct funding enables ratepayers or payers of other charges to assess more readily whether or not the cost of the service provided to them, either directly or indirectly, represents good value. They can also more easily determine how much money is being raised for the service and spent on the service, which promotes transparency and accountability. The funding sources for operating costs include:

### User charges

User charges are used for services where there is a benefit to an individual or group. User charges is a broad group of revenue charged directly to an individual or entity. It includes:

- Entry fees.
- Service charges.
- Hire.
- Rent, lease, licenses for land and buildings.
- Permits
- Regulatory charges.
- Fines and penalties.
- Connection fees.
- Disposal fees.
- Deposits.
- Private works.
- Memberships.
- Planning and consent fees.
- Statutory charges.
- Retail sales.

The price of the service is based on a number of factors, including:

- The cost of providing the service.
- The estimate of the users' private benefit from using the service.
- The impact of cost to encourage/discourage behaviours.
- The impact of cost on demand for the service.
- Market pricing, including comparability with other councils.
- The impact of rates subsidies if competing with local businesses.
- Cost and efficiency of collection mechanisms.
- The impact of affordability on users.
- Statutory limits.
- Other matters as determined by Council.

Council's ability to charge user charges is limited by the powers conferred to it by many statutes and regulations. As a general rule fees for statutory functions should be set at no more than the cost of providing the service. In some cases legislation sets the fees at a level that is below cost and in other cases, where provided by legislation (e.g. Waste Minimisation Act 2008) Council may set fees at greater than the cost of providing the service. Council considers it appropriate to incorporate overhead charges in the determination of the cost of providing a service.

Where Council is charging for the sale of goods or services not required by statute, Council's preference is to charge a market price, having regard to the powers conferred by section 12. This includes leases, rents and licenses for land and buildings.

Fees and charges may be set by Council at any time and are reviewed by Council annually. A list of regular fees and charges is maintained on Council's website.

User charges revenue is allocated to the activity which generates the revenue.

### Grants, sponsorship, subsidies and other income

Grants, sponsorship and subsidies are used where they are available. Many of these items are regular and predictable and therefore can be budgeted. Some items of other income are unexpected or unpredictable and may not be able to be prudently budgeted (e.g. reparation payments, Civil defence and other reimbursements, legal settlements and insurance pay-outs)

Council expects to continue receiving substantial subsidies for road maintenance from government or its agencies.

### **Investment income**

Council has an Investment Policy which determines the types of investments Council has and procedures for the management of these. These investments generate income such as dividends, interest, forestry returns, rents and surpluses on disposal. The policy places some restrictions on the use of revenue generated from some investments.

Each source of income is receipted to the activity that owns the asset.

Council maintains reserves funds and much of the income received by Council is allocated to reserve balances and is not used to reduce rates requirements for operating costs.

### **Financial contributions**

Council collects financial contributions under the Reserve Management Act 2001. The purpose of these contributions is outlined in the Westland District Plan and Development and Financial Contributions Policy. Most contributions are made by vesting assets in Council. Some contributions are paid in cash and the Westland District Plan allows for some of these contributions to be used for operating expenses.

Council's approach is to deposit receipts into a reserve fund and to withdraw from that fund for specific projects. These projects are generally in addition to the normal operating budgets but may not meet the accounting definition of capital expenditure (e.g. the establishment of a garden).

### **Development contributions, proceeds from the sale of assets and lump sum contributions**

Council does not collect revenue from lump sum contributions and development contributions to fund operating costs. Low value proceeds from sale of assets may be used to fund operating costs.

### **Reserve funds**

Council maintains reserve funds. These cash reserves have generally come about from unspent rates, investment income, bequests or other revenue sources in a previous year. Many of these reserve funds are for capital expenditure however some of these reserve funds are available to meet operating costs.

Council generally uses these funds for the purposes that the reserve was created and usually for new projects additional to normal operating expenditure. Council at times may use these funds to minimise or smooth changes in rates.

### **Borrowing**

Council may in exceptional circumstances borrow to fund operating costs where it is prudent to do so. Council has budgeted to not require borrowing for operating expenses, except as part of a major capital project, where accounting rules determine a project cost cannot be capitalised. If an unexpected event occurs, Council has limited reserves and may during a financial year resolve to fund some operating expenses from borrowing.

### **Rates**

Having been prudent and appropriately exhausting all other funding sources, Council funds its remaining operating expenses from rates. For many activities this is the main funding source.

Council must determine whether the portion of an activity to be funded from rates is to be funded from a general rate or a targeted rate.

In doing this, while considering all the matters of section 101(3), Council placed emphasis on developing a simple more easily understood rating system. Council has taken the view that rates are more akin to a tax and are not a payment for services received.

As a result the default stance is that an activity should be funded from the general rate unless Council determines a targeted rate is justified to more appropriately allocate the rates to a community or sector or connected property.

### **Summary of sources of funding for operating expenditure by activity**

Council has developed the above preferences for the use of the funding sources after completing the activity analysis for each activity in its Funding Needs Analysis. Table 2 describes the extent each funding source is used expressed in ranges. These ranges are expressed as a percentage of the cost of the activity. A key to interpret the graphics follows the table.

**Table 2: Summary of funding sources by activity**

Activity	User charges	Grants, subsidies & other	Invest. Income	Fin. Cont.	Reserve Funds	Borrowing	General Rates	Targeted rates
<b>Leadership:</b>								
Democracy	x	x	x	x	x	x	✓	x
Corporate Services	✓	x	x	x	x	x	✓	x
Council Controlled Organisations	x	x	✓	x	x	x	x	x
<b>Planning &amp; Regulatory Services:</b>								
Inspections & Compliance	✓	x	x	x	x	x	✓	x
Resource Management	✓	x	x	x	x	x	✓	x
Emergency Management & Rural Fire	x	✓	x	x	x	x	✓	x
Animal Control	✓	x	x	x	x	x	✓	x
<b>Community Services:</b>								
Community Development & Assistance	x	✓	x	x	x	x	✓	✓
Community Halls	✓	x	x	x	x	x	✓	✓
Township Development Fund	x	✓	x	x	x	x	x	✓
<b>Leisure Services &amp; Facilities:</b>								
Library	✓	✓	x	x	x	x	✓	x
Museum	✓	✓	x	x	x	x	✓	x
Swimming Pools	✓	x	x	x	x	x	x	✓
i-Site	✓	x	x	x	x	x	x	✓
Parks & Reserves	✓	x	x	✓	✓	x	x	✓
West Coast Wilderness Trail	x	x	x	x	x	x	x	✓
Public Toilets	x	x	x	x	x	x	✓	x
Land & Buildings	✓	x	✓	x	x	x	✓	x
Cemeteries	✓	x	x	x	x	x	✓	x
Elderly Housing	✓	x	x	x	✓	x	✓	x
Wild Foods Festival	✓	✓	x	x	x	x	✓	x
<b>Infrastructure:</b>								
Transportation	x	✓	x	x	x	x	✓	✓
Water Supply	x	x	x	x	x	x	x	✓
Wastewater	✓	x	x	x	x	x	x	✓
Stormwater	x	x	x	x	x	x	x	✓
Solid Waste	✓	x	x	x	✓	x	✓	✓

**Key**

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

Council budgets will normally be set within these ranges. As these ranges are expressed as a percentage of the cost of the activity they may change over time because of changes in expenditure rather than changes in revenue. Budgets are set within these ranges, it is however likely that actual funding sources may be different from budgeted funding sources due to unexpected events happening during a financial year. In years subsequent to 2015/16, if budgets were marginally outside these ranges, it is unlikely that Council will consider this to be a matter with a high degree of significance. As such Council is unlikely to update the policy. Significant changes are required to have the policy updated and these may require to be consulted upon.

Council has reviewed this policy and there are no significant changes.

## **FUNDING SOURCES FOR CAPITAL COSTS**

Capital costs are those costs associated with the purchase and improvement of assets and for the repayment of debt. The funding sources for capital costs include:

### **User charges**

User charges are generally not available for capital costs as individual user contributions would generally be too large to be affordable. Borrowing and charging users annually for financing costs (interest and principal) via rates is often a more affordable method of charging users contributions.

Council does charge for capital works that are solely for private benefit (e.g. a network extension to a single dwelling) or where capital works are undertaken outside of asset management plans at the request of individuals (e.g. a rural seal extension for dust suppression).

### **Grants, subsidies, and other income**

Council relies on a significant subsidy for capital works in its roads and bridges activity. Other activities are able to access grants and subsidies from time to time. Other income can be from many and varied sources and is unlikely to be predictable enough to budget for in advance. Other income used to fund capital expenditure could include bequests, insurance payouts, and legal settlements.

Grants, subsidies and other income are used wherever they are available.

### **Development contributions**

Council has chosen not to collect development contributions.

### **Financial contributions**

Council collects financial contributions under the Resource Management Act 2001. The purpose of these contributions is outlined in the Westland District Plan and Development and Financial Contributions Policy. Most contributions are received as revenue by the vesting of assets in Council; some contributions (reserve contributions) are paid to Council.

Council's approach is to deposit receipts into a reserve fund and to draw funds from that account for specific projects that meet the purpose for which the funds were collected.

Council has a Development and Financial Contributions Policy that, in addition to the requirements of sections 101(3) and 103 describes funding matters further as stipulated by section 106(2)(c).

### **Proceeds from the sale of assets**

From time to time Council disposes of assets. Many of these are low value items and the revenue is received by the activity that owns the assets.

Council's property activity holds some higher value assets that are intended for sale. Unrestricted proceeds from the sale of these assets will be used to repay debt, unless resolved otherwise by Council. Restricted revenues will be placed in a reserve fund and used for the purpose required by the document that imposes the restriction (e.g. endowments).

### **Reserve funds**

Council maintains various reserve funds for capital projects and will approve the use of the funds when a project meets the specific criteria for the reserve. These reserve funds may include bequests, depreciation or asset renewal reserves and financial contribution reserves.

### **Borrowing**

For larger capital projects that provide a long-term benefit to the community, Council may determine that borrowing the funds is an appropriate method of allocating the costs of a project over time to users. Borrowing, both the capital (principal) and interest components, is generally repaid by future rates. Council may resolve to capitalise interest repayments on some debt, where it considers it most likely (prudent) that another funding source (e.g. property sales or grants) will be able to repay the accumulating debt. Where it is not practical to obtain third party revenue and where reserve funds haven't previously been set aside, Council prefers borrowing as a funding source. Borrowing spreads the cost of the project over a longer period, smoothing changes in rates and contributing to intergenerational equity.

### **Lump sum contributions**

Council has the option when undertaking a major project to seek lump sum contributions to the capital cost of the project from those who are identified in the projects "capital project funding plan"<sup>3</sup>. Lump sum contributions are provided for in the Local Government (Rating) Act 2002 and have stringent requirements placed on how they are used. Where a lump sum payment option is proposed ratepayers choose to participate or not. Council has previously used these provisions and may do so in the future. Council will consider for major projects, requiring funding from borrowing, whether it wishes to seek lump sum contributions.

### **Rates**

Rates are used firstly to fund the day to day operational expenses including depreciation and borrowing interest costs. A portion of rates funds the capital (principal) repayments of debt, generally using table loan calculations. Rates will be used to fund some small items of capital expenditure. Rates are not a practicable method to fund large projects in the year of expenditure.

Council funds some capital projects, for maintaining service levels, in advance by collecting rates for depreciation (an operating expense). These funds are placed into depreciation or asset renewal reserve funds.

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<sup>3</sup> Local Government (Rating) Act 2002 - s.117A

### Analysis for capital expenditure by activity

Council has developed the above preferences for the use of the funding sources for capital costs after completing the activity analysis for each activity in its Funding Needs Analysis. Council will fund capital costs on the same basis as determined by the operating costs funding policy, unless Council resolves otherwise. Such a resolution that follows the following funding guidelines will be considered consistent with this policy and not require amendment to the policy. It is not practicable to determine a funding policy for an unknown future project at this time.

Council uses the following guidelines when considering the funding of capital projects:

- A Funding Needs Analysis will be completed.
- All projects are first funded from grants, subsidy or other income.
- Renewal projects that maintain the same service level are then funded from reserves set aside for this purpose.
- Other reserve funds (e.g. financial contributions) are considered.
- Lump sum rating options are considered.
- Capital projects that have exhausted previous funding sources or are for new or increased service levels or for growth are then funded from borrowing.

A single project may have a mix of each of these funding options.

Generally it is not practical to create separate funding policies for each and every capital project. Council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity. Whenever Council resolves to consider funding for a capital project Council will consider the sources of funds above and the guidelines for applying those to a capital project. Generally Council will resolve the funding policy at the time the project is proposed in an Annual Plan or Long-term Plan.

## OVERALL IMPACT FUNDING CONSIDERATIONS

Council is required by section 101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the community. It allows Council, as a final measure, to modify the overall mix of funding in response to these considerations.

1. Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years for the purpose of smoothing the cost to users and ratepayers.
2. While an unbalanced budget is neither prudent nor sustainable in the long term, Council may choose to not fund some operating costs in the short term:
  - a. In order to phase costs and set rates at affordable levels.
  - b. Where short term expenditure [projects] is expected to deliver long term savings
3. Council may waive or discount fees and charges where it considers it appropriate to do so. Some matters Council may consider in deciding whether it is appropriate to waive fees are for social reasons, for the promotion of events and facilities, for commercial reasons, or to compensate for poor service.
4. Council may remit rates where it considers it appropriate to do so and as documented in the Rates Remissions Policy. These policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (e.g. additional or no provision of some services).
5. Council having determined to use a differentiated rate will modify the rate to adjust the rate for different rating categories. This adjustment is complex and takes account of the matters raised in paragraph two of the introduction to this policy.

## RATES

Council's final consideration of revenue and financing policy for rates comes:

- After consideration of how the funding source will be used to fund operating and capital costs, and
- After that has been applied to activities in the Funding Needs Analysis, and
- After being adjusted for the overall funding considerations

The following section outlines the revenue and financing policy requirements that are relevant to setting rates. To have a full understanding of rates they should be read having regard to the analysis above and in conjunction with the Rating Policy, Funding Impact Statement and Rates Resolution.

### General rates

Council has chosen to have two general rates; a uniform annual general charge (UAGC) and a general rate based on the value of the property.

