

Report to Council



DATE: 7 May 2021

TO: Mayor and Councillors

FROM: Group manager: Corporate Services

Adoption of Supporting Policies and Documents to the Revenue and Financing Policy for Consultation Concurrent with Long Term Plan Consultation

1. 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 2021 - 2031 (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
 - 1.1.4. Appendix 4: Audit Report
- 1.2. This issue arises from the requirements of s 93G 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 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 are set out in the Long Term Plan 2018-28. Refer page 2 of the agenda.
- 1.5. This report concludes by recommending that Council receive the report, adopts the appendices documents as supporting policies and principles to the Revenue and Financing Policy, and for consultation components of the LTP, and receives the Audit Report.

2. Background

- 2.1. The reason the report has come before the Council is due to the requirements of the LGA in respect of developing a new Long Term Plan.
- 2.2. The Funding Needs Analysis is required by s 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.

2.3. 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.

2.4. 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. Current Situation

3.1. The current situation is 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. Options

4.1. Option 1: Adopt the documents as supporting material for the LTP and Revenue and Financing Policy consultations.

4.2. Option 2: Adopt the documents with modifications.

4.3. Option 3: Reject the proposal to adopt the documents.

5. Risk Analysis

5.1. Risk has been considered and risk has been identified if Council choose to reject the proposal to adopt the documents or adopt the documents with modifications, that Council might not be able to adopt the final LTP within the required timeframe, and will not meet the legislative requirements.

6. Health and Safety

6.1. Health and Safety has been considered and no items have been identified.

7. Significance and Engagement

7.1. The level of significance has been assessed as being low. Adoption of the documents is an administrative matter and does not require consultation.

7.2. However, 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.

8. Assessment of Options (including Financial Considerations)

8.1. Option 1 – Adopt the documents as supporting material for the LTP and Revenue and Financing Policy consultations. The documents inform the Revenue and Financing Policy and LTP which will be subject to public consultation.

8.2. There are no financial implications to this option.

8.3. Option 2 - Adopt the documents with modifications. Minor revisions may be possible where they are considered to more accurately represent Council's intentions. Any changes must preserve the integrity of the interdependencies between policies.

8.4. Changes must be consistent 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.

8.5. There are no financial implications to this option.

8.6. Option 3 - Reject the proposal to adopt the documents. Council's current policies are legally compliant and they are suitable for the current rating system. If Council reject the proposal it cannot be completed and resolved before the LTP is adopted in June 2021, it will require a LTP amendment and separate consultation during 2021/2022.

8.7. There would be a financial implication to this option – further audit work would be required and Audit NZ would charge for their time and this would increase the cost of the audit process.

9. Preferred Option(s) and Reasons

9.1. The preferred option is Option 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.

9.2. The reason that Option 1 has been identified as the preferred option is that it enables Council to meet all of its legislative requirements in respect of s 93G of the LGA and rely on the information to support the LTP.

10. Recommendation(s)

10.1. That the report be received.

10.2. That Council adopts the appendices documents as supporting policies and principles to the Revenue and Financing Policy, and for consultation components of the LTP.

10.3. That the Council receives the Audit Report.

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Group Manager: Corporate Services

- Appendix 1:** Draft Funding Needs Analysis (Pages - 5 - 36)
- Appendix 2:** Draft Rating Policy (Pages 37 - 54)
- Appendix 3:** Draft Funding Impact Statement (Pages 55 - 66)
- Appendix 4:** Audit Report (*To be tabled*)

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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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)¹. For each activity, Council must, in the first instance, determine the appropriate sources of funding² 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)³. 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.

This policy along with the Revenue and Financing Policy became effective from 1 July 2015. No further change in the rating system has been made and this policy will be effective from 1 July 2021.

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

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

² The funding sources are listed in s103 LGA.

³ 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).

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 1: Consideration of legal requirements for operating expenses

Headings -s.101(a) reference	Matters Council might consider
Community outcomes - s.101(3)(a)(i)	Council determines how its vision objectives ⁴ are achieved for each activity. Council has not established a link between its vision objectives and funding requirements for an activity.
Distribution benefits - s.101(3)(a)(ii)	<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 scientific⁵, 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>

⁴ Council has adopted its vision objectives as its community outcomes.

⁵ 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
Period of benefit- s.101(3)(a)(iii)	<p>For most operational expenses the benefit is received in the year the expense is incurred.</p> <p>For most activities 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>
Who creates the need- s.101(3)(a)(iv)	<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>
Separate funding- s.101(3)(a)(v)	<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>

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 2021) 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.

Table 2: Consideration of legal requirements for capital expenses

Headings -s.101 reference	Matters Council might consider
Community outcomes - s.101(3)(a)(i)	A capital project is expected to contribute to the vision objectives ⁶ in the same way as the activity in which it is funded, unless Council resolves otherwise.
Distribution benefits - s.101(3)(a)(ii)	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. Council may choose to target those people or organisations who primarily benefit through financial contributions, lump sum options or targeted rates.
Period of benefit- s.101(3)(a)(iii)	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.

⁶ Council has adopted its vision objectives as its community outcomes.

Who creates the need- s.101(3)(a)(iv)	<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>
Separate funding- s.101(3)(a)(v)	<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>

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.

Activity Funding Needs Analysis – Operating Costs

Appendix One lists each activity⁷ and documents Council's assessment of the components of section 101(3)(a) for that activity. Table 1 list the matters Council might consider under each part of the section.

⁷ For a description of each activity see the Long-term Plan.

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 3: Funding Bands

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

Funding Sources and Rationale

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.

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
Leadership:							
Democracy	<p>This activity contributes to Council’s vision objective of:</p> <ul style="list-style-type: none"> • 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 and natural resource base to enhance lifestyle and opportunity for future generations. 	<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. 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>MOST General rates MINIMAL Grants and subsidies User charges UNLIKELY All other funding sources.</p>	<p>The benefits of this activity are available to the whole community; the majority of electors are ratepayers. It is not appropriate to charge electors. Incidental revenue is received in the form of donations and certain election expenses are recovered. Spreading the funding for elections aligns with the benefit of being able to democratically elect representatives.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Corporate Services	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Involving the community and stakeholders. • Delivering core services that meet community expectations and demonstrate value and quality. 	<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>MOST General rates. MINIMAL User charges UNLIKELY All other funding sources.</p>	<p>The benefits of this activity are available to the whole community. There is some opportunity to raise funding from recovery of costs for services directly provided to customers and clients.</p>
Council Controlled Organisations	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • 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 and natural resource base to enhance lifestyle and opportunity for future generations. 	<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>ALL Investment Income. UNLIKELY All other funding sources.</p>	<p>The benefits of this activity are available to the whole community. Council Controlled Organisations are expected to be self-funding and to provide a return to Council</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Planning and Regulatory Services:							
Inspections & Compliance	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<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"> Primarily to individual users. Partly to the district as a whole. 	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>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>HIGH User charges. Subsidies.</p> <p>LOW General rates</p> <p>UNLIKELY 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.</p> <p>This also recognises that there is some benefit to the wider community from these services.</p> <p>Subsidies received for expense of Responsible Camping activity.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Resource Management	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • 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 and natural resource base to enhance lifestyle and opportunity for future generations. 	<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"> • Primarily to individual users. • Partly to the district as a whole in support of the community outcomes. 	<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>MOST General rates</p> <p>MINIMAL 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>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Civil Defence Emergency Management	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Delivering core services that meet community expectations and demonstrate value and quality. • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<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 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>MOST General rates</p> <p>MINIMAL Subsidies</p> <p>UNLIKELY 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>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Animal Control	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Delivering core services that meet community expectations and demonstrate value and quality. • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<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"> • Primarily to individual users. • Partly to the district as a whole. 	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The 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>MODERATE User charges MODERATE General rates UNLIKELY 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>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Community Services:							
Community Development & Assistance	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<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>HIGH General rates LOW Targeted Rates MINIMAL Grants and subsidies UNLIKELY 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>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Community Halls	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Delivering core services that meet community expectations and demonstrate value and quality. • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<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. The benefits are expected to accrue:</p> <ul style="list-style-type: none"> • Primarily to the local area supporting the community hall / centre. 	<p>The benefit of operating costs is expected to arise in the year the funding is sourced. 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>HIGH Targeted rates LOW General rate MINIMAL User charges UNLIKELY 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>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Township Development Fund	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Delivering core services that meet community expectations and demonstrate value and quality. • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>Each Community chooses the extent of funds it wishes to raise for local projects. 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>MOST Targeted rates MINIMAL Grants and subsidies General Rate UNLIKELY 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
Facilities, and Leisure Services:							
Westland District Library	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The primary benefit from libraries is to those that borrow and use library material and resources. 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. 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. The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Partly to individual users. Partly to the district as a whole. 	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced. 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>MOST General rates MINIMAL User charges, bequests, grants, sponsorship and subsidies UNLIKELY All other funding sources.</p>	<p>The individual benefit component of library activities is recovered through user charges, and fines. High levels of user charging results in less use of the services. User recovery is also constrained by s.142 of the LGA.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Museum	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The museum activity provides exhibitions and collections for exploration by visitors and researchers. The residents of Hokitika enjoy proximity to the museum. The museum attracts visitors to Hokitika which benefits local businesses. 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. The benefits are expected to accrue:</p> <ul style="list-style-type: none"> • Partly to individual user. • Partly to the district as a whole with recognition to proximity. 	<p>The benefit of most operating costs is expected to accrue in the year the funding is sourced. 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>MOST General rates</p> <p>MINIMAL User charges, bequests, grants, sponsorship and subsidies</p> <p>UNLIKELY 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>