Council has chosen capital value as the basis by which to calculate the general rate and to apply a differentiated general rate based on the use of a rating unit. The Rating Policy documents how Council calculates the general rate differentials.

Council has determined in its Funding Needs Analysis that all or part of the following activities should be funded from the general rate:

- Democracy
- Corporate services
- Inspections and compliance
- Resource management
- Emergency management
- Animal control
- Community development and assistance
- Library
- Museum
- Public toilets
- Land and buildings
- Cemeteries
- Transportation
- Solid Waste

The UAGC is assessed on each rateable rating unit and is used to fund all activities funded from general rates. The Rating Policy document describes how Council calculates the UAGC.

### Targeted rates

Council has determined in its Funding Needs Analysis that all or part of the following activities should be funded from targeted rates:

- Community halls
- Township development fund
- Swimming pools
- i-Site
- West Coast Wilderness Trail
- Water supply
- Parks and Reserves
- Land and Buildings
- Transportation
- Wastewater
- Stormwater
- Solid Waste

In funding the above activities from targeted rates Council uses the following types of targeted rates. More information on the calculation of each rate, including the percentage of the rate requirement of an activity to be collected for each rate and the rating area maps, can be found in the Rating Policy.

**Table 1: Targeted rate types**

Name	Activities funded
<b>Community rates</b>	Activities where Council considers every property in a community zone receives a benefit.
<b>Tourism promotions rate</b>	Tourism promotion activities where Council considers businesses should contribute a greater portion.
<b>Refuse collection rate</b>	To fund the cost of kerb-side refuse collection, recycling and disposal.
<b>Water rates</b>	To fund water supply.
<b>Sewerage rates</b>	To fund wastewater treatment and disposal.
<b>Kokatahi community rate</b>	To fund projects in the Kokatahi community.
<b>Kaniere sewerage capital contribution rate</b>	To recover the capital cost of the extension of the sewerage system to Kaniere.
<b>Hokitika area promotions rate</b>	To fund Enterprise Hokitika.
<b>Emergency Management Fund rate</b>	To accumulate a reserve in case of an emergency.
<b>Hannahs Clearing water supply capital repayment rate</b>	To recover the cost of installing water supplies.

### **Differentiation by Use**

Council has chosen to differentiate the general rate and each community rate using the following categories of use:

- Residential
- Rural Residential
- Commercial
- Rural

Each year Council will determine the rating differential factors when it adopts its Rating Policy prior to the adoption of the Funding Impact Statement as part of an Annual Plan or Long-term Plan.

When setting the differential Council shall consider the following matters to determine the appropriate rating differential factors:

- Council's approach to rates funding as documented in this Revenue and Financing Policy.
- The activities funded by each rate.
- The effect (if applicable) of changes in valuations.
- The rates differentials and revenue collected from each sector for the previous year and the implications of changing those differentials as it affects individual ratepayers.
- For community rates the mix of properties and nature of services funded in each community.

# Report



**DATE:** 16 May 2018

**TO:** Mayor and Councillors

**FROM:** Group Manager, Corporate Services

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## ADOPTION OF THE DRAFT COUNCIL PLAN 2018–28 AND CONSULTATION DOCUMENT, AND APPROVAL TO PUBLICLY NOTIFY THE CONSULTATION DOCUMENT

### 1.0 SUMMARY

- 1.1 The purpose of this report is for Council to approve the components of the draft Council Plan 2018–28 (the Long Term Plan) and Consultation Document being publicly notified, for a month long public feedback process.

Included in the content of the draft Council Plan is the draft Revenue & Financing Policy. The adoption of this draft policy for consultation, through the Consultation Document process, is subject to a separate Council resolution.

- 1.2 The public consultation period would be 17 May – 15 June 2018.
- 1.3 By providing approval at this time, Council is signalling to the public that it is comfortable with the framework and direction that the draft Council Plan is taking. It is confirming that it is providing the public with a Consultation Document that is an accurate and representative example of its financial modelling, strategies, policies and “Right Debate” issues that it intends to include in the final Council Plan.
- 1.3 Council must note that, although the draft Council Plan information and the Consultation Document have been audited, the final written Audit New Zealand approval has not been received at the time of this agenda item being distributed. The written approval will be tabled prior to this agenda item being considered by Council.
- 1.4 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in May

2018, which will be set out in the next Long Term Plan 2018-28. These are stated on Page 2 of this agenda.

1.6 This report concludes by recommending that Council:

Adopt the draft components of the Council Plan 2018 – 2028 and the Consultation Document, and

Approve the Consultation Document being publicly notified, and the draft Council Plan components of the Council Plan being made accessible to the public, for a month long public feedback process to occur.

## 2.0 BACKGROUND

2.1. Council is required to produce a 10 year plan every 3 years. The current plan was adopted in June 2015 and it is intended that this operational document be replaced in June 2018.

2.2 Councillors have developed and reviewed all of the draft Council Plan 2018 – 2028 information. Some of the components have been the subject of earlier separate consultation processes.

The draft components of the Plan will be made available to the public as a source of further information for public discussion and input. The amount of information is substantial so Council will encourage people to access it electronically i.e. via the Council website.

*The full draft Revenue and Financing policy* will be on the website, as only a summary is contained in the Consultation Document.

*Ancillary information* will also be on the website i.e. information that will not be in the Council Plan but which needs to be referred to in order to understand the Revenue and Financing Policy (this is the Funding Needs Analysis and the Rating Policies).

All of the information described above is on the Council **website** for Councillors and other interested parties to access:

[www.westlanddc.govt.nz](http://www.westlanddc.govt.nz)

As an indication of the content that is available online, the “draft Council Plan contents page” attached as **Appendix 2** to this agenda item.

- 2.3 The Council Plan information is intentionally still in draft form as the Plan will be finalised once submissions have been received and further decisions made.

The draft Council Plan includes the following components, which have not changed other than dates and some wording updates:

- The draft Revenue and Financing Policy
- Rating Policies
- The draft Financial Strategy

The draft Council Plan includes the following component, which has changed significantly:

- The draft Infrastructure Strategy

- 2.4 **Councillors have been involved in the production of the Consultation Document.**

This document attached as **Appendix 1** to this report. Sets out:

- The key matters that Council would like the public to provide feedback about, which are
  - a. Arahura Pa Water Supply.
  - b. Transfer of activities to Destination Westland CCO
- Council's Infrastructure and Financial Strategies
- Council's core decision-making policies
- Other projects that Council is seeking public response as to whether it should allocate money towards.

### 3. CURRENT SITUATION

- 3.1. Council has been developing the new Council Plan since August 2017. Staff and Councillors have followed the best practice advice from the Society of Local Government Management (SOLGM) whilst developing the information.
- 3.2. An immense amount of effort has been put into this 10-year planning exercise by the Councillors and Council staff. Council is now at the stage where the

community can be provided with the information they need in order to provide Council with their input.

#### 4. OPTIONS

4.1. The following options are available to Council:

4.1.1. Approve all of the draft Council Plan components and the draft Consultation Document to be publicly notified.

4.1.2. Direct staff to make changes to the draft Council Plan components and the Consultation Document and return to Council for re-approval to publicly notify.

#### 5. SIGNIFICANCE AND ENGAGEMENT

5.1. The proposed 10-year Council Plan is a significant proposal for Council to consult with the public about.

5.2. A comprehensive engagement and consultation plan has been prepared, as **attached** to this report.

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

6.1 Adopting the documents will mean that Council can proceed to public consultation on the draft Council Plan. It means the timeline is adhered to and makes it more likely that the legislative deadline of 30 June 2018 is met.

6.2 There are consequences if, as a result of delaying the adoption of the draft documents, consultation is delayed and the 30 June deadline is not be met. For example it is a breach of the Local Government Act and Council will not be able to strike the rates for 2018-19 on time.

#### 7. PREFERRED OPTION AND REASONS

7.1. The preferred option is for Council to adopt all of the draft Council Plan components and approve the Consultation Document being publicly notified.

This will prevent further delays in being able to proceed to seek feedback from the community about the draft Council Plan 2018-28.

## 8. RECOMMENDATIONS

- A) THAT Council adopts the draft components of the Council Plan 2018–2028 and the Consultation Document.
- B) THAT Council approves the Consultation Document being publicly notified as a Special Consultative Procedure under s. 82 of the Local Government Act 2002.
- C) **THAT** Council approves the components of the Council Plan being made accessible to the public, for a month long public feedback process to occur (from 17 May – 15 June 2018).

**Lesley Crichton**  
**Group Manager, Corporate Services**

- Appendix 1. Consultation Document*
- Appendix 2. Content page of the draft Council Plan*
- Appendix 3. Engagement and Consultation Plan*



# Westland: The Next Generation

Long Term Plan 2018—2028  
Consultation Document

What's inside:

- Topics the Council needs  
YOUR feedback on
- Council's vision for the next 10 years
- How the proposed changes will affect

**Have your say-  
submissions close  
Friday 15th June at  
5pm**

[longtermplan@westlanddc.govt.nz](mailto:longtermplan@westlanddc.govt.nz)

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# What's this all about?

Every three years New Zealand Councils are required to prepare a Long Term Plan for their District to consider what services they will provide and how they will sustainably fund them over the next 10 years. This document is mandated under the Local Government Act 2002.

This shorter consultation document can be read alongside our draft Long Term Plan for 2018-2028, or as a standalone document. It recaps some of the main points in our Long Term Plan regarding assets, services and finances in a condensed format.

This document also outlines key discussion points that are significant because they either:

- involve **large capital projects** or **strategic assets**; or
- are likely to be of **popular interest**.

This document is not a summary of decisions; it's a summary of proposed options to the community. Several key issues and choices are outlined in that pages that follow for you to consider.

Council's responsibility is to balance multiple considerations in coming up with options. Some of the balancing factors include:

Planning for an ageing population

Planning for future resilience

Minimising environmental impact

Maintaining infrastructure to a quality standard

Minimising the financial impact on ratepayers

## Westland District Council's new vision

We work for the people of Westland to grow and protect our communities, our economy and our unique natural environment.

# Will this affect my life?

Yes, it will! If you or your family live or work in Westland District, the issues discussed in this document will impact you and your future generations in some way. This is why this document is called "Westland: The Next Generation". The aspiration is for you to think about what you want for the future of Westland, not only for you but also for the children of Westland and future generations.

The Long Term Plan is one of the most exciting opportunities to participate in local government decision-making because you get to shape the future by considering a range of topics all at once, not just a singular issue. You get to see how the ideas proposed impact on rates and Council's financial position over the next ten years and decide if you think the benefit of those projects outweighs the financial cost.

**Now it's up to you! You be the judge.**

**Do you think the balance is right?**

## Key proposals for you to consider



ARAHURA PA WATER SUPPLY\* (page 32)



TRANSFER OF ACTIVITIES TO DESTINATION WESTLAND CCO (pages 35)



LIVE-STREAMING COUNCIL MEETINGS (pages 40)



RESERVE FUNDS FOR WESTLAND HIGH SCHOOL (pages 41)

*\*The costs attached to the Arahura Pa water supply project are estimates at this stage and will be finalised once more detailed scoping has been conducted. Council will consult with you in the event that there are significant differences between these estimates and final costs.*

# Challenges Westland is facing

## The low rating base

Funding and delivering activities is a challenge within Westland as it is one of the most sparsely populated parts of New Zealand (8,507 in 2013, yet covers an area of 11,880 square kilometres).

## The environment

The Westland landscape and environment is unique to New Zealand. It's one of the main reasons why our residents want to live here and tourists visit. It is also a vital resource for our key industries such as farming and mining. Many of our residents have strong environmental values and these values need to be recognised in decision-making.

## Building resilient communities

Given our location, perched in between the Southern Alps and the wild sea, as a community we have to be aware and prepared for natural disasters. As a Council, we must consider how the risks of natural disasters impacts our decision making for infrastructure and core service projects. We must also consider what is required to make our communities more resilient and self-sufficient and have measures in place to ensure a rapid response in a natural disaster event.



# What your early feedback revealed

In December 2017 and January 2018, Council had a brief online survey open for people to share their thoughts regarding this Long Term Plan.

The main themes that emerged were:

- A large interest in **protecting the environment** and minimising Westland's environmental footprint, reducing waste/pollution, and **maintaining our clean, green image**
- **Concerns about climate change** and how that will affect our mostly coastal region
- Improving the ability of Council's infrastructure to **cope with tourist growth** including water, wastewater, roads, public toilets and solid waste
- Better **accountability** for Council decision-making and better customer service
- Improving quality of life for residents through **affordable rates**, affordable pensioner housing, and offering amenities and events for both residents and families
- Leveraging funding from government and external parties for future developments
- Better cell, internet services and **communications resilience for remote areas**
- No support for **charging for car parking** in Hokitika town centre

Council is already working on a number of improvements in line with the feedback you've provided.

- Council is currently involved in many projects to reduce waste and pollution and encourage sustainability including being an active and founding member of the Hokitika Green Team which aims to inspire eco-smart actions in the community. Our Solid Waste department also partners with EnviroSchools to deliver waste minimisation education to local schools and community groups. Our new wastewater treatment plants will help protect the environment from discharges to land.
- Climate change risks are not something that Council can fully predict or fund for, however, this risk is one of the driving motivations for Council including funds for a West Coast Emergency Operations Centre in year two of this plan. Council is also working closely with the West Coast Regional Council on climate change issues.
- Funding for water, wastewater and roads have increased for this Long Term Plan compared to the Long Term Plan for 2015-2025.
- This will enable Council to catch up on needed renewals, once it has updated its asset condition information. In addition, new water and wastewater treatment plants have been budgeted to increase our compliance with the Drinking Water Standards, cater for growing tourist volumes and decrease negative environmental impact.
- This Long Term Plan outlines what decisions Council is making and why so that we can be held accountable. Council's new vision statement promotes a focus on working for the people of Westland to provide better service.
- Rate increases are very low throughout this plan because of the mandate given to Council by the community. However, marginal rates increases are necessary to continue to provide amenities, events and infrastructure. Council is continuing to explore ways to offer amenities and events more cost-effectively and the proposal to transfer the management of certain activities to a Council Controlled Organisation is part of this.
- In December 2017, Council successfully achieved \$3.25 million dollars of central government funding for Tourism Infrastructure Funding for Westland infrastructure projects. This reduces the financial burden to ratepayers. \$ 2 million of this income has been included in the financial budgets, with the remaining portion spent prior to the start of the LTP
- Council will continue to lobby central government and external agencies for support for communications resilience. In addition, budgets have been included for extra VHF radios for some of our isolated communities.
- Council took your feedback on board regarding the lack of support for paid car parking in Hokitika town area and this issue has not been progressed further.