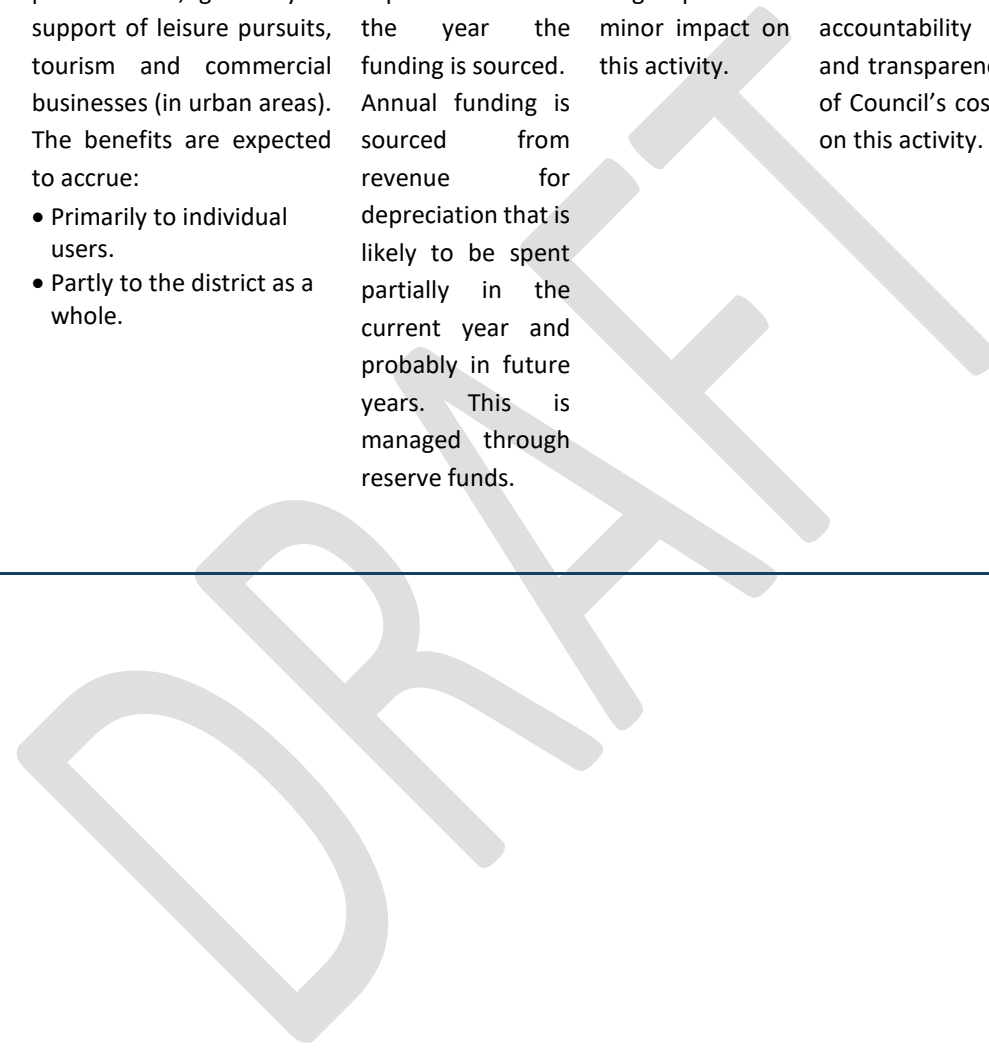
Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Swimming Pools	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Delivering core services that meet community expectations and demonstrate value and quality. • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<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. Visitors use the Hokitika Swimming Pool which benefits businesses in the area. The community enjoys access to a facility to improve fitness, health and water safety. The benefits are expected to accrue:</p> <ul style="list-style-type: none"> • Primarily to individual users. • Partly to the local community where the pool is located. 	<p>The benefit of operating costs is expected to arise in the year the funding is sourced. 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>ALL Targeted rates LOW User charges UNLIKELY 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. 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. The use of targeted rates recovers costs not recovered through user charges from the local community rate. 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>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Visitor Services	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The benefit from these services is to individual visitors, businesses and the district as a whole. 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. The benefits are expected to accrue:</p> <ul style="list-style-type: none"> • Businesses as a group receive some benefits however these have a wide flow on effect in the community. • Partly to individuals. 	<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>MODERATE Targeted rates User charges UNLIKELY All other funding sources.</p>	<p>The services provided by the i-Site are partially funded from charging directly for commissions, sales and advertising. The benefits of tourism accrue mostly to businesses.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Parks Reserves	<p>& This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Delivering core services that meet community expectations and demonstrate value and quality. • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The activity provides a district wide landscape amenity created by maintaining green space and street beautification (including playgrounds and sports grounds). 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. 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>MOST Targeted rates MINIMAL Reserve funds Financial contributions User charges UNLIKELY All other funding sources.</p>	<p>There is no practical way to collect revenues from some individual benefit across this activity. Local residents enjoy the benefits of landscape amenity in their locality. Council may use the financial contributions reserve funds for some operating expenses, generally of a project nature. Some rents are received.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
West Coast Wilderness Trail	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<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"> • Businesses as a group receive some benefits however these have a wide flow on effect in the community. • Partly to individuals. 	<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>ALL Targeted Rates UNLIKELY 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>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Public Toilets	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Delivering core services that meet community expectations and demonstrate value and quality. • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<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). The benefits are expected to accrue:</p> <ul style="list-style-type: none"> • Primarily to individual users. • Partly to the district as a whole. 	<p>The benefit of operating costs is expected to arise in the year the funding is sourced. 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>ALL General rates</p>	<p>There is no practical way of charging for the use of public toilets.</p>



Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Land Buildings	<p>& This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Delivering core services that meet community expectations and demonstrate value and quality. • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<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. The benefits are expected to accrue:</p> <ul style="list-style-type: none"> • Primarily to individual users • Partly to the district as a whole. 	<p>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>MOST General rates MINIMAL Investment income, User charges UNLIKELY 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. The benefits accrue primarily to users who pay for the service provided by way of rents, lease, licenses etc. Funding for Custom House, RSA Memorial Hall, Carnegie Building and the Band rooms comes from the Hokitika community rate. Assets sale income, unless otherwise resolved by Council is used to reduce debt.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Cemeteries	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Delivering core services that meet community expectations and demonstrate value and quality. • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<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. The benefits are expected to accrue:</p> <ul style="list-style-type: none"> • Partly to individual users. • Partly to the district as a whole in support of the community outcomes. 	<p>The benefit of operating costs is expected to arise in the year the funding is sourced. 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>MOST General rates</p> <p>MINIMAL User charges</p> <p>UNLIKELY 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 on-going 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>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Pensioner Housing	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Delivering core services that meet community expectations and demonstrate value and quality. • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>Tenants primarily benefit from community housing 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"> • Primarily to individual users. • Partly to the district as a whole in support of the community outcomes. 	<p>The benefit of operating costs is expected to occur in the year the funding is sourced. 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>MOST User charges MINIMAL 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>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Wild Foods Festival & Events	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<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"> Primarily to individuals and businesses however these have a wide flow on effect in the community. 	<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>MOST User charges</p> <p>MINIMAL Grants, sponsorship and subsidies</p> <p>General rates</p> <p>UNLIKELY All other funding sources.</p>	<p>The festival is generally expected to run at a surplus with income generated from sponsorship, grants, The benefits of tourism accrue mostly to businesses. Any surplus is used to reduce the general rate.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Infrastructure:							
Land Transport	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Delivering core services that meet community expectations and demonstrate value and quality. • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<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. 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. 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. Costs are driven by traffic volumes and size. Large vehicles, wear roads out more quickly than motorcars.</p>	<p>Identifying a separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>MODERATE Subsidy General rates UNLIKELY 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. Council maximises the amount of subsidy for the level of spending it approves. The whole district benefits from the roading network.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Drinking Water	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<p>The primary benefit from water supply is to consumers in the supply area. The consumption of water is a private good. Good quality water improves health and minimises disease for the benefit of the whole community. 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. The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Primarily to individual users Partly, the whole community gets a benefit in terms of health protection. 	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced. 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. 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>MOST Targeted rates. MINIMAL All other funding sources.</p>	<p>Those who (either directly or indirectly) benefit should pay. The cost of introducing a user pays system across all connected users is impractical due to cost of installing and reading meters. Most users are homogenous in their consumption and a targeted rate per connection or nature of connection approximates this in a practical way. 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. 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. 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>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Wastewater	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Delivering core services that meet community expectations and demonstrate value and quality. • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<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. 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>MOST Targeted rates.</p> <p>MINIMAL User charges.</p> <p>UNLIKELY 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>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Stormwater	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> • Delivering core services that meet community expectations and demonstrate value and quality. • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<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"> • To individual properties • The whole community 	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have a minor impact</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>ALL Targeted rates.</p> <p>UNLIKELY 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.</p> <p>Reticulated stormwater networks are funded from local community rates.</p>