# What services does Council currently provide?

## Leisure services and facilities

Three cemeteries, **\$148,000** Township Development Funding allocated annually, 46 elderly housing units, children's playgrounds in four townships, public toilets in seven locations, swimming pools in Hokitika and Ross, a 136 kilometre cycle trail and 30,000 library items spread between Hokitika and 10 community outreach libraries.

## Infrastructure

318 kilometres of rural sealed road, nine public water supplies, a water reticulation network of **176** kilometres, four reticulated wastewater systems, six stormwater pump stations, eight transfer stations and two operating landfills.

## Plus much more....

Building control and planning services, liquor and environmental health monitoring, animal control services, i-SITE information centre, the **iconic Hokitika Wildfoods Festival**, Hokitika Museum, Civil Defence, citizenship ceremonies etc.

## Changes to levels of service

Council is not planning to decrease existing levels of service; however, a number of minor improvements to existing services are incorporated in this Long Term Plan: including upgrades to drinking water, wastewater and stormwater systems. A number of increased levels of services for leisure activities are also proposed including funding for the Hokitika waterfront development to create a space for residents and tourists to enjoy with additional toilets and car parking.

The other significant change to levels of service is Council's budgeted \$4.88 million dollars towards an updated Museum complex. This amount is a projection of Council's needed contribution to leverage other funding sources needed for a Museum/Pounamu Development complex (which is expected to cost approximately \$20 million in total). This is Council's maximum contribution to this project regardless of the total cost. The project cost is based on an average of equivalent of South Island projects such as the South Canterbury Museum redevelopment in Timaru and the Otago Settlers Museum redevelopment in Dunedin. If this additional funding is not able to be realised, a revised, scaled-back concept is likely to proceed in years 4-10 of this Long Term Plan using the funds which have been provisionally allocated for this.

More detailed estimates will follow from the concept plan which is due to be released as a discussion document by Gurden Consulting Ltd in May 2018. Community consultation will take place at a later date once more detailed options and costings are available.

# Managing our infrastructure

Areas of the District have been built over decades, and today there is both underground and aboveground infrastructure which is well past its expected life. As ageing occurs, we are already seeing an increase in reactive maintenance.

A key challenge for the District is the balance between reactive maintenance, programmed or preventative maintenance, and the inevitable rehabilitation or outright replacement of assets. Some assets are physically and economically past the point of repair.

Council's Infrastructure Strategy is to maintain levels of service for most assets and ensure their long-term sustainability while keeping rates at an affordable level. However, this plan recognises that some levels of service need increasing in line with legislative requirements and growing demand.

There are risks of high running maintenance costs and loss of service through failure of aged assets. One significant aim of the proposed asset renewal programme is mitigating these risks by a continual replacement of assets that have reached an age at which ongoing reliable performance is lost.

According to the data currently available, the following table outlines the age of some of our assets.

Asset	% Currently Exceeding Useful Life	% Exceeding Useful Life Between Years 1-10	% Exceeding Useful Life Between Years 11-20	% Exceeding Useful Life Between Years 21-30
<b>Stormwater</b>	0.37% \$74,729	3% \$520,219	4% \$796,746	3% \$683,904
<b>Water</b>	2% \$1,534,105	13% \$8,750,610	18% \$11,825,229	8% \$5,044,390
<b>Sewerage</b>	15% \$3,937,941	30% \$7,702,250	18% \$4,696,472	3% \$646,605
<b>Bridges</b>	0.31% \$283,888	2.65% \$2,428,560	9.62% \$8,827,858	12.34% \$11,324,427

To see a full copy of Westland District Council's Infrastructure Strategy go to [www.westlanddc.govt.nz](http://www.westlanddc.govt.nz)

Looking at the above table, current data reveals that around 40% of all 3 waters assets are likely to need to be replaced over the next 30 years. These figures require significant refining through robust asset inspection and a thorough review of unit base life values across the 3 waters.

Whilst the figures for bridges may show significant outlay forecast into the future it is not our intention to simply replace these structures based on age alone. In fact it is likely that many of these structures will have lives extended well beyond their initial base lives. Regular engineering and condition monitoring is carried out on Bridge Infrastructure. Unless the traffic volumes or loading for a particular structure increase significantly it is more likely that base lives for individual bridge infrastructure will continue to be extended with more major component replacements carried out rather than full structure replacements.

Maintaining these ageing assets becomes more difficult as their age increases. The District is now at a time when keeping the respective levels of maintenance cost versus renewal cost is at its hardest to balance. This is why this Long Term Plan, in contrast to previous plans, has factored in growth and capacity building of the 3 waters assets within the first five years to upgrade the supplies for the long term. This includes replacement of some assets, which have run over their expected lifespan already. Full replacement, although costly, significantly reduces maintenance costs in the future.

Asset	Renewals Spend in Years 1 – 10	Renewals Spend in Years 11 – 20	Renewals Spend in Years 21-30
<b>Stormwater</b>	\$2.069 million	\$700,000	\$600,000
<b>Water</b>	\$6.420 million	\$15.507 million	\$6.892 million
<b>Sewerage</b>	\$1.336 million	\$9.172 million	\$4.075 million
<b>Bridges</b>	\$1.333 million	\$1.333 million	\$2.666 million

Whilst our intention is to decrease the backlog of ageing assets, we believe that our first priority is constructing new assets that will support the growing tourist population and increase our environmental, public safety and legal compliance. We are also constrained in our ability to deliver the full list of capital projects outlined in the Plan as well as the backlog of replacements due to personnel resourcing. The 3 waters assets' capital works programme over the next 10 years brings us up to our compliance requirements and improves future capacity for tourist numbers.

Once this programme of works has been completed, Council will then be in a position to invest heavily in the ageing assets and bring them up-to-date. The risk of not completing asset renewals when they fall due is the potential for increased maintenance costs, asset failures and service interruption. We will monitor asset performance closely to mitigate this risk and actively maintain the asset to prevent breakdowns.

Council is committed to improving the quality of its asset data and over the next 30 years eliminating the backlog in its renewals programme. Provision has been included in the infrastructure budgets over the next 10 years to conduct a physical stocktake of assets to review their condition. Initially the first stocktake and condition assessments will be carried out over the first 3 years. This work will then be further reviewed and remodelled over the subsequent 7 years as we become better able to test the original assumptions made in the first 3 years. We will consult with the community as part of the next LTP when we have more reliable asset information .

The first ten years of Council's infrastructure strategy is based on carrying out upgrades and enhancements previously identified with a view that the focus over the next two decades will primarily be renewals / replacement (with the exception of Franz Josef whose tourist growth will require additional resources). Due to other long-term plans for the Franz Josef community still taking shape, for example, the work of the Franz Josef Governance Group, which is still in its early stages, a long-term asset plan for Franz Josef is not yet developed. Consultation with the community has been conducted by the West Coast Regional Council and more consultation is likely to happen at a future date.



The first ten years of Council's infrastructure strategy is based on carrying out upgrades and enhancements previously identified with a view that the focus over the next two decades will primarily be renewals /replacement (with the exception of Franz Josef whose tourist growth will require additional resources). Due to other long-term plans for the Franz Josef community still taking shape, for example, the work of the Franz Josef Governance Group, which is still in its early stages, a long-term asset plan for Franz Josef is not yet developed. Consultation with the community has been conducted by the West Coast Regional Council and more consultation is likely to happen at a future date.

An age-based analysis of our 3 waters' assets reveals that we have \$22.5 million of asset renewals required by the end of year 10. The proposed renewals for the 3 waters' assets to be carried out by Council are \$9.8 million, which means that at the end of year 10, Council is forecast to have \$12.7 million worth of deferred renewals. Forecast renewals for the 3 waters relate to critical assets Council has assessed must be replaced. Critical assets are pumping stations, treatment plants, valves, storage tanks and other componentry inclusive of continuous lengths of underground piping components for supply of sewer, water main and storm water services to residential dwellings. An asset assessment programme and renewals planning has been allowed for which will define physical works and expenditure into a manageable profile. The financial forecasts do not include any renewals for any other 3 waters' assets. This means there is a gap between Council's forecast spend of \$9.8 million and what its aged based information says it should spend on renewals for 3 waters' assets.

One of the assumptions underpinning the 2018-2028 Long Term Plan's financial forecasts is that asset renewals will be at a reasonably consistent level, between \$3.3m and \$4.5m per year. However, in the first five years of the LTP, the Council will also undertake significant new capital works. This means that not only is the total capital programme significantly larger in those years, but it shows the organisation has the capacity to manage this level of work. Over the 10 years of the Long Term Plan, Council's level of funding is ahead of the planned renewals because the forecast renewals are below the level of depreciation that is funded from rates. This means it will have the financial capacity to fund additional work as the current forecasts show its cash investments increasing to \$22.3m by year 10. Council therefore is building up the financial capacity to react if significant breakages occur.

Council will re-forecast renewals for 3 waters assets when it has better information on asset condition, and reduce the forecast backlog over years 4 to 10 years of this current plan. Better information for some areas may be able to be obtained sooner, however some areas e.g. stormwater infiltration/inflow can take years to fully map out the effects. While the LTP forecasts primarily reflect an age-based analysis, and are not based on detailed condition assessment, Council's overall approach is to clear the renewals arrears over the 30 years of the Infrastructure Strategy.

Once Council has better information on its 3 waters assets, it will use its cash investments to fund the revised capital programme.

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In the **short to medium term**, there are increased risks of asset failures leading to service interruptions. Council will **minimise the impact of these risks** by:

- **Monitoring asset performance** and taking appropriate action when and where issues are identified
- Undertaking a programme of inspections to build up knowledge of the condition of asset and supplement this information by analysing the performance and failure of assets
- As it increases its **knowledge of asset condition**, developing a risk-based programme of renewals which brings forward asset renewals with the highest risk and greatest significance if they fail
- Continuing to **rate to cover the depreciation costs** on these assets so that a sustainable financial base exists for the long-term renewal of assets
- Build capacity within the organisation to deliver **asset planning** and carry out the increased levels of renewals required to maintain the assets.

# Water

Council currently provides water schemes for nine Westland communities: Kumara, Arahura, Hokitika, Ross, Hari Hari, Whataroa, Franz Josef, Fox Glacier and Haast. Council's principal objective for the drinking water supply is:

To provide **safe and secure drinking water** across the nine community water supplies currently owned and managed by Council to comply with the **Drinking Water Standards of New Zealand (DWSNZ)**.

Funding is allocated for potential significant upgrades in the water network. Upgrades have been prioritised based on the criticality of the infrastructure and assets in poor condition, typically due to age.

Council has not invested heavily in the past on water supply upgrades. As the years progress, the risk of failure in some parts of the pipe network increases proportionately.

Some communities have substantial population variances due to tourism demands and Council will continue to seek support from Government where these costs exceed what is affordable to local ratepayers. We have not included any of this external funding in our forecasts, if funding is received, this will reduce the loan funding that is forecast to be drawn down to the fund capital expenditure. This external support will be sought for both continuation of supply and compliance with the Drinking Water Standards of New Zealand (DWSNZ).

Reservoir upgrades and expansion to meet demand have also been factored in for some schemes to ensure compliance and water availability over all seasons. Further investigation is required in this area to understand water demand and water consumption during the seasonal changes in population.

This will increase the resilience of Council-owned water supplies so that they can more adequately meet the demands of natural hazard events and dry seasons. These measures should ensure that Council water supplies are better prepared to comply with new central government drinking water standards (which are yet to be fully finalised).

**Council intends to upgrade critical components** of all existing eight water treatment plants parts at a cost of **\$2.05 million**, **constructing new (or completely upgrading)** three water treatment plants at a cost of **\$1.26 million** and complete a programme of mains **renewal works** of **\$2.44 million**.

Upgrading all critical water supply infrastructure also minimises public health risks from contamination due to low water supply and increases the level of service to meet the growing community expectation.

# Details of the main water projects

What are we doing?	What is the benefit?	How much will it cost?	When are we doing it?
Constructing new Water Treatment Plants	Providing clean, potable water for consumers on supplies	\$1.26M	2018-2019
DWSNZ Compliance Standards upgrades (includes telemetry, disinfection and SCADA)	Providing clean, potable water for consumers on supplies	\$0.91M	2018-2024
Replacing Water Treatment Plant/network parts (includes filters/membranes, treatment components, water meters and building repairs and associated WTP improvements)	Ensure continuity of service in a reliable manner	\$2.05M	2018-2024
Mains Renewals	Ensure continuity of service in a reliable manner	\$2.44M	2018-2028
Replacing reservoirs and tanks (for Haast, Hokitika & Kumara)	Preventing water leaks and risk of contamination	\$1.66M	2019-2021 & 2023-2026
Asset resilience works (includes seismic valves, generators and raw water sources)	Ensure continuity of service in the event of a power outage	\$0.38M	2018-2020

At the time of writing, the full impact of what the 52 recommendations (released by the Ministry of Health in early 2018 in the aftermath of the Havelock North Water Inquiry) will mean for local authorities has not yet been realised. This is still going through consultation at central government level. The main expectations that have been communicated to date have been incorporated into this strategy as the basis for 3 waters improvements. Given our large geographic area and extremely small rating base, it is likely that Council will require support from central government in terms of funding sources. Council has budgeted for all known projects based on worst-case scenario, however, the intention is to offset these costs with external funding. One likely outcome of the Havelock North review is that all public water schemes will have to be chlorinated. Currently six out of our nine schemes are chlorinated. By the end of end of this Long Term Plan all water schemes will be chlorinated as per table below:

Water supply	Current chlorination status	Chlorination status as at 30 June 2028
Kumara	Chlorinated – (Temp install waiting on new plant)	Chlorinated
Arahura	Chlorinated – (Temp install waiting on new plant)	Chlorinated
Hokitika	Chlorinated	Chlorinated
Ross	Chlorinated	Chlorinated
Hari Hari	Not Chlorinated – UVT only (Chlorine unit planned)	Chlorinated
Whataroa	Not Chlorinated – UVT only (new plant install)	Chlorinated
Franz Josef	Chlorinated	Chlorinated
Fox Glacier	Chlorinated	Chlorinated
Haast	Not Chlorinated – UVT only (Chlorine unit planned)	Chlorinated

# Wastewater

Council currently manages reticulated wastewater schemes in four Westland communities: Hokitika, Franz Josef, Fox Glacier and Haast. Council's principal goals for wastewater are:

To ensure the **health of the Community** where urban housing exists, thereby **eliminating the need** for individuals to provide their **own wastewater system** (which carries much higher health risks)

To provide a **cost effective trade waste disposal** system for commercial and some industrial users

To provide **acceptable collection, treatment and disposal** systems for the use of communities

To meet **requirements set** by the West Coast Regional Council regarding **resource consents and environmental compliance**

Council intends to upgrade three out of four wastewater treatment plants over this Long Term Plan: these being Hokitika, Franz Josef and Fox Glacier. Haast is the only wastewater scheme to not be upgraded during the life of this plan because population projections are not expected to place excess pressure on this scheme. The population of Haast is relatively static and the Haast wastewater treatment plant is the newest out of our four schemes and the most modern, featuring aeration in addition to the oxidation pond.

The wastewater treatment plant upgrades will result in a 68% increase in wastewater rates in 2018/19. How this will affect rates for the average domestic sewerage connection in these areas can be shown below:

Rate type and location	How it is charged	Current rates	Rates – Year 1
<b>Sewerage Rate - All locations</b>	<b>Fixed \$</b>	<b>267.30</b>	<b>448.17</b>

Wastewater pump stations will also be upgraded and measures taken to reduce Stormwater infiltration including increasing monitoring. The benefits of these planned works are to comply with the West Coast Regional Council resource consent requirements, reduce public health risks and achieve better environmental outcomes, by minimising the effects of untreated wastewater on the natural landscape.

# Details of the main wastewater projects

What are we doing?	What is the benefit	How much will it cost?	When are we doing it?
Mains Renewals	Ensure continuity of service in a reliable manner	\$1.39M	2018-2028 (and beyond)
Pumps renewals	Provide appropriate level of service to minimise the risk of overflows	\$0.15M	2018/19
Constructing or upgrading Wastewater Treatment Plants	Improve WWTP to meet compliance conditions	\$5.68M	2018-2022
Replacing wastewater treatment plant parts	Maintain operational efficiency	\$0.02M	2020/21
Catchment investigations	Improve and build resilience in water source catchments	\$0.05M	2018/19
District Plan development/ growth contribution	Contribute towards Infrastructure upgrades to support new subdivisions to support economy	\$0.11M	2018-2028



# Stormwater

Council currently manages a reticulated stormwater scheme in the Hokitika community. Council's principal goal for stormwater is:

To **minimise the risk of stormwater flooding** and retain an adequate level of service where urban housing exists

Following a significant storm event in 2015, Council engaged a consultant to carry out a stormwater assessment and recommend options to alleviate flooding issues. The outcomes and recommendations from this assessment have been included in this Long Term Plan, with a number of stormwater pump stations and pipes upgrades already carried out and others identified as future projects. The implementation of these projects will increase the level of service for the stormwater network and reduce the occurrence of flooding in the Hokitika urban area. Additional funding has been included in the stormwater budgets to purchase mobile generators as a backup power supply to provide continuity of service even during power outages.

What are we doing?	What is the benefit	How much will it cost?	When are we doing it?
Mains Renewals	Ensure continuity of service in a reliable manner	\$0.39M	2018-2028
Pump station renewals and upgrades	Provide appropriate level of service to minimise the risk of flooding	\$2.6M	2018-2022
Purchasing mobile generators	Ensure continuity of service in a reliable manner	\$0.03M	2018-2019
Replacing open channel drains with pipe networks	Provide appropriate level of service to minimise the risk of flooding	\$0.25M	2020-2023
Extensions and re-alignments	Diverting water flow to alleviate overland ponding and/or increasing reach of stormwater channels for new roads and developments.	\$0.6M	2018-2020
Reticulation and flapgate improvements	Assist with alleviating backflow and flooding	\$0.03M	2019-2022

# Transportation

Council currently manages a local roading network across the whole of Westland. Council's principal goals for transportation are:

To increase both the **resilience and capacity** of the roading network

To enable the roading network to adapt to **changing function and** use over time

To ensure **safety and accessibility** for residents and visitors alike

Council submits projects and budgets to New Zealand Transport Agency every three years for inclusion in the National Land Transport Programme (NLTP). Currently, the activity management plan is developed as a joint venture with Buller and Grey District Councils.

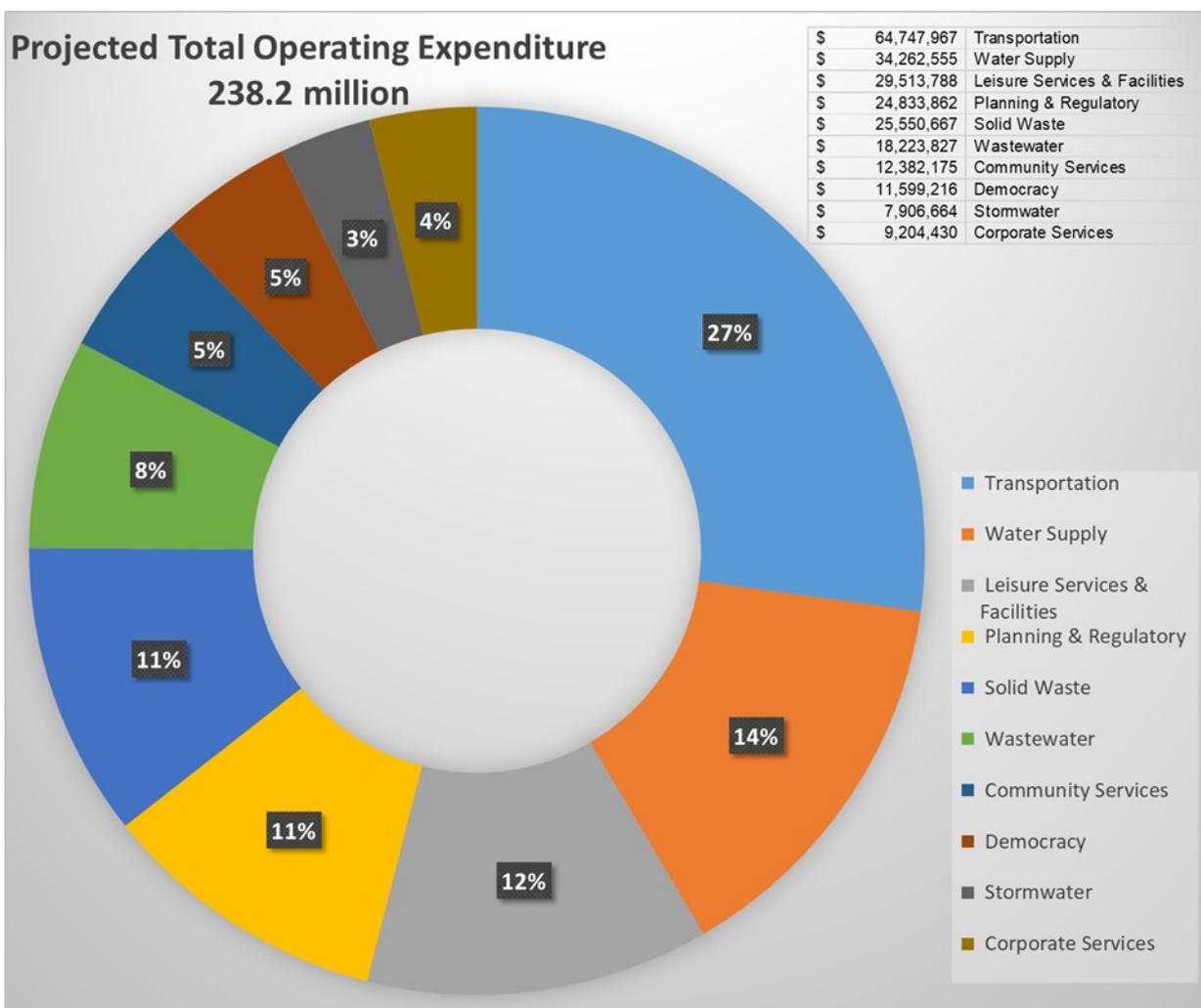
The following table outlines the projects and budgets for the next 10 year cycle.

What are we doing?	What is the benefit?	How much will it cost?	When are we doing it?
Unsealed road remetalling	Provides a safe and maintainable running surface for road users	\$2.87M	2018-2028
Road resealing	Preserves the lifespan of the road pavement and reduces ongoing maintenance costs	\$9.98M	2018-2028
Traffic services including line marking and new signage	Improves customer satisfaction and safety by providing clear directions	\$1.39M	2018-2028
Structural components work (bridges)	Keeps bridges in safe, usable condition	\$2.66M	2018-2028
Sealed pavement rehabilitation including shape correction work	Reconditions aging and failing road pavements thus improving safety and smooth travel exposure	\$8.80M	2018-2028
Drainage – new curbing channels and culverts	Provides channels for water runoff thus minimising road flooding and associated safety issues	\$1.86M	2018-2028

# Financial matters

## Did you know?

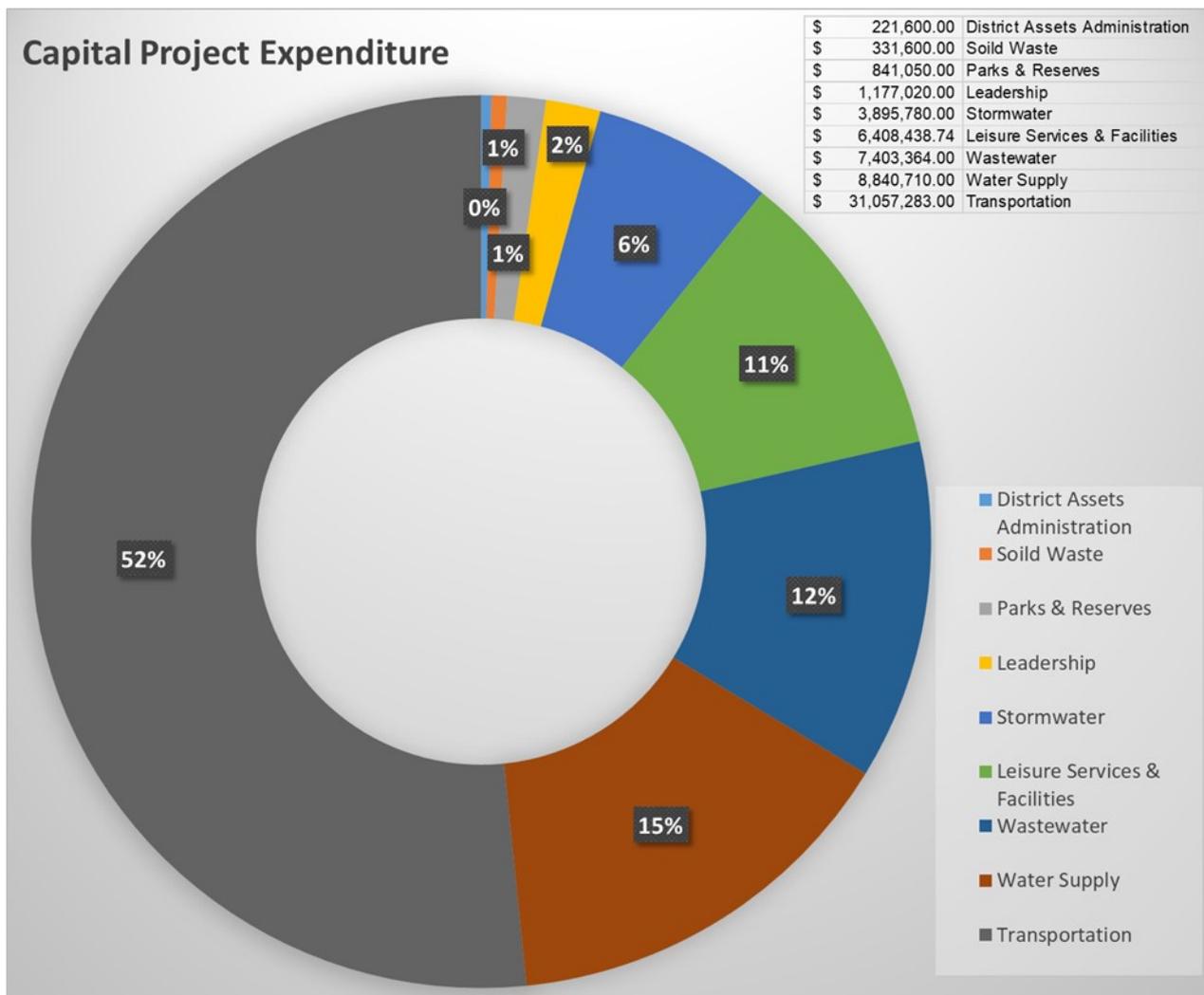
Council's largest annual operating expense is on roading. Over the next 10 years, the Council has budgeted to spend **\$64.7 million** on this activity alone. Drinking water supplies represent the second biggest operating expense over this period; forecast cost is **\$34.3 million**.



## Capital expenditure

Council's four largest areas of capital expenditure over the next 10 years are: transportation, drinking water, wastewater and leisure services and facilities which together comprise **90% of all capital expenditure**.

The leisure services and facilities portfolio comprises Hokitika Museum, Parks and Reserves, Cemeteries and Swimming Pools. Included in the capital expenditure for these areas are: Capital projects for Hokitika Museum, the Hokitika Waterfront Development and Cass Square.



## What about inflation?

Just like households experience price increases for food, clothes and other goods and services, through inflation known as the Consumer Price Index (CPI), Local Government also faces inflationary factors. Council is faced with price increases for things like steel, bitumen, petrol and other materials required to carry out projects. These things have their own inflation index which is known as the Local Government Cost Index (LGCI). Things Councils spend money on generally rise in cost faster than common household services.

Over the next 10 years, the LGCI is projected to increase by an average of 2.34% per year. Council's proposed average rate increase of 1.83% is significantly below the rate of Local Government inflation. All costs listed in this document include LGCI including capital expenditure forecasts.