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Funding Source and Bands	Rationale
Solid Waste	<p>This activity contributes to Council's vision objective of:</p> <ul style="list-style-type: none"> Delivering core services that meet community expectations and demonstrate value and quality. Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. 	<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. Individuals and businesses benefit directly from having waste and recycling collected from properties. The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Primarily to individual users Partly to the district as a whole 	<p>The benefit of most operating costs is expected to occur in the year the funding is sourced. 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. 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>LOW User charges Targeted rates General rates LOW 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. 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>

Rating policy 2021/2022

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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Introduction

This Rating Policy gives effect to the Funding Impact Statement contained in the Long Term Plan 2021-2031. 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 a charge of 17.5% 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
 - Bruce Bay

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
Residential	<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"> - 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 - 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 - Land predominantly used for a residential purpose with an industrial/commercial or tourist District Plan zone; - Land located at Seaview that is not used for a commercial purpose. <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>
Rural Residential	<p>a) Land not identified as commercial, rural or services and either:</p> <ul style="list-style-type: none"> - 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 - land containing a dwelling with a District Plan zone of rural and less than 10ha.
Commercial	<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"> - 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. - 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. - 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. <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>
Rural	<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>

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.

Having determined the rating differential categories Council determines the differentiation factor for the different categories. The 2021/2022 differential factors are:

Rate	Differential Category	Differential Factor	Rate	Differential Category	Differential Factor
General rate	Residential	1.00	Whataroa community rate	Residential	1.00
	Rural Residential	0.75		Rural Residential	1.00
	Commercial	2.00		Commercial	1.00
	Rural	1.00		Rural	1.00
Kumara community rate	Residential	1.00	Franz Josef Glacier community rate	Residential	1.00
	Rural Residential	1.00		Rural Residential	0.75
	Commercial	1.00		Commercial	2.00
	Rural	1.00		Rural	0.75
Hokitika community rate	Residential	1.00	Fox Glacier community rate	Residential	1.00
	Rural Residential	0.75		Rural Residential	0.75
	Commercial	2.00		Commercial	2.00
	Rural	0.75		Rural	0.75
Ross community rate	Residential	1.00	Haast community rate	Residential	1.00
	Rural Residential	1.00		Rural Residential	1.00
	Commercial	1.00		Commercial	1.00
	Rural	1.00		Rural	1.00
Harihari community rate	Residential	1.00	Bruce Bay community rate	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:

Draft Rating Policy 2021/2022

- Community rating zones
- Hokitika Promotions rating zone for commercial properties within the Hokitika Community rating zone.

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 sewerage 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 to 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 Methods¹ and Places

Rates will be invoiced quarterly, payment is required on the following due dates of each year² 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
-
- Internet Banking

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

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

- 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.

Metered water rates are invoiced monthly or quarterly with due date for payment being 20th month following invoice date.

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 collect³. 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.

Rates Penalties

Council must set its rates penalties as part of its rates resolution⁴.

Generally Council will resolve the following penalties:

1. A 10% penalty is added within the next 5 business days 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.

³ S.54 LGRA

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

Disputes

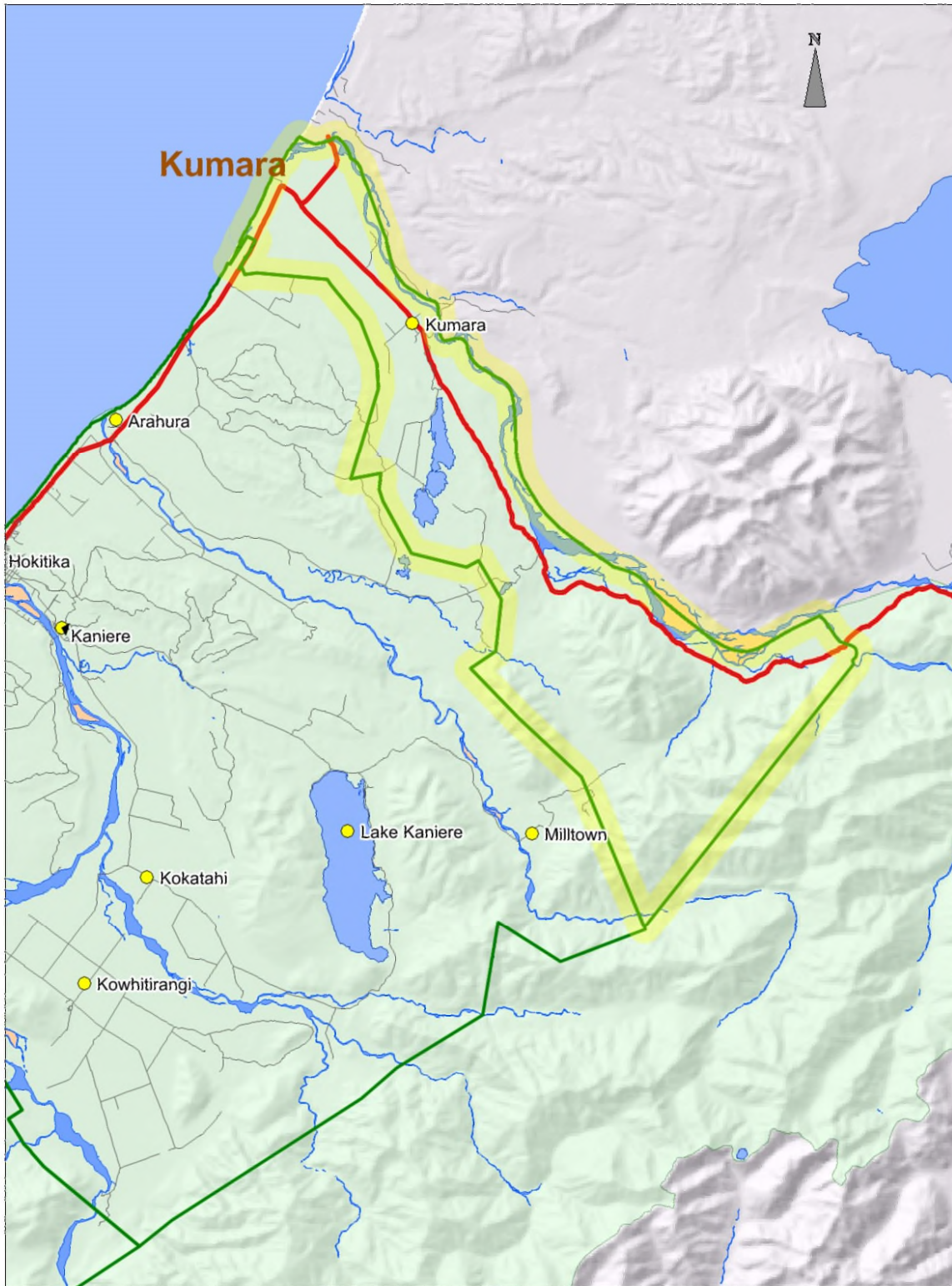
Objections to the Rating Information Database and rates records will follow the rules laid down by s.29 and s39 of the Local Government (Rating) Act 2002. Any dispute over the application of any of these rating policies that cannot be resolved through liaison with officers, must be made in writing to 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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Appendix 1: Rating Maps



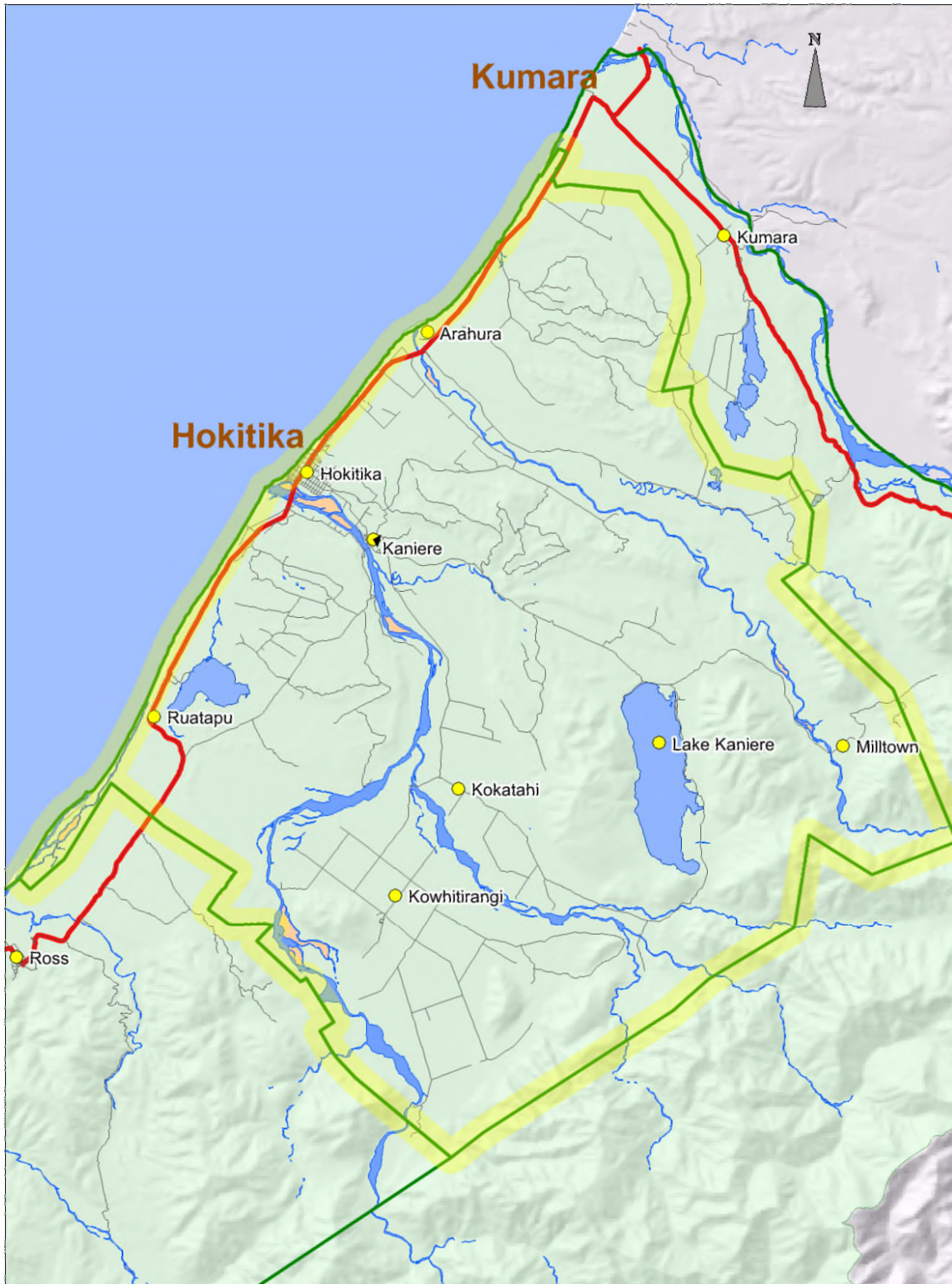
Kumara Community Rating Zone



Kumara Zone
For Community Rating Purposes



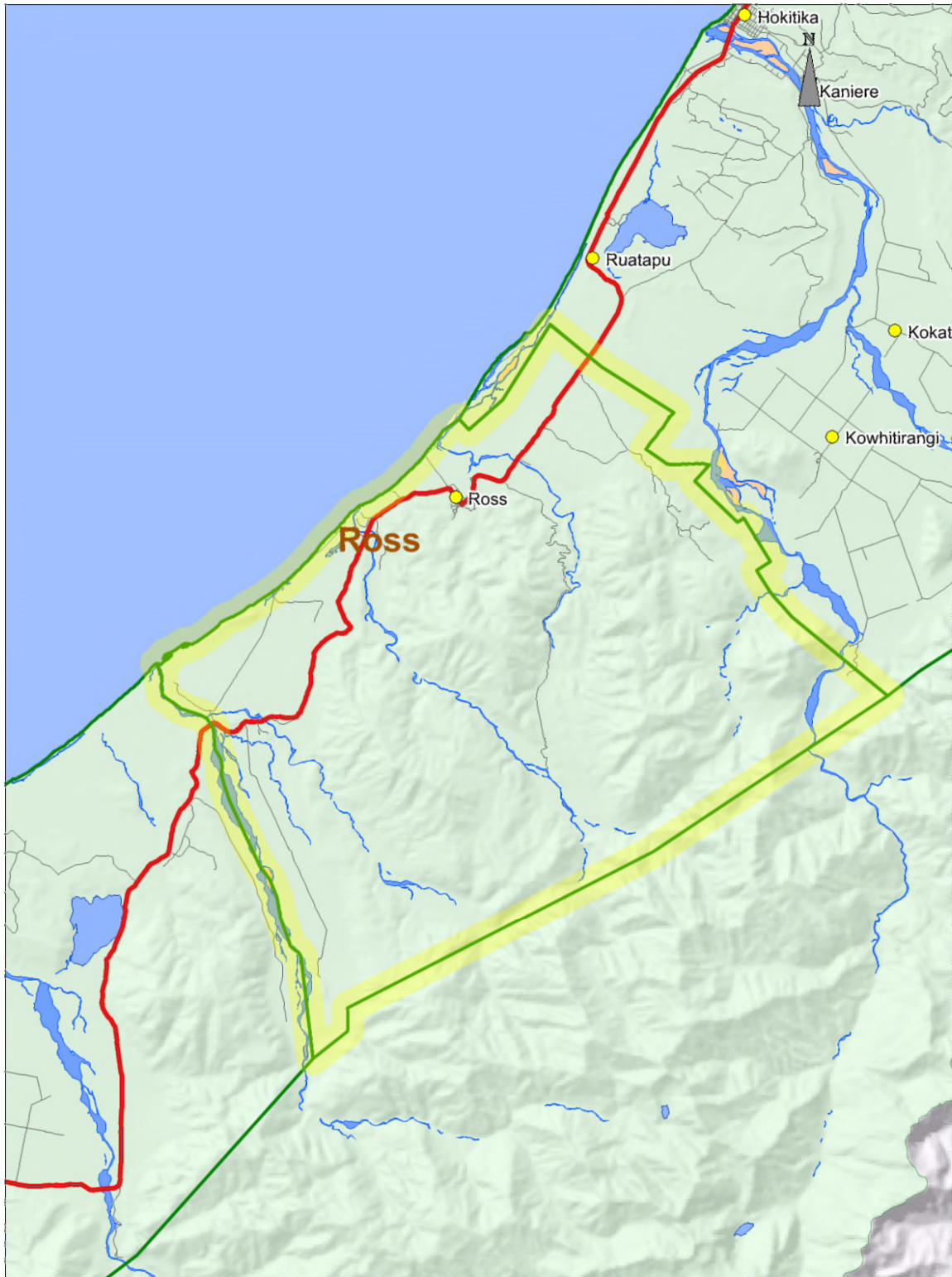
Hokitika Community Rating Zone



Hokitika Zone
For Community Rating Purposes



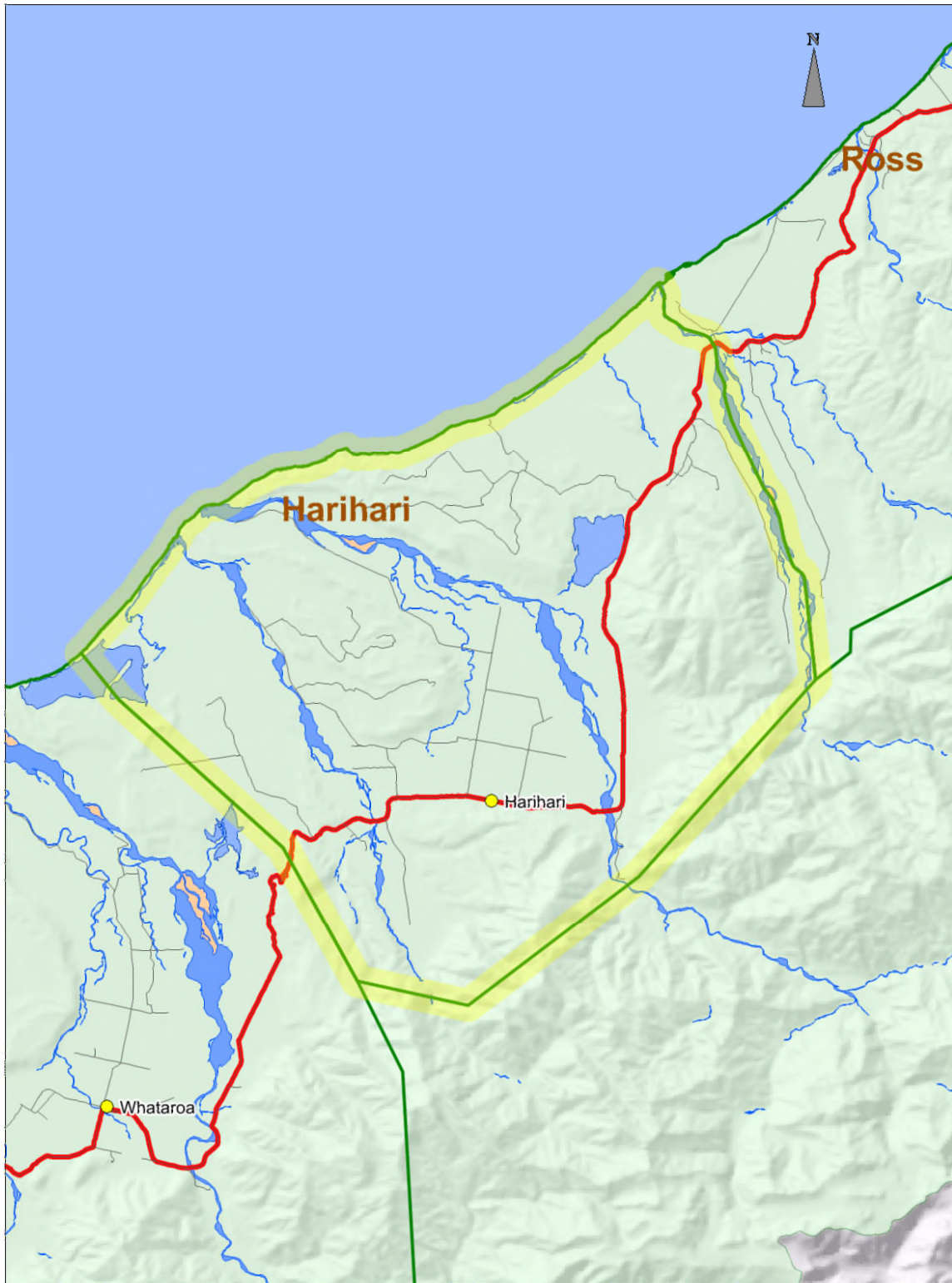
Ross Community Rating Zone



Ross Zone
For Community Rating Purposes



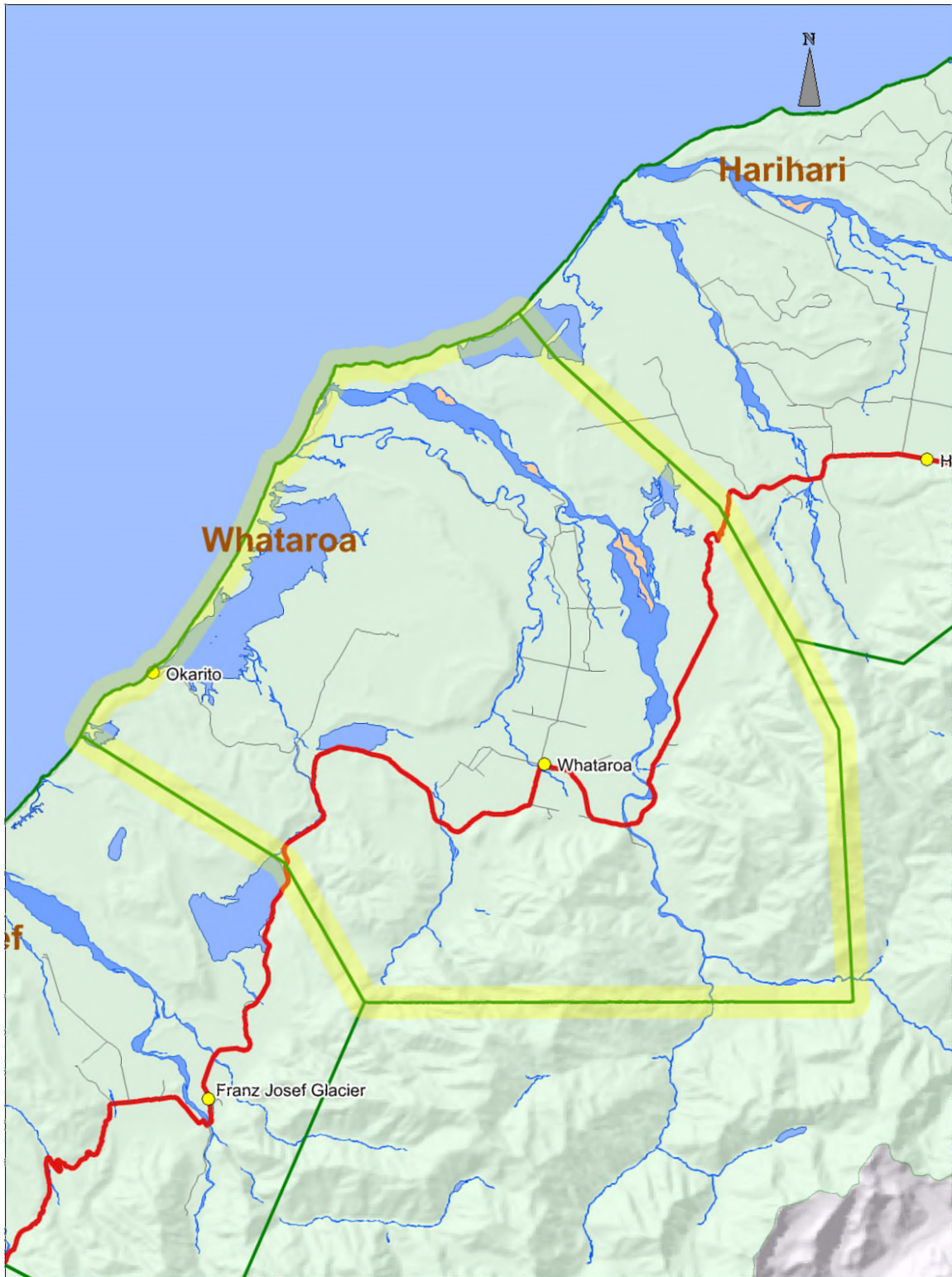
Harihari Community Rating Zone



Harihari Zone
For Community Rating Purposes



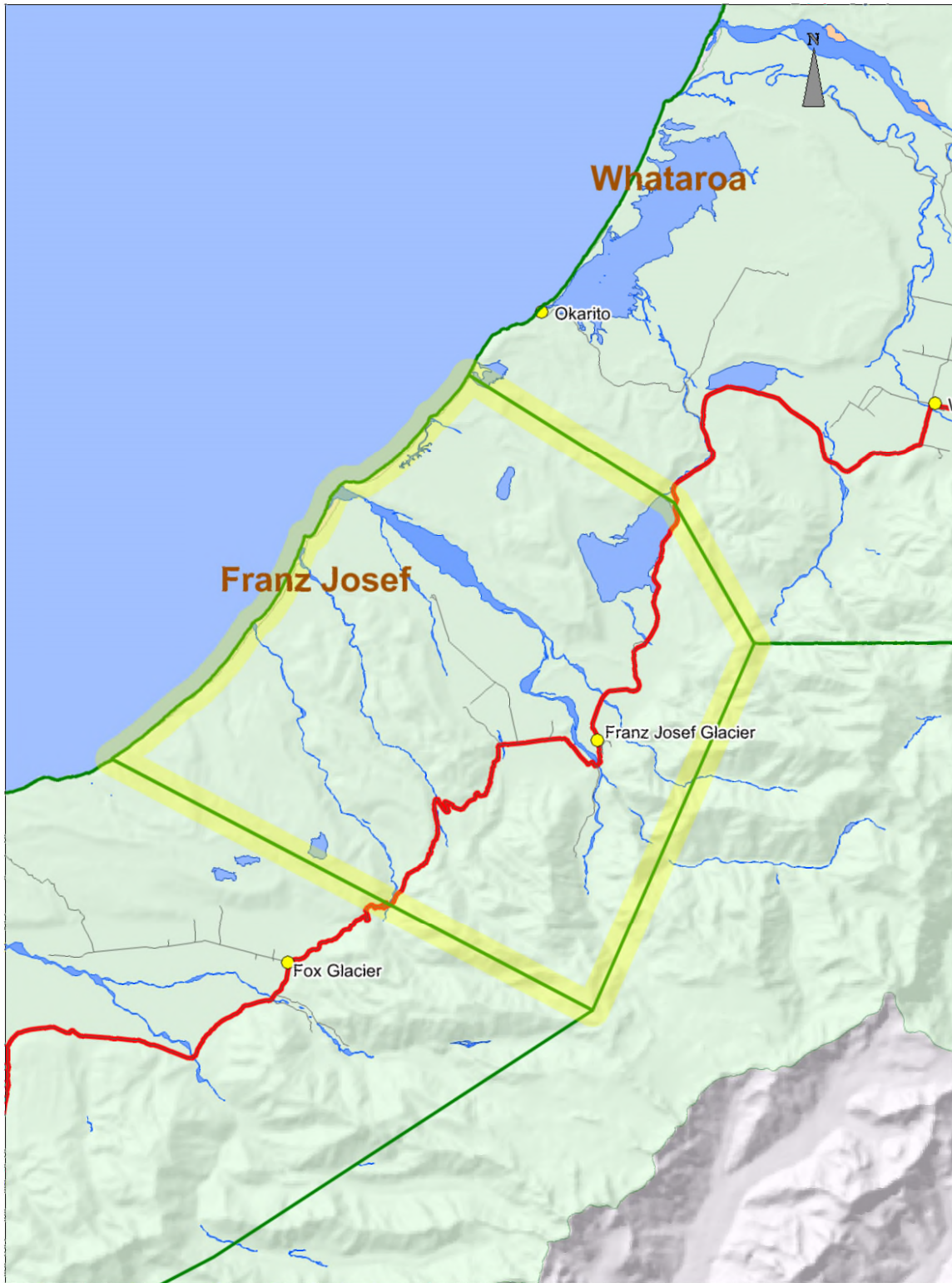
Whataroa Community Rating Zone



Whataroa Zone
For Community Rating Purposes



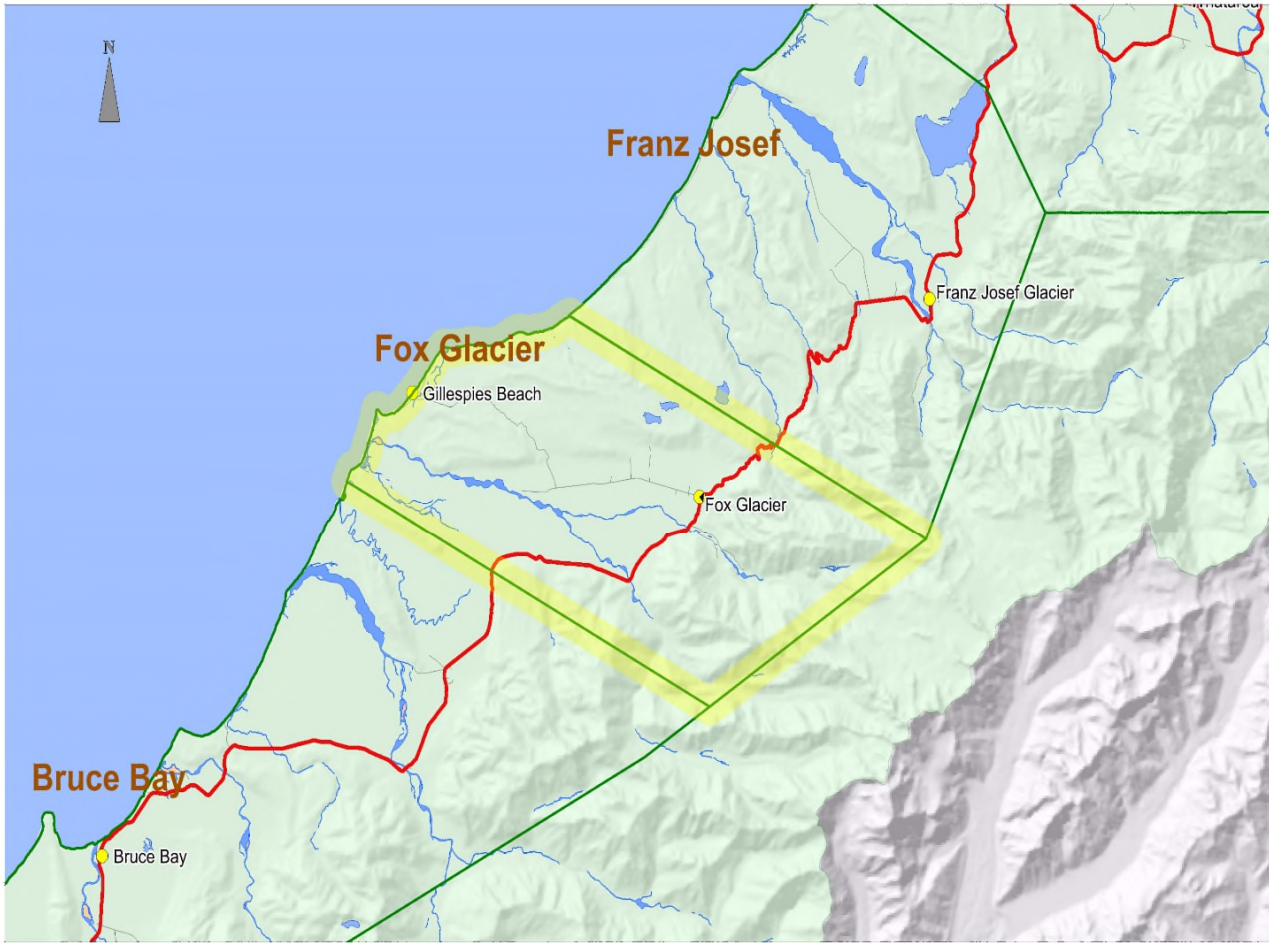
Franz Josef Community Rating Zone



Franz Josef Zone
For Community Rating Purposes



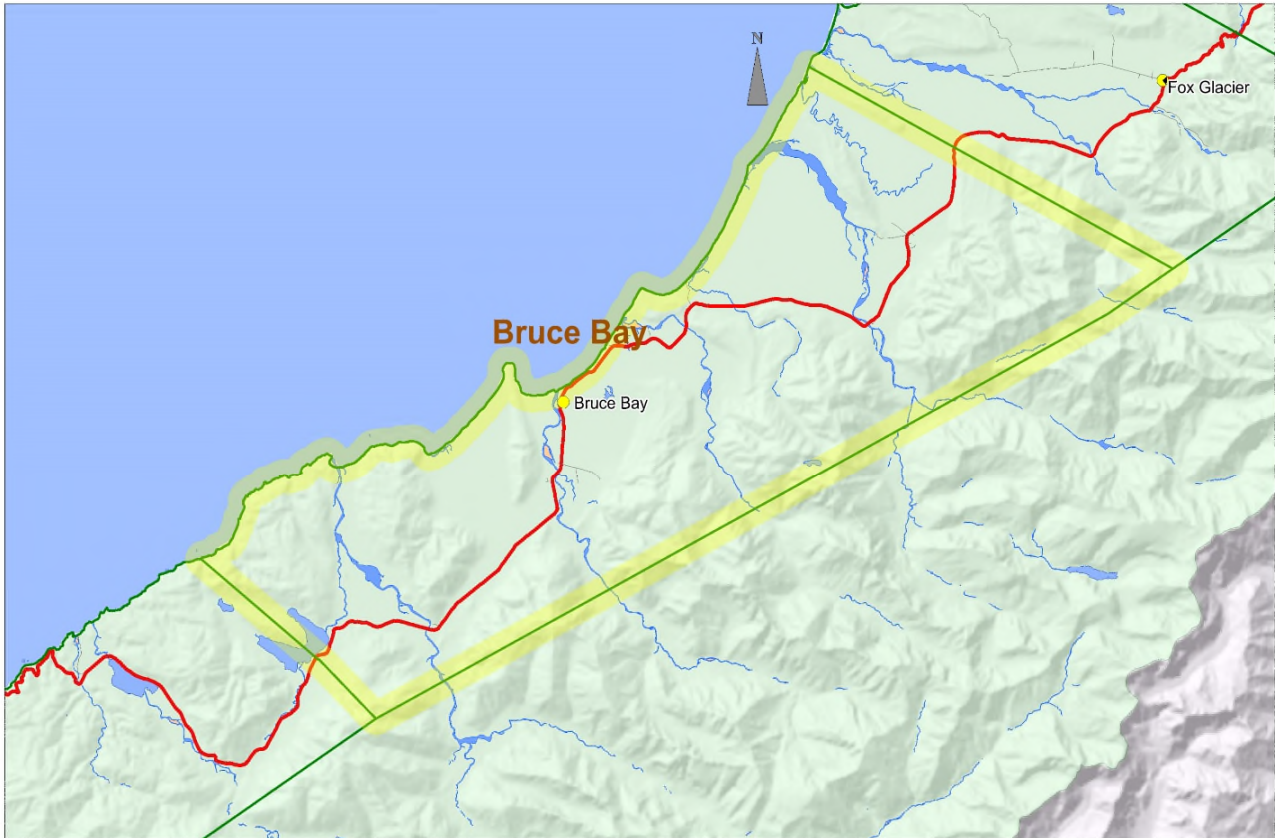
Fox Glacier Community Rating Zone



Fox Glacier Zone
For Community Rating Purposes



Bruce Bay Community Rating Zone

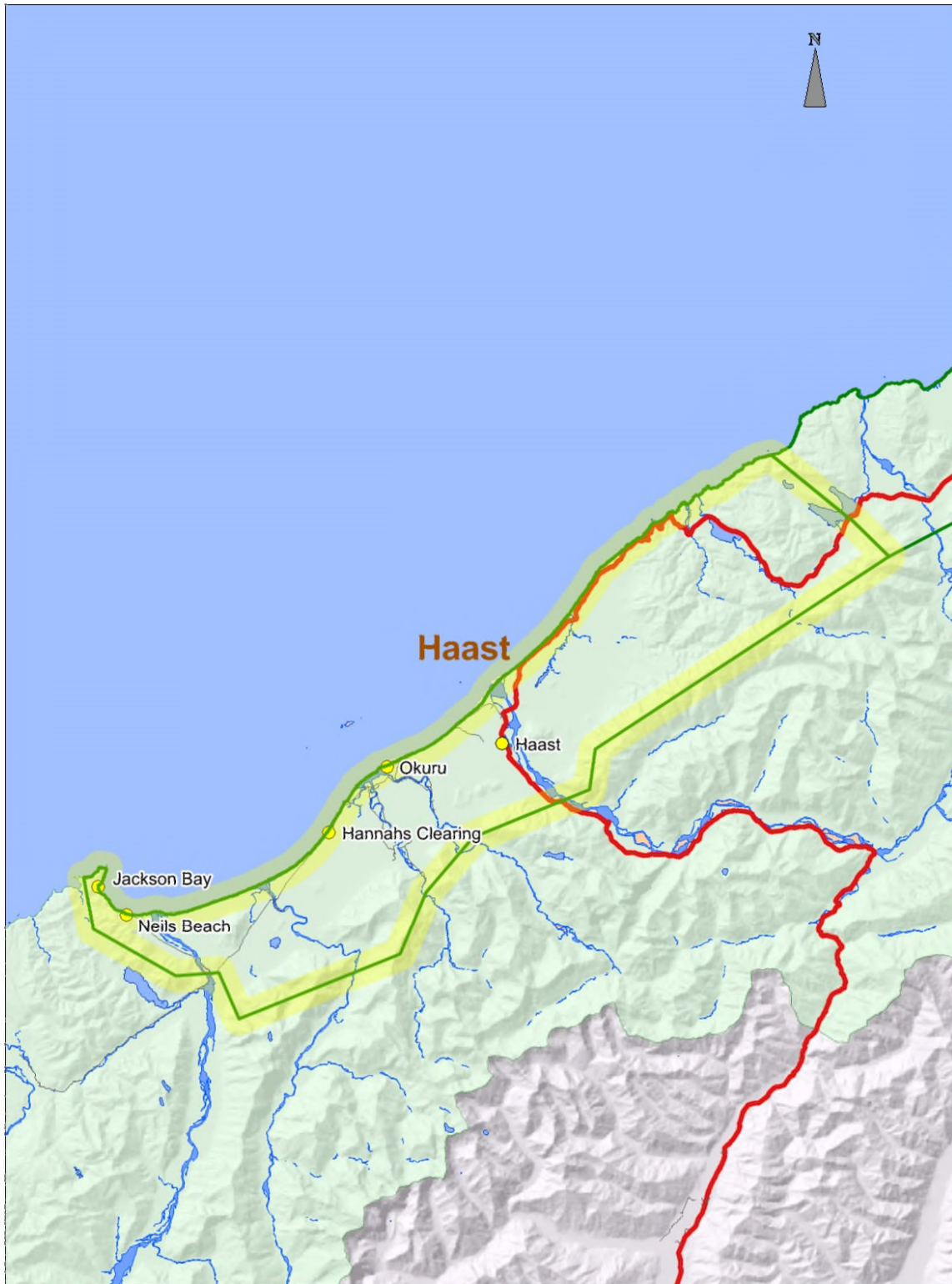


Bruce Bay Zone
For Community Rating Purposes



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Haast Community Rating Zone



Haast Zone
For Community Rating Purposes



Comprehensive Funding Impact Statement

The Funding Impact Statement is made up of three parts:

- Rates Information for 2021-22 including the Rating Policy,
- Rates Samples for 2021-22
- The Whole of Council FIS Statement for 2021-22.

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.

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Rating Information for 2021/2022

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

General Rates:

- General Rate
- Uniform Annual Charge

Targeted Rates:

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

Targeted Rates

<p>Kumara Community Rate</p>	<p>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.</p> <p>The categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and the factors applied are in the Rating Policy.</p> <p>The Kumara community rate funds all or part of the following activities: Transportation, township development fund, and parks and reserves.</p>
<p>Hokitika Community Rate</p>	<p>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.</p> <p>The differential categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and differential factors are in the Rating Policy.</p> <p>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).</p>
<p>Ross Community Rate</p>	<p>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.</p> <p>The categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and factors applied are in the Rating Policy.</p> <p>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).</p>
<p>Hari Hari Community Rate</p>	<p>The Hari Hari community rate is set and assessed as an amount per rating unit, on all rateable land in the Hari Hari 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.</p> <p>The categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and factors applied are in the Rating Policy.</p> <p>The Hari Hari community rate funds all or part of the following activities: Transportation, township development fund, and parks and reserves.</p>
<p>Whataroa Community Rate</p>	<p>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.</p> <p>The categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and factors applied are in the Rating Policy.</p> <p>The Whataroa community rate funds all or part of the following activities: Transportation, township development fund (including Okarito), and parks and reserves.</p>
<p>Franz Josef /Waiiau Community Rate</p>	<p>The Franz Josef Glacier community rate is set and assessed as an amount per rating unit, on all rateable land in the Franz Josef /Waiiau 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.</p> <p>The differential categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and differential factors are in the Rating Policy.</p> <p>The Franz Josef /Waiiau 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).</p>
<p>Fox Glacier Community Rate</p>	<p>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.</p> <p>The differential categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and differential factors are in the Rating Policy.</p> <p>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).</p>

Haast Community Rate	<p>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.</p> <p>The categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and factors applied are in the Rating Policy.</p> <p>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).</p>
Bruce Bay Community Rate	<p>The Bruce Bay community rate is set and assessed as an amount per rating unit, on all rateable land in the Bruce Bay 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.</p> <p>The differential categories are: Residential, Rural Residential, Commercial and Rural. The definitions of each category and differential factors are in the Rating Policy.</p> <p>The Bruce Bay community rate funds all or part of the following activities: Transportation, stormwater, township development fund, parks and reserves and community halls.</p>
Water Rates	<p>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.</p> <p>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).</p> <p>The locations and differential categories are:</p> <ul style="list-style-type: none"> • 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 <p>Water rates fund part of the water supply activity.</p>
Metered Water Rates	<p>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.</p> <p>The locations are:</p> <ul style="list-style-type: none"> • Hokitika and Kaniere metered water • Rural Townships metered water <p>Metered water rates fund part of the water supply activity.</p>
Milk Treatment Plant Water Rates	<p>Water rates are set and assessed on the property used as a milk treatment plant in Hokitika. For 2020/2021, the rates are:</p> <ul style="list-style-type: none"> • Hokitika Milk Treatment Plant rate fixed charge from 0 up to a projected demand for the year. • Hokitika Milk Treatment Plant metered water greater than projected demand for the year. <p>Hokitika Milk Treatment Plant rates fund part of the water supply up to the projected demand for the year and includes the cost of finance for the river intake.</p>
Sewerage Rates	<p>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.</p> <p>The rates are:</p> <ul style="list-style-type: none"> • Sewerage Connected (per water closet or urinal) • Sewerage Unconnected (per rating unit) <p>Sewerage rates fund part of the wastewater activity.</p>