# Funding sources

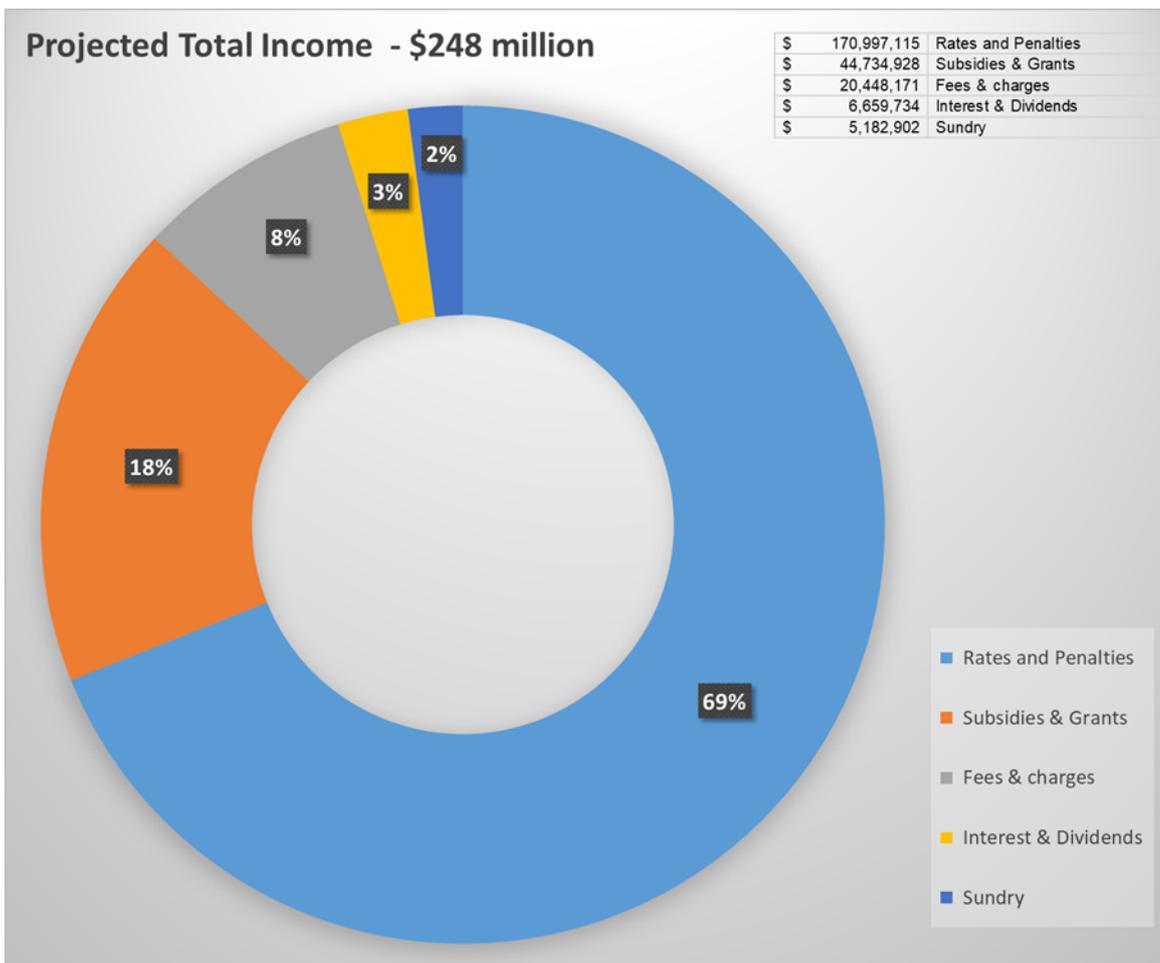
Council's Revenue and Financing Policy outlines Council's appropriate use of funding sources.

Sources of funding	What this funding is used for
<b>Rates</b>	<p>Rates income is used to fund:</p> <ul style="list-style-type: none"> <li>Small-value capital expenditure (where grants, subsidies and external funding is not available)</li> <li>Debt repayment for large capital expenditure</li> <li>Depreciation reserves to maintain assets</li> </ul>
<b>Investments</b>	<p>When investments reach maturity they are:</p> <ul style="list-style-type: none"> <li>Reinvested in new higher return term deposits.</li> </ul>
<b>Subsidies, grants and external funding</b>	<p>Subsidies, grants and external funding is our first preference funding option for full or partial funding of:</p> <ul style="list-style-type: none"> <li>Capital projects</li> </ul>
<b>Fees and charges</b>	<p>Fees and charges are used to:</p> <ul style="list-style-type: none"> <li>Recover the operating expenses for activities with a discreet user group</li> </ul>
<b>Restricted reserves</b>	<p>Restricted reserves are built up through multiple sources (including sale of assets e.g. land, subdivision contributions and donations e.g. bequests) and are used for:</p> <ul style="list-style-type: none"> <li>Specific projects</li> </ul>
<b>Depreciation</b>	<p>Depreciation is calculated annually on all property, plant and equipment based on the estimated residual value of over the useful lifespan. Depreciation reserves are built up through rates to ensure that assets can be maintained.</p>
<b>Debt / borrowing</b>	<p>For larger capital projects that provide a long-term benefit to the community, Council may determine that borrowing the funds is an appropriate method of allocating the costs of a project over time to users. Borrowing, both the capital (principal) and interest components, is generally repaid by future rates. Council may resolve to capitalise interest repayments on some debt, where it considers it most likely (prudent) that another funding source (e.g. property sales or grants) will be able to repay the accumulating debt.</p> <p>Where it is not practical to obtain third party revenue and where reserve funds haven't previously been set aside, Council prefers borrowing as a funding source. Borrowing spreads the cost of the project over a longer period, smoothing changes in rates and contributing to intergenerational equity.</p>

Subsidies and grants are our preferred funding method over rates where possible. Over this 10 year period, 19% of Council's income will come from subsidies and grants; the biggest of these being New Zealand Transport Agency's roading subsidies and successful funding applications for Tourism Infrastructure.

In December 2017, Council was successfully awarded \$3.25 million of central government funding for four high priority infrastructure projects across the district. Out of a pool of just under \$15 million, Westland as a region gained 22% of the total. This financial support enables Council to upgrade existing infrastructure (or provide new infrastructure) to alleviate the pressure created by increased tourism growth. This funding will be drawn down during the life of this Long Term Plan.

In addition, Council collects revenue from users of very specific services. Fees and charges are applied when a private benefit can be identified and when it is an efficient way to recover costs from a well-defined user group. Fees and charges are designed to be set at a level to regather the costs associated with the activity rather than make a profit. Over the next 10 years, 8% of funds will come from fees and charges.

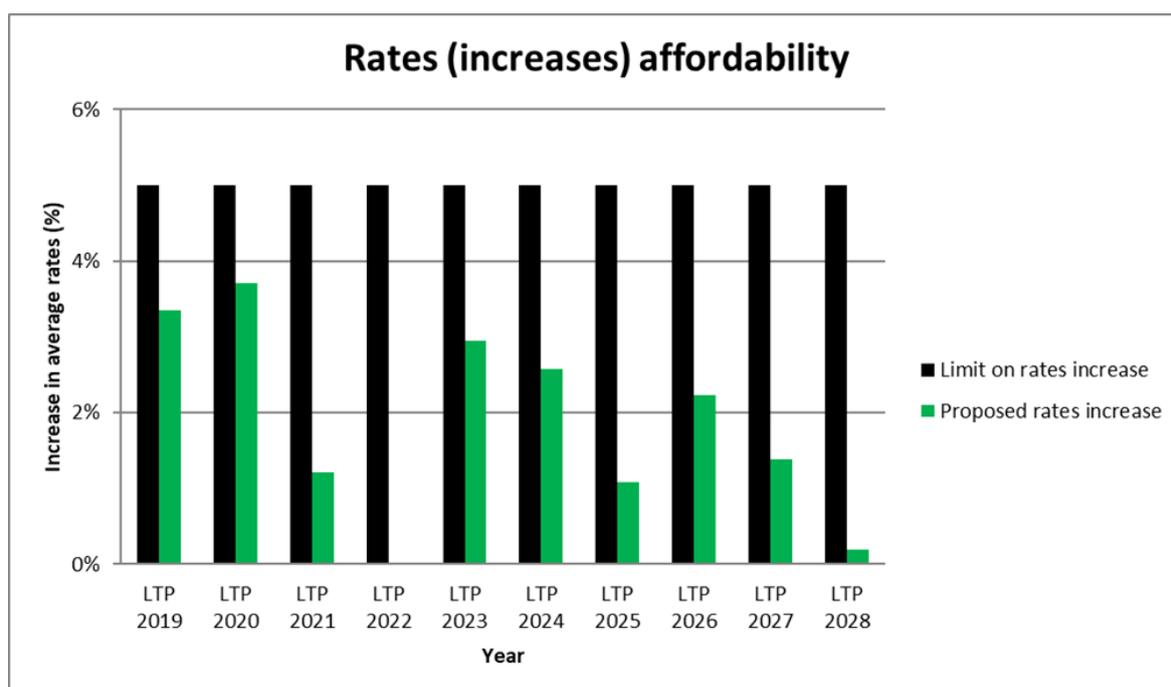


\*Graph above excludes borrowing for new capital projects which totals 15.4 million over next 10 years

# Proposed rates for the next 10 years

The **average total rate increase** over the next 10 years is **1.83%**

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
	3.34%	3.70%	1.22%	-0.37%	2.95%	2.58%	1.09%	2.23%	1.39%	0.20%



With an annual average total increase of 1.83% over the next ten years (including commercial water rates), Council believes that a good balance has been struck between progress and affordability. Council has stayed within its rates limits throughout the 10 year period. Council's rates limit is set at 5%, over the next 10 years rates increases are lower than the LCGI average inflation rate of 2.34% per year due to the following factors:

- The rates funding for the Hokitika Museum, Hokitika i-SITE, West Coast Wilderness Trail and Hokitika Wildfoods Festival have been reduced by 20% and fixed at this rate over the 10 years. This is to encourage the CCO to make these activities more self-funding with lower rates impact;
- The Tourism West Coast fee is no longer funded by rates;
- In year 3 the targeted water rate from Westland Milk Products reduces as the repayment of the loan is nearly completed and this is fully repaid by year 4 of the plan;
- Loan funding requirements for new capital expenditure lessen from year 6 onwards, therefore with continuing repayment of debt this contributes to lower finance charges in years 8, 9, 10.
- The rate movements also fluctuate every three years due to election fees and LTP audit fees and related expenses.

Sector	Community	Capital Value 2017	Actual Rates 2017/2018 \$	Draft LTP Rates 2018/2019 \$	Value Change \$	Percentage Change %
Commercial	Fox Glacier	690,000	4,978	4,994	16	0.32%
Commercial	Franz Josef	1,060,000	12,491	15,465	2,974	23.81%
Commercial	Haast	1,290,000	6,636	5,633	1,002	-15.10%
Commercial	Hari Hari	235,000	3,162	2,791	371	-11.74%
Commercial	Hokitika	480,000	4,348	4,668	320	7.36%
Commercial	Kumara	165,000	2,809	2,422	387	-13.77%
Commercial	Ross	129,000	1,872	1,909	38	2.01%
Commercial	Whataroa	250,000	2,525	2,102	423	-16.74%
Residential	Fox Glacier	140,000	1,576	1,781	205	13.02%
Residential	Franz Josef	375,000	2,316	2,522	207	8.92%
Residential	Haast	230,000	1,820	2,046	226	12.41%
Residential	Hari Hari	114,000	1,272	1,311	39	3.07%
Residential	Hokitika	345,000	2,712	2,935	223	8.23%
Residential	Kumara	132,000	1,571	1,618	47	3.01%
Residential	Ross	170,000	2,085	2,145	60	2.89%
Residential	Whataroa	125,000	1,424	1,483	59	4.17%
Rural	Fox Glacier	130,000	1,131	1,212	82	7.22%
Rural	Franz Josef	89,000	1,098	1,115	17	1.54%
Rural	Haast	50,000	868	890	22	2.57%
Rural	Hari Hari	2,100,000	4,373	4,250	123	-2.82%
Rural	Hokitika	475,000	1,921	1,915	6	-0.30%
Rural	Kumara	12,000	813	829	17	2.05%
Rural	Ross	255,000	1,540	1,546	6	0.42%
Rural	Whataroa	1,170,000	2,587	2,525	62	-2.38%

Rural Residential	Fox Glacier	86,000	1,030	1,116	86	8.37%
Rural Residential	Franz Josef	290,000	1,296	1,303	8	0.60%
Rural Residential	Haast	245,000	1,073	1,086	13	1.19%
Rural Residential	Hari Hari	104,000	910	925	15	1.64%
Rural Residential	Hokitika	450,000	1,858	1,891	33	1.79%
Rural Residential	Kumara	161,000	1,246	1,268	22	1.73%
Rural Residential	Ross	570,000	2,071	2,078	7	0.33%
Rural Residential	Whataroa	295,000	1,163	1,180	17	1.47%

### Summary of reasons for main rates changes

- The cost of refuse has increased in rural areas due to the refuse rate being evenly distributed among all collection points now. Previously, Hokitika had a higher rate due to glass collection. As this is no longer the case, this distinction has been removed.
- The increase in the UAGC also effects properties with lower property valuations as this is not completely offset by the decrease in the general rate.
- The decrease in the tourism promotion rate has caused a significant variation for commercial properties (who have traditionally paid a higher proportion of this rate).
- Sewerage connections have increased by \$180.87 (including GST) per connection. This has caused a significant increase in the sewerage rate for commercial properties that have multiple connections.
- Community rates have either increased (or decreased) based on the services or facilities provided for by these rates.
- There has been an increase in the Fox Glacier community rate. This is mainly due to the new provision of Township Development Funding of \$12,000 for Bruce Bay township which comes under the Fox Glacier community rating district.

If ratepayers want information on their property's proposed rates for 2018/19, they can view Council's Rating Information Database (RID) by going online to:

<http://e-search.westlanddc.govt.nz/property/>

This information can also be obtained from Council's Customer Service Centre at 36 Weld Street, Hokitika.

The RID contains district wide valuation details, property rating classifications and any current targeted rates the property may be liable for. It does not give owner or ratepayer details.

Queries regarding individual property rates information contained in the RID can be directed to Council's Rates Officer, by phoning: 0800 474 834.

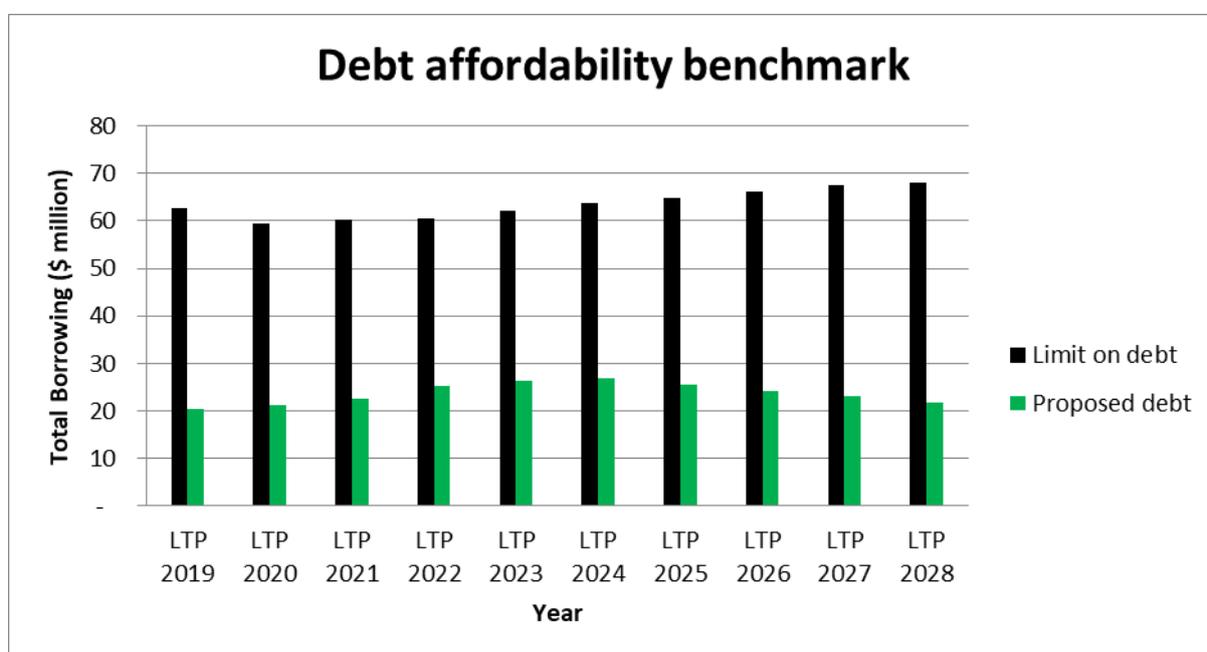
# How does the Council manage debt?

Over the next ten years, Council plans to make \$13 million of loan repayments and raise \$15.4 million in new loans. The Council's total debt as at 30 June 2017 was \$16.8 million. Debt will peak at \$26.9 million in 2024 year then begin to decrease. The projected closing debt balance in 2028 will be \$21.7 million.

Council's Liability Management Policy has clearly defined limits on debt. These limits are:

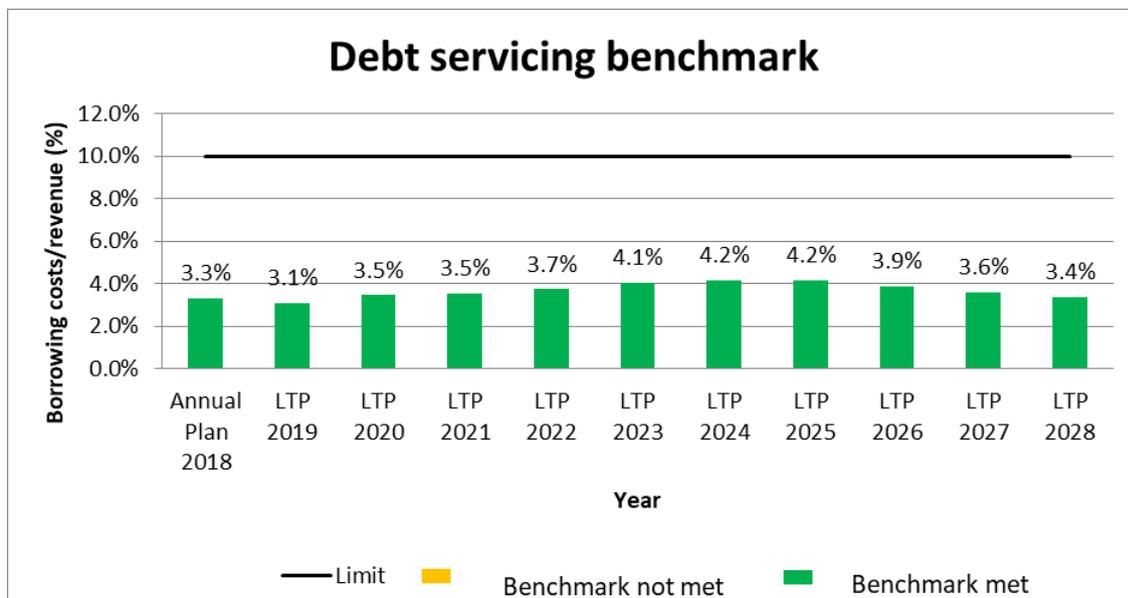
- Net debt is less than 108% of total revenue
- Net interest expenses are less than 10% of total revenue
- Net interest expenditure is less than 15% of total annual rates income
- Net liquidity is less than 110% of term debt.

Council stays well within these limits over the next 10 years.



The graph above compares Council's forecast borrowing with the limit stated in Council's liability management policy. The limit for debt is set based on finance costs not exceeding 10% of operating income, therefore the limit is calculated on 10% of the operating revenue multiplied by the forecast interest rate. As financing costs are currently low and not forecast to increase significantly over the term of the long term plan this provides a high limit on debt for the debt affordability benchmark.

This benchmark is met for all the years of this Long Term Plan .



The graph above compares Council's forecast interest costs as a proportion of revenue. This benchmark is met for all the years of this Long Term Plan.

Council could pay off its debt using its bank investments. However, Council intends on using its cash balance to fund its future renewals expenditure. Renewals are forecasted at low levels in the 10 year period until Council gets better information on its assets. Council will spend its built cash balances on their revised capital programme in the next LTP. Council has assumed minimal interest income over the 10 year period despite the cash balance increasing significantly from year 1 to year 10. Council has done this to make sure they don't budget unrealistic interest income that will not be received due to the cash being used to fund renewal expenditure. Funding high-cost infrastructure projects through debt, where no external funding is available also spreads the cost of the new asset over multiple generations of people who will get services from the asset, not just the current population. This approach therefore supports Council's policy of intergenerational debt and equity.

Council recently got approval to join the Local Government Funding Agency (LGFA). Participating in the LGFA provides many benefits including cheaper borrowing costs, reliable access to long-term funding, increased funding market options and improved liquidity for Council.

**To see a full copy of Westland District Council's  
Financial Strategy go to [www.westlanddc.govt.nz](http://www.westlanddc.govt.nz)**

# What other projects will occur in my community?

## Hokitika Beach

- **Beachfront playground** \$208,200 (Year 3) Reserves funded
- **Waterfront development** \$152,000 (Years 1 & 2) Reserves funded

## Cass Square

- **New toilets** – Southeast corner \$76,500 (Year 2) Reserve Funded
- **Turf Improvements** \$49,890 (Years 3, 6 & 9)
- Building improvements/  
**earthquake strengthening to Pavilion** \$20,000 (Year 1) Loan Funded



## Westland District Library

- **New books, publications and audio-visual resources** \$617,219 (Years 1-10)
- **Electrical upgrade** \$29,300 (Year 1)

## Hokitika Museum

- **Museum development** \$4.88 million (Years 4-6) Loan funded
- **Archiving and photography technology** \$9,540 (Years 1-2) depreciation

## Hokitika

- Hokitika Stormwater – including pump upgrades to Bealey St, Tancred St Sewell St, Rolleston St, Hoffman St, Livingstone St, Kaniere Road, Pipe/drain improvements to Richards Drive, extension to Weld St and Jollie St Stormwater systems, and realignment of Beach St stormwater system \$3.62 million (Years 1-4) Loan funded
- Hokitika footpath renewals \$397,000 (Years 1-10)
- Hokitika Stormwater mains upgrade programme \$277,750 (Year 1-10)
- Butlers landfill improvements \$243,575 (Years 1&2) Loan funded
- Hokitika Emergency Operations Centre (shared regional facility) \$200,000 Westland District Council contribution loan funded
- Hokitika Cemetery improvements \$143,955 (Years 2-4 and 6, 8, 10)
- Elderly Housing – glazing and insulation \$82,460 (Years 1-4)
- Hokitika Band Rooms \$42,060 (Years 2&4)
- Hokitika swimming pool – new spa pool \$25,500 (Year 2)
- Hokitika swimming pool – ventilation/extraction system in main pool area \$20,400 (Year 2)
- Hokitika i-SITE – Interactive technology for bookings and mapping \$19,280 (Year 1)
- Hokitika Dog Park \$10,200 to investigate options (Year 2) Reserves funded
- Hokitika i-SITE – Website development (Year 1) \$10,000

## Kumara

- Footpath maintenance \$23,500

## Kaniere

- Footpath maintenance \$10,000

## Ross

- Swimming Pool – Earthquake strengthening and electric heat pump system \$71,200 (Years 1-2)
- Footpath maintenance - \$30,000

## Hari Hari

- Hari Hari House \$15,300 (Year 2)
- Footpath maintenance \$15,000

## Whataroa

- Footpath maintenance \$10,000

## Franz Josef

- Footpath maintenance \$47,000
- Franz Josef Landfill capping \$25,625 loan funded (Year 2) Loan funded

## Fox Glacier

- Footpath maintenance \$30,000
- Fox House \$26,025 (Year 3)

## Haast

- Haast Landfill \$62,400 (Years 1&3) Loan funded
- Community Hall \$26,025 (Year 3)
- Footpath maintenance \$15,000
- Haast Reserve \$10,000 (Year 1)

# The Councillors' views



"This Council will focus on becoming one of the **best Councils in New Zealand** at provision of **core services**: these being stormwater, wastewater, drinking water, roading and consents."

Mayor Bruce Smith

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"The Long Term Plan is the primary opportunity for us as a Council to **open our books** to the community and show you what we are planning to do in the **short, medium and long term**. It is important for us to know what you think to make sure our planning is in line with **community needs** - after all this plan is **your plan** and will have an impact on all communities."



Deputy Mayor Helen Lash

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"I want to see Westland grow in its ability to **give people access to opportunities** so our youth and families choose to **stay in the area**. We need to foster an inclusive society where diverse voices contribute to decision-making. A strong focus for me is **working smarter** to deliver better services and outcomes for the community. This Long Term Plan is about us doing the basics better and **making prudent decisions**. Achieving this will lay the stepping stones to allow us to be more innovative in the future. **Building a solid foundation** now will support new developments and ideas moving forward."



Deputy Mayor Latham Martin

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"I see our biggest priority being infrastructure especially **building resilience into our infrastructure** so it can withstand natural hazards. I also believe we need to continue to invest in amenities in Westland to make it an **attractive place for people to live** and enjoy a good quality of life."



Cr David Carruthers

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"I care about good quality infrastructure for Westland...**water, wastewater, roading**...these are my number one priorities."

Cr Durham Havill

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“Infrastructure has to be our first priority, as both ratepayer expectations and compliance requirements demand higher standards. We must ensure that future development in infrastructure and other areas **does not compromise the environment**. Future planning should take into account external threats, such as rising sea levels. The costs of providing services, both core services and other services, must be **transparently** presented to ratepayers. The Council should be leading the way to ensure Westland is a **vibrant, inclusive community**, where people choose to live.”



Cr Jane Neale

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“We need to manage our infrastructure well so we set our economy and our industries up for success. That will **create a better future for all Westlanders**. I hope that through this Long Term Plan we can make the infrastructure needs very clear to ratepayers and engage with our dedicated community groups so people can understand the long-term benefits of **careful forward planning**.”



Cr Gray Eatwell

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“We need good quality core services and infrastructure in Westland especially roading and this requires spending money. But I want to see us **manage our financial resources** well so that **rates increases are minimal** and over time our debt reduces.”



Cr Graeme Olson

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“I want our Council's legacy to be **sound financial decision-making**, debt reduction, increased accountability and more attention on core services like infrastructure. I support Council stepping away from tourism-based activities like the Cycle Trail and making these user pays so **Council can focus on the main issues**.”



Cr Des Routhan

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# Have your say - key projects

## Long-term security of Arahura Pa Water supply

### Overview

The Arahura water scheme at present is vulnerable and boil water notices are issued several times a year due to saltwater contamination of the existing, shallow bore. The Arahura water supply also runs dry at certain times throughout the year. As a result, Council delivers tanker loads of water to Arahura from the Hokitika supply to top up the supply during these periods. If Council does not look at other options, these problems will continue to occur and the Arahura water supply will not meet compliance criteria according to the Drinking Water Standards of New Zealand. Disruptions to the supply (such as those outlined above) also raise the risk of public health issues.

The long-term security of the Arahura Pa water supply is therefore a significant project and a number of options are being considered. These options include connecting it to the Hokitika township supply or keeping the Arahura water scheme as a standalone satellite. The latter option would mean Council would need to investigate drawing water from a more resilient intake and install a water treatment plant to treat the raw water.

### Option 1- Construct water treatment plant at Arahura Pa to treat water drawn from a new water source

#### PREFERRED OPTION

A new permanent water intake source for Arahura needs investigation to increase the level of service. The most likely possibility would be a deeper bore adjacent to the Arahura River. Council's Long Term Plan includes \$40,000 in year one to conduct a feasibility study to assess bore and intake options and a subsequent \$325,000 to implement the preferred option and install the water treatment plant. The cost and impact on rates of this option will vary based on the results of the feasibility study Council's debt will increase by \$325,000 under this option. The interest on this loan would be repaid by ratepayers over the subsequent 20 years.

This is Council's preferred option as it maintains the independence of the Arahura water scheme and is a cheaper option than connecting Arahura residents to the Hokitika township water supply.

Water rate type	Total rates contribution over 20 years from 2019-2039	Average rates contribution per year
Residential connection	\$190.00	\$9.51
Commercial connection	\$333.00	\$16.63
Unconnected	\$95.00	\$4.75
Untreated connection	\$143.00	\$7.13
Untreated commercial	\$247.00	\$12.36
Untreated unconnected	\$71.00	\$3.56

## Option 2 – Connect Arahura water scheme to the Hokitika township water supply

This would involve extending the pipework outwards from the Hokitika water treatment plant to the Arahura local network. Additionally, booster pump stations would need installing. This option would increase the demand on the Hokitika water treatment plant to raise the level of service for Arahura water consumers. The projected cost, based on current assumptions, is \$40,000 for a feasibility study and a subsequent \$1.4 million spread across two years, this is loan funded capital expenditure and would increase the debt level in year one by \$740,000 and \$700,000 in year two, increasing debt over both years by an extra \$1,440,000. This also has a projected interest cost of \$617,000 over the term of the loan.

The benefit to Council would be one less water treatment plant to manage – this centralises operations for Council staff and contractors and saves building a separate water treatment plant for only 80 people that use the scheme. However, it is more costly and not Council's preferred option due to the urgency with which Council needs to remedy this water supply. Connecting it to the Hokitika supply would take significantly longer to achieve as it is a more complex project.

The level of service to this community would be increased to a more compliant level in line with NZ drinking water standard through the deployment of this scheme. However, the service standard and performance would not be any direct improvement to the end user above and beyond Option 1.

Water rate type	Total rates contribution over 20 years from 2019-2039	Average rates contribution per year
Residential connection	\$746.68	\$37.33
Commercial connection	\$1306.69	\$65.33
Unconnected	\$373.34	\$18.67
Untreated connection	\$560.01	\$28.00
Untreated commercial	\$971.00	\$48.55
Untreated unconnected	\$280.00	\$14.00

## Option 3 – Divestment of Arahura water supply asset

An alternative option is that Council divests the Arahura water supply in consultation with the Medical Officer of Health for the district by preparing an appropriate management plan, and making assessments under sections 135 (a), (b) and (c) of the Local Government Act 2002.

Council could supply water tanks for the registered Arahura water population (80 people) and transfer the responsibility for managing these to an entity representative for the Arahura community, subject to at least 50% of the community being in agreement with this move.

This is not Council's preferred option as divestment of water assets is difficult and lengthy process and requires sign off from the Ministry of Health. Although this is technically possible, it is generally not considered to be in the best interests of the public to manage their own water supply.

Service levels to the end user could be severely compromised through the lack of council stewardship in this area. Due to the small number of connected dwellings, an independent maintenance and management delivery model would need to be established. The high level of adherence required to meet NZ drinking water standards could be compromised putting public safety at risk (see Havelock North enquiry findings).

It would be difficult to maintain satisfactory levels of services expected by ratepayers through this alternative supply chain. This region of Hokitika is of lower economic status and would find it financially burdensome to progress with this option. Guarantee of safe potable water would no longer be the responsibility of Council and has a high probability of failure putting public health at risk.

The benefits of this option would be saving \$41,200 a year in operational costs for Council. This would save ratepayers between \$6 and \$27 per annum, depending on the type of water connection of the ratepayer:

Examples	Rates decrease from 2019	
Residential connection	\$	15.22
Commercial connection	\$	26.64
Unconnected	\$	7.61
Untreated Connection	\$	11.42
Untreated Commercial	\$	19.79
Untreated Unconnected	\$	5.71

However, the Arahura community would need to meet the costs of running the new system thus this would represent a decrease in level of service. Divestment would be relatively easy to achieve given the small population served by the Arahura water supply currently. Council would provide support to the community during the transition process to transfer knowledge on how to manage water supply responsibly to avoid water shortages, and contamination.

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### Your thoughts wanted

- **Do you support Council's preferred option? Why/why not?**
  - **If no, which of these three options, is your preferred choice?**
-

# Transfer of management of non-core activities to 'Destination Westland'

## Overview

Currently, the Hokitika i-SITE, Hokitika Museum, the West Coast Wilderness Trail and events portfolio, including the Hokitika Wildfoods Festival are run in-house by Westland District Council. In the 2017/18 year, these four activities have a combined net budget of \$606,438 (excluding overheads).

The West Coast Wilderness Trail is a Council asset and Council is responsible for maintaining the asset. The current cost to Council for running this asset is \$82,000 per year (including depreciation). The West Coast Wilderness Trust is responsible for the promotion and marketing of the trail. A Council staff member is currently on secondment as the Project Manager for the West Coast Wilderness Trail. Construction and promotion of the Trail has never been funded by ratepayers. However, rates applied to fund depreciation go towards the maintenance of the trail / trail structures.

Sustainable financial management is a high priority for Council's elected members. There is an expectation from Council to sustain current revenue levels and for these activities to become more commercially viable in the future. Council has identified tourism as a sizeable contributor to the local economy and therefore a recommendation has been put forward that this new entity take over the running of these activities which are, predominantly, of interest to tourists.

## Option 1- Transfer of the Hokitika Museum, West Coast Wilderness Trail, Hokitika i-SITE and events portfolio including Hokitika Wildfoods Festival to Destination Westland.

### PREFERRED OPTION

Council's new vision promotes a focus on the delivery of core services that meet community expectations and demonstrate value and quality. The proposal to transfer certain activities to the merged Hokitika Airport Limited/Westland District Property Limited Council Controlled Organisation (Destination Westland) allows Council to focus more directly on core business activities in alignment with Council's strategic direction. This will give Destination Westland an opportunity to bring a commercial focus to these activities.

For these activities, they will receive ratepayer funding through a management charge. The management charge for new activities to be transferred, subject to consultation, has been set at a fixed fee (with no inflation added) of 80% of the current rates revenue for these activities. Therefore, ratepayers will save 20% on these activities if transferred. As the Council Controlled Organisation is a commercial entity and has additional funding sources available and specialist business expertise it is envisaged that they should have the ability to operate the activity on less funding and ensure its long-term financial sustainability more easily than Council can.

However, there is likely to be long-term savings and overall reduced costs from the simplified structure of these activities if transferred to the CCO in respect of directors' fees and audit costs. Since the CCO operates in a more commercial environment, there is a possibility of reducing ratepayer contributions further in the future.

Tourism and events are not typically core business for councils so realigning these functions under an entity charged with growing and optimising these opportunities makes practical sense. This will allow Council to focus its efforts on core infrastructure like three waters and roading. This will also help keep the tourism rate down for ratepayers and will further reduce the ratepayer contribution for the Hokitika i-SITE by 20 per cent.

## Benefits of Option One to each activity

### Hokitika i-Site

Tourism continues to increase in Westland, however, customer expectations are changing. More trips and activities are being booked online which means it is becoming increasingly difficult for the i-SITE to make a profit. As customer expectations change, the i-SITE must adapt to meet these needs by ensuring the services and commercial viability of the i-SITE is optimised through new and innovative technologies and processes. Council believes that the commercial focus of the Destination Westland offers increased possibilities for the i-SITE.

### Hokitika Museum

Hokitika Museum was one of the top 10 tourist attractions within Hokitika, prior to its closure in late 2016. The Museum's Carnegie Building is currently under the management of Westland District Property Limited, while the activity is still managed by Council. The majority of Councillors believe that Westland can offer museum visitors an upgraded experience and improve the museum's commercial aspects by shifting the activity to Destination Westland. This would open up greater opportunities for future expansion including the potential to offer a destination museum attraction that can charge high entrance fees. In addition, is However it is a significant and costly project which could prove to be cost-prohibitive for Council.

### West Coast Wilderness Trail

The West Coast Wilderness Trail is gaining in popularity. The latest trail survey revealed that 86% of trail riders are domestic or international tourists. The trail is marketed overseas and there are ambitions for this to become one of New Zealand's greatest rides. Should the West Coast Wilderness Trail achieve this status, the ongoing need for maintenance and/or future development will continue to increase. Although the cycle trail has never been funded by ratepayers, rates go towards the maintenance of the trail (through depreciation of structures). Council does not want this to add a financial burden to ratepayers in the future. It is proposed that donation boxes be placed along the trail to encourage trail users to contribute to the maintenance of the trail. Additionally, the Westland Wilderness Trust has the ability to gain extra revenue through advertising, merchandising and other opportunities.

### Events

To date, Westland District Council has organised the Hokitika Wildfoods Festival. By moving this function to Destination Westland, greater emphasis can be given to developing Westland as an events destination and coordinate additional events in the region. To do so, it ideally needs to run as a true business model. Council aspires for the events portfolio to becoming fully self-funding through sponsorship and external funding. A CCO has fewer restrictions in achieving this aim as councils have stricter legislative requirements and less avenues for funding.

## Option 2

Another option is to transfer to Destination Westland those activities that the community deem to be non-core Council activities\* but keep the other activities under Council management and ownership. The change in financials would vary depending on the activities selected.

Currently, the Hokitika Wildfoods Festival costs ratepayers \$0.23 per \$10,000 of capital value per annum through their general rate. This would decrease to \$0.19 per annum if this activity was transferred.

The Hokitika Museum currently costs ratepayers \$1.36 per \$10,000 of capital value per annum through their general rate. This would decrease to \$1.09 per annum if this activity was transferred.

Financial comparisons for the West Coast Wilderness Trail and Hokitika i-SITE can be found under option 3 below.

\*Council believes that all the Hokitika Museum, West Coast Wilderness Trail, Hokitika i-SITE and events portfolio including the Hokitika Wildfoods Festival are all non-core Council activities. While some benefits are obtained from these activities by ratepayers and residents, Council believes tourists receive the largest benefit from these services, and as such, these should sit outside of Council. However, Council is aware that the community might hold a different view. Tell us which activities you think are non-core Council activities and why.



### Option 3

Council could continue to operate all four activities according to the status quo and not transfer any of these strategic assets or activities to the CCO. There would be no increase or decrease in levels of service under this model. Ratepayer contribution to all activities would remain the same as at present. As the Council does not operate in a commercial environment, future development in any of these activity areas would be restricted.

Keeping these activities under Council ownership would increase the collective ratepayer contribution of all four activities combined from \$559,680 as budgeted to \$687,955. Maintaining the status quo would result in a higher tourism rate and a higher general rate being applied to rateable units (excluding GST):

<b>General Rate type (funds Hokitika Museum and Hokitika Wildfoods Festival)</b>	<b>Rates if activities are transferred</b>	<b>Rates if management of activities remains at status quo</b>
	<b>\$ per annum</b>	<b>\$ per annum</b>
Residential & Rural - \$0-250,000 property value	31.78	39.73
Residential & Rural - \$250,001 - \$350,000 property value	44.50	55.62
Residential & Rural - \$350,001 - \$500,000 property value	63.57	79.46
Commercial - \$0 - \$500,000 property value	127.14	158.92
Commercial - \$501,000 - \$750,000 property value	190.71	238.38
Commercial - \$750,001 - \$1 million property value	254.27	317.84
Rural residential – 0 to \$250,000 property value	23.84	29.80
Rural residential – \$250,001 - \$350,000 property value	33.37	41.72
Rural residential - \$350,001 - \$500,000 property value	47.68	59.60

<b>Tourism Rate type (funds Hokitika i-SITE and West Coast Wilderness Trail)</b>	<b>Rates if activities are transferred (69% funds the Hokitika i-SITE and 31% of this funds the West Coast Wilderness Trail)</b>	<b>Rates if management of activities remains at status quo</b>
Non-commercial	6.17	7.44
Commercial - \$0 -1 million property value	407.51	490.86
Commercial - \$1-3 million property value	815.02	987.71
Commercial - \$3-10 million property value	2,037.56	2,454.28
Commercial – Over \$10 million	4,057.11	4,908.56

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## Your thoughts wanted

- Do you agree with Council's desire to focus more on core Council activities? Why/why not?
- Do you support transferring all the activities of Hokitika Museum, Hokitika i-SITE, West Coast Wilderness Trail and events including the Hokitika Wildfoods Festival to the CCO?
- If not, which activities, if any, do you think are non-core Council activities and should be transferred?

Is there another option that would be preferable or something you think Council has not considered?

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# Live-streaming Council meetings

An idea was tabled at Council to livestream monthly Ordinary Council Meetings and other ad-hoc meetings (as required). Some councils around New Zealand already provide these services to their ratepayers as an "open democracy" platform. They use these livestreams as a way to better engage the public and keep them informed on decisions affecting the district or region. Live streams would be viewable on a platform such as YouTube Live.

Following the end of a meeting, the recorded broadcast could be broken into segments for each agenda item. This would allow viewers to skip directly to agenda items of interest with special links available on the website or through social media channels. These linked segments could become part of an ongoing video archive. Agenda items would be easier to find, view, share, and watch at a time that suits the viewer.

## Option 1– To offer live-streaming of Council meetings to Westland public

### PREFERRED OPTION

This option benefits residents in geographic areas of Westland that are a significant distance away from the Council headquarters in Hokitika e.g. Haast. Residents would be able to view Council meetings from the comfort of their own home (without the time commitment or financial expenditure associated with travelling to Hokitika in person). This option may also benefit people with disabilities for whom attending Council meetings in person is more difficult. In addition, this would offer full-time workers the option of viewing the recordings of the live streams. Full-time workers may presently find it difficult to attend Council meetings due to them taking place during normal business hours. The estimated initial cost of setting up the system to offer live-streaming is \$14,847 plus GST with an annual operational cost of \$3,300 plus GST based on the frequency of one Council meeting day per month. Additional costs would apply if onsite technical support was required or additional Council meetings occurred. These costs would be rates-funded (a one-off increase of 0.1% on all rateable units for Year 1 of this plan only).

### Option 2

Council meetings would continue to be open for public attendance in the Council Chambers in Hokitika, with meeting agendas posted on Council's website in advance of the meeting and the minutes uploaded to the website subsequently. This would meet Council's legislative requirements in terms of transparency re decision-making and uphold the status quo, without adding a new cost to Westland ratepayers. However, the only option for people to listen to, or view, the Council meetings would be attending in person.

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## Your thoughts wanted

**If Council offered this service, would it be something that you would use regularly?**

**If yes, what would be the benefit to you of having this option?**

**Do you think the costs outlined above are worth it? Why or why not?**

# Contribute funding towards Westland High School Recreation and Community Centre project

At the October 2017 Council meeting, Council provisionally allocated \$100,000 to the Westland High School project, specifically for work on the fields and lighting, subject to consultation in the Long Term Plan process.

This would be reserve development funded and will thus not affect debt or rates. This funding is subject to an ongoing commitment from Westland High School to allow community groups and the general public to use the facility for free or a minimal charge.

## Option 1– To allocate \$100,000 of reserve development funds to the Westland High School Recreation and Community Centre project

### PREFERRED OPTION

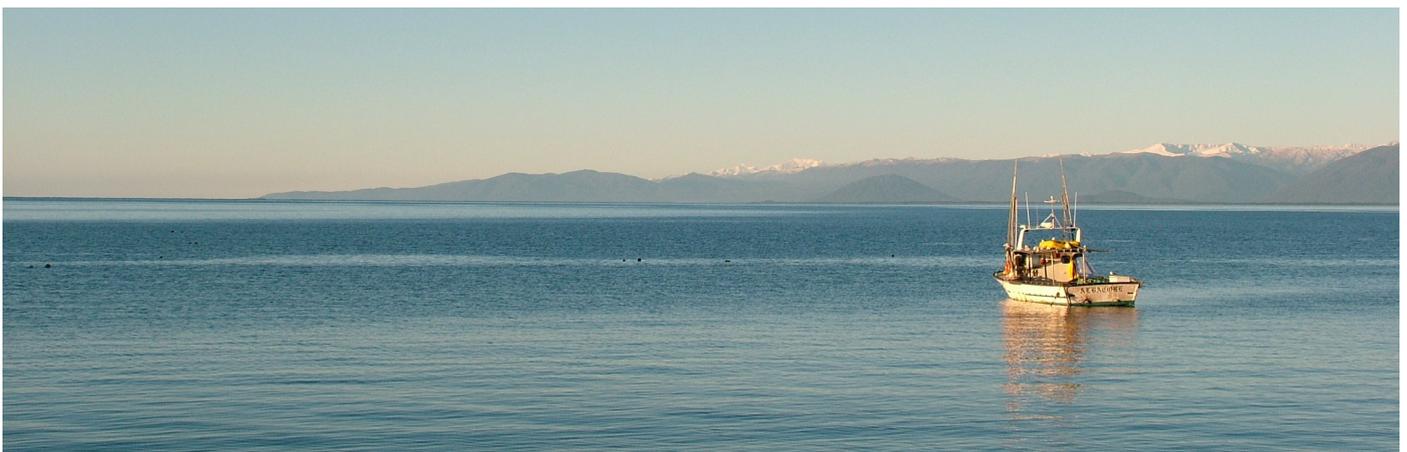
Westland's population is steadily aging. The number of residents aged over 65 is forecast to increase from 18% to 25% of the resident population by 2028. Retaining families and young people in the area is important to fuel Westland's economy. In order to do so, it is necessary to have facilities for youth recreation.

## Option 2 – To not allocate \$100,000 of reserve development funds to the Westland High School Recreation and Community Centre project.

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### Your thoughts wanted

- Do you think it is important to retain youth and families in Westland and provide high quality facilities for youth and wider community use?
  - Do you support this allocation of reserve funds to the Westland High School Recreation and Community Centre project? Why or why not?
- 



## Your submission form

To have your say you can make your submission online or using this form below.

This document summarises the big issues affecting Westland over the next 10 years. Please give us your feedback regarding the services outlined and the rates and charges associated with those services.

You can include comments on the consultation issues and on other aspects of the related documents including the Long Term Plan, Financial Strategy, Infrastructure Strategy and Fees and Charges document.

### YOUR DETAILS

Full legal name.....

Phone number.....

Email address.....

Postal address (including town, rural delivery number and postcode)

.....

.....

.....

Are you writing this submission as: (Please tick one)

An individual

On behalf of an organisation (If so, please specify the name of the organisation and your position in the organisation)

Would you like to speak to your submission at a Council hearing in Hokitika? YES/NO

If yes, please indicate preferred time of day: Morning/Afternoon/Either

### YOUR FEEDBACK PLEASE

#### Topic #1: Arahura Pa water supply

**Council proposes to construct a new water treatment plant at Arahura Pa to treat water drawn from a new water source.**

Do you support this option? YES/NO/UNSURE

If no, which of the alternate options is your preferred option: OPTION 2/OPTION3

Please provide any comments.....

.....

.....

.....

.....

## **Topic #2: Transfer of management of non-core activities to CCO**

**Council proposes to transfer the management of the West Coast Wilderness Trail, Hokitika i-SITE, Hokitika Museum and events portfolio including the Hokitika Wildfoods Festival to the Destination Westland Council Controlled Organisation.**

Do you agree with Council's desire to focus more on core Council activities? Why/ why not?

Do you support transferring all the activities of Hokitika Museum, Hokitika i-Site, West Coast Wilderness Trail and events including the Hokitika Wildfoods Festival to the CCO?

If not, which activities, if any, do you think are non-core Council activities and should be transferred?

Is there another option that would be preferable or something you think Council has not considered?

Please provide any comments.

## **Topic #3: Live-streaming Council meetings**

**Council proposes to live-stream Council meetings to better engage the public and keep people informed on decisions affecting the district or region in a transparent and flexible format.**

If Council offered this service, would it be something that you would use regularly?

If yes, what would be the benefit to you of having this option?

Do you think the costs outlined above are worth it? Why or why not?

Please provide any comments.

## **Topic #4: Contribute funding towards the Westland High School Recreation and Community Centre project**

**Council proposes to allocate \$100,000 of reserve development funds to the Westland High School Recreation and Community Centre project.**

Do you think it is important to retain youth and families in Westland and provide high quality facilities for youth and wider community use? YES/NO/UNSURE

Do you support this allocation of reserve funds to the Westland High School Recreation and Community Centre project? YES/NO/UNSURE

Please provide any comments

## Infrastructure spending

**Council proposes to fast-track infrastructure capital projects to comply with Drinking Water Standards and increased tourist growth in Years 1-5 of this plan and delay some asset renewals work for another 10 years while asset condition and performance data is improved.**

Do you support this option? YES/NO/UNSURE

Please provide any comments.

## Other proposed projects:

There are many other projects listed in this consultation document and Long Term Plan that are proposed for the next 10 ten years. Please give us your feedback on any of these. Clearly state which project you are referring to and if you support the project, are against the proposal or if your feedback is neutral.

Please provide details here.....

## More feedback:

Council would like to hear any other feedback you have in relation to the:

- Consultation Document
- Draft Long Term Plan
- Draft Fees and Charges Schedule
- Revenue and Financing Policy
- Infrastructure Strategy
- Financial Strategy
- Significance and Engagement Policy; or
- Other associated documents.

Please write your feedback on additional pages and attach it to this submission form.

Comments and suggestions on the Long Term Plan can be sent to the Council by:

Completing the online submission form at: [www.westlanddc.govt.nz](http://www.westlanddc.govt.nz)

Emailing: [longtermplan@westlanddc.govt.nz](mailto:longtermplan@westlanddc.govt.nz)

Filling in the hard copy feedback form attached and posting it to:

LTP submissions  
Westland District Council  
Private Bay 704  
Hokitika 7842

## **Tips for drafting a submission**

You can make a submission on one issue in particular or multiple issues. Remember to state for each issue whether you support it, are opposed to it or are neutral.

If you think Council has missed something critical in the plans for a particular issue, let us know. You can also tell us if you think one part of the project deserves more weight or emphasis more than the other parts.

## **What happens once submissions are received?**

Once submissions close, Council will meet to consider the feedback. If you would like to speak in front of Council regarding your submission please indicate this when you make your submission. A Council staff member will contact you to arrange a time.

After the consideration of all written and oral feedback, Council will make changes as needed. The final Long Term Plan for 2018-2028 will be adopted by 30 June 2018.

A summary of the submissions and main decisions will be published on Council's website, Facebook page and in Council's electronic newsletter, Westland Matters.

## **How can I find more information? (Dig deeper)**

All supporting information for Council's draft Long Term Plan for 2018-2028 is online at: [www.westlanddc.govt.nz](http://www.westlanddc.govt.nz)

This includes Council's proposed fees and charges document for this period.

You can email us for more information: [council@westlanddc.govt.nz](mailto:council@westlanddc.govt.nz) or visit our Customer Services Centre at 36 Weld Street, Hokitika.

Alternatively, call us toll free on 0800 474 834 Monday to Friday from 8.30am to 4.30pm.

## **Important dates**

This proposed 2018-2028 Long Term Plan is open for submissions from Thursday 17 May 2018 until 5PM on Friday 15th June. Please take the time to get involved and have your say.

The Councillors will be holding a series of public meetings in townships throughout the district to give you a chance to hear more about their thoughts in person.

If you wish to speak to your submission hearings will be held on the 19 and 20 (if required) June 2018.

## Content of the draft Council Plan 2018 - 2028

### INTRODUCTION

Message from the Mayor and Chief Executive

Westland District: History and Major Towns

Purpose of the Council's Ten Year Plan

Intended levels of service and key challenges

Significant forecasting assumptions

Our rating system

Audit Report

*Some of this 'Introductory' information is in the Consultation Document. A final version for the Council Plan will be compiled after public consultation.*

*The Audit report will be added when the final Council Plan is prepared.*

### YOUR COUNCIL

Your Councillor's and the Executive Team

Council Standing Committees

The Council vision & how Council activities contribute

Significance & Engagement Policy

Development of Maori capacity to contribute to decision-making process

### COUNCIL ACTIVITIES

#### Leadership:

Democracy

Corporate Services

Council Controlled Organisations

#### Planning & Regulatory Services:

Inspections & Compliance

Resource Management

Emergency Management

Animal Control

**Community Services:**

Community Development and Assistance

Community Halls

Townships (The Development Fund & improvement projects)

**Leisure Services & Facilities:**

Cemeteries

Elderly Housing

Hokitika Museum

Hokitika Wildfoods Festival

Hokitika i-SITE

Land & Buildings

Parks & Reserves

Public Toilets

Swimming Pools

West Coast Wilderness Trail

Westland District Library

**Infrastructure:**

Transportation

Water Supply

Wastewater

Stormwater

Solid Waste

## **KEY STRATEGIES**

Financial Strategy

30-Year Infrastructure Strategy

## **FINANCIAL POLICIES**

Revenue & Finance

Rates Remission and Postponement Policy

Development & Financial Contributions

## **FINANCIAL STATEMENTS**

Statement of Balanced Budget

Comprehensive Funding Impact Statement (by group)

Forecast Financial Statements (including Financial Statements for previous year)

Financial Reporting and Prudence disclosures

## **Fees and Charges 2018/19**

## **ENGAGEMENT AND CONSULTATION PLAN**

A Consultation Document and the draft components of the Council Plan will be released to the public on 17<sup>th</sup> May 2018. There will be 1 month for the public to provide us with feedback.

**17 May – 15 June 2018**

During this time Council will engage, consult and communicate with the public by:

### **1. Newspaper media releases (Hokitika Guardian and the Grey Star)**

Thursday 10<sup>th</sup> May “The Consultation Document is going to the Council for approval to publicly notify”

Thursday 17<sup>th</sup> May “Council has released the Consultation Document ...”

### **2. All information and the ability to submit will be on our website**

Thursday 17<sup>th</sup> May - Friday 15<sup>th</sup> June

### **3. Electronic copies of information will be emailed to the two Runanga offices, the 3 CDO’s, the range of Community and Resident Trusts and various other community and groups and businesses across the District**

Thursday 17<sup>th</sup> May

### **4. Hard copy information will be distributed to a number of facilities across the District**

Thursday 17<sup>th</sup> May

- One ‘reference’ copy of the Consultation Document
- 15 other copies of the Consultation Document
- 30-40 supplementary “bookmark” information cards to draw people’s attention to the website address and that they can attend the public meetings

*[Initial print run of Consultation Documents = 300 (150 for facilities, others for pick-ups from this office and the library, remainder for mail outs on request)]*

Deliver to:

- Council offices
- Westland District Library
- Kumara Tearooms and Takeaways

Courier:

- Ross Store (9 Moorhouse Street, Ross, phone 03 755 4022)
- Whataroa Service Station (Main Road, Whataroa, phone 03 753 4144) & Store
- Pukeko Tea Rooms (33 Main Road, Hari Hari)

- Franz Josef Supermarket (24a Main Road, PO Box 65, Franz Josef Glacier)
- Fox Glacier Store (Main Road, Fox Glacier)
- Haast Service Centre (425 Haast-Jacksons Bay Road, Haast)

## 5. Public notices in the Guardian newspaper

Friday 1<sup>st</sup> June reminder “The Consultation Document is available” on the website, from Council ... AND from local facilities x, x, x ... AND 9 public info sessions will be held x, x, x

## 6. Public notices in the Messenger newspaper

- Thursday 17<sup>th</sup> May  
“The Consultation Document is available” on the website, from Council ... AND from local facilities x, x, x ... AND 9 public info sessions will be held x, x, x
- Wednesday 8<sup>th</sup> June “One week left to submit”

## 7. Nine public information sessions

These public information sessions are included in the above public notices.

In addition, the 2 Runanga offices, the 3 CDO’s, the range of Community and Resident Trusts and various other community groups across the District will be advised about the 3 meetings by email

Relevant topics will be selected for each of the meetings.

Location	Date	Time	Venue
Kumara	Monday 21 <sup>st</sup> May	Evening	
Ross	Tuesday 22 <sup>nd</sup> May	Daytime	
Hokitika	Tuesday 22 <sup>nd</sup> May	Evening	
Hari Hari/Whataroa (combined)	Wednesday 23 <sup>rd</sup> May	6:00pm	
Okarito	Monday 28 <sup>th</sup> May	4:30pm	
Franz Josef	Monday 28 <sup>th</sup> May	6:00pm	
Fox Glacier	Monday 28 <sup>th</sup> May	8:00pm	
Haast	Tuesday 29 <sup>th</sup> May	11:30am	
Bruce Bay	Tuesday 29 <sup>th</sup> May	2.00pm	