Refuse Collection Rates	<p>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.</p> <p>The location is:</p> <ul style="list-style-type: none"> • Refuse collection <p>A property may choose to have more than one supply and will pay a full refuse collection rate for each supply.</p> <p>Refuse collection funds part of the solid waste activity.</p>
Tourism Promotion Rate	<p>The tourism promotion rate is set and assessed as an amount per rating unit on all rateable properties in the district.</p> <p>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.</p> <p>The differential categories are:</p> <ul style="list-style-type: none"> • Commercial <ul style="list-style-type: none"> ○ 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 <p>The definitions of each category are the same as those in the Rating Policy for the general rate.</p> <p>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).</p>
Hokitika Area Promotions Rate	<p>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 the Hokitika Community rating zone.</p> <p>The Hokitika area promotions rate funds the community development & assistance activity (Destination Hokitika grant).</p>
Kokatahi / Kowhitirangi Community Rates	<p>Kokatahi / Kowhitirangi community rates are set and assessed on all rateable properties located in the Kokatahi / Kowhitirangi Community area.</p> <p>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.</p> <p>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.</p> <p>The Kokatahi / Kowhitirangi community rate funds the community development & assistance activity (Kokatahi / Kowhitirangi community grant).</p>
Kaniere Sewerage Capital Contribution Rate	<p>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.</p> <p>The Kaniere Sewerage Capital Contribution Rate funds part of the Waste water activity (Kaniere sewerage upgrade loan).</p>
Hannah's Clearing Water Supply Capital Repayment Rate	<p>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.</p> <p>The Hannahs Clearing water supply capital repayment rate funds part of the water supply activity.</p>
Emergency Management Contingency Fund Rate	<p>The emergency management contingency fund rate is set and assessed on the land value of all rateable properties in the district.</p> <p>The emergency management contingency fund rate funds part of the emergency management & rural fire activity.</p>

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

Rating Information

The following table quantifies the amounts and total revenue for each rate for 2021/2022.

General Rates

Rate	Factor	Sector				Units	Totals	
		Rural	Rural Residential	Residential	Commercial		Revenue	
General Rates							Inc GST \$	Ex GST \$
General Rate	Capital Value	941,037,200	460,714,500	683,665,000	487,426,000	2,572,842,700		
	Per \$ Capital Value	0.0019	0.0013	0.0018	0.0037			
	Revenue	1,748,004	615,273	1,206,033	1,794,108		6,167,931	5,363,418
Uniform Annual General Charge	Rateable Units	1,715	1,357	2,522	467			
	Each	645.79	645.79	645.79	645.79			
	Revenue	1,107,538	876,344	1,628,695	301,586		4,501,287	3,914,162
Total General Rates		2,855,542	1,491,617	2,834,727	2,095,694		10,669,217	9,277,580

Targeted community rates

Rate	Factor	Sector				Units	Totals	
		Rural	Rural Residential	Residential	Commercial		Revenue	
Community Rates							Inc GST \$	Ex GST \$
Kumara	Rateable Units	119	144	194	20	477		
	Each	144.46	143.86	144.09	130.74			
	Revenue	17,191	20,716	27,954	2,615		78,747	68,475
Hokitika	Rateable Units	631	755	1,719	291	3396		
	Each	455.49	457.34	607.21	1,025.87			
	Revenue	287,412	345,290	1,043,791	298,528		2,271,274	1,975,021
Ross	Rateable Units	140	27	179	13	359		
	Each	405.15	405.15	405.15	405.15			
	Revenue	56,722	10,939	72,523	5,267		167,268	145,451
Harihari	Rateable Units	132	32	94	19	277		
	Each	116.27	113.73	114.42	105.26			
	Revenue	15,348	3,639	10,755	2,000		36,504	31,743
Whataroa	Rateable Units	110	91	57	34	292		
	Each	153.21	151.43	148.60	134.65			
	Revenue	16,853	13,780	8,470	4,578		50,234	43,681

Franz Josef	Rateable Units	78	44	132	43	297		
	Each	230.96	214.96	295.16	1,163.72			
	Revenue	18,015	9,458	38,961	50,040		133,945	116,474
Fox Glacier	Rateable Units	51	13	79	86	229		
	Each	330.18	312.40	433.33	408.91			
	Revenue	16,839	4,061	34,233	35,167		103,845	90,300
Bruce Bay	Rateable Units	110	41	0	3	154		
	Each	36.16	35.72	-	36.16			
	Revenue	3,978	1,465	-	108		6,383	5,551
Haast	Rateable Units	234	226	79	41	580		
	Each	96.45	94.70	94.87	83.57			
	Revenue	22,569	21,403	7,495	3,427		63,127	54,893
Total Community Rates	Rateable Units	1,605	1,373	2,533	550	6061		
	Revenue	454,927	430,752	1,244,181	401,729		2,911,328	2,531,589

Other targeted rates

Rate	Factor	Sector				Units	Totals	
		Rural	Rural Residential	Residential	Commercial		Revenue	Revenue
		\$	\$	\$	\$		Inc GST \$	Ex GST \$
Refuse Collection Rates								
Refuse Collection	Per bin				246.99	3,158	897,000	780,000
Total Refuse Collection Rates						3,158	897,000	780,000
		<u>Connected non commercial</u>	<u>Connected Commercial</u>	<u>Unconnected Domestic</u>	<u>Unconnected Commercial</u>			
Water Supply Rates								
Untreated Water	Each	273	-	-	-	5	1,571	1,366
Treated Water	Each	364	631	182	316	2,936	1,250,909	1,087,747
Hannah's Clearing Capital	Each							
Hokitika Milk Treatment Plant Fixed Water Rate					1,939,121	1	2,229,989	1,939,121
Metered Water Rates	Volumetric						538,334	468,117
Total Water Supply Rates							4,020,804	3,496,351
Sewerage Rates								
Connected	Each				357.85	3,989	1,641,599	1,427,477
Unconnected	Each				178.93	92	18,930	16,461
Total Sewerage Rates							1,660,529	1,443,938

Rate	Factor	Rural	Sector				Units	Totals	
			Rural Residential	Residential	Commercial	Revenue		Inc GST \$	Ex GST \$
Kokatahi / Kowhitirangi Community Rate									
Land Value	Per \$ Value					0.0000915	181,452,000	19,084	16,594
Uniform Basis	Rateable Units					83.81	198.00	19,084	16,594
Total Kokatahi / Kowhitirangi Community Rates								38,167	33,189
Hokitika Area Promotions Rate									
	Rateable Units					160.49	243	44,850	39,000
Tourism Promotions Rates									
Non Commercial	Each					8.55	5,540	54,489	47,382
Commercial within Capital Value Range:			<u>Over \$10 million</u>	<u>\$3 - 10 million</u>	<u>\$1 - 3 million</u>	<u>\$0 - 1 million</u>			
	Units		5.00	14.00	76.00	424.00	519.00		
	Each		5,635	2,818	1,127	555			
	Revenue		28,176	39,447	85,656	235,306		446,873	388,585
Total Tourism Promotions Rates								501,362	435,967
Total Other Targeted Rates								10,074,040	8,760,035
Total Rates								20,743,257	18,037,615

Rates Sample

Rate type	Area	Capital Valuation	2020/2021 Rates	UAGC @21.7%			UAGC @17.5%			UAGC @12.5%		
				Draft 2021/2022 Rates	Variance	Percentage Variance	Draft 2021/2022 Rates	Variance	Percentage Variance	Draft 2021/2022 Rates	Variance	Percentage Variance
Rural	Bruce Bay	785,500	2,069.45	2,130.08	60.63	2.93%	2,199.62	130.17	6.29%	2,282.40	212.95	10.29%
Commercial	Bruce Bay	1,060,000	6,010.74	5,590.48	(420.26)	-6.99%	5,994.00	(16.74)	-0.28%	6,474.38	463.64	7.71%
Rural Residential	Bruce Bay	830,000	1,811.74	1,816.23	4.49	0.25%	1,844.47	32.73	1.81%	1,878.08	66.34	3.66%
Commercial	Fox Glacier	670,000	5,248.38	5,206.62	(41.76)	-0.80%	5,414.49	166.11	3.17%	5,661.96	413.58	7.88%
Residential	Fox Glacier	640,000	2,891.11	2,971.66	80.55	2.79%	3,004.16	113.05	3.91%	3,042.85	151.74	5.25%
Rural	Fox Glacier	800,000	1,587.01	2,433.53	846.52	53.34%	2,456.11	869.10	54.76%	2,483.00	895.99	56.46%
Rural Residential	Fox Glacier	86,000	1,097.48	1,116.32	18.84	1.72%	1,004.29	(93.19)	-8.49%	870.93	(226.55)	-20.64%
Rural	Franz Josef	420,000	1,368.77	1,458.53	89.76	6.56%	1,409.47	40.70	2.97%	1,351.07	(17.70)	-1.29%
Rural Residential	Franz Josef	300,000	1,312.73	1,298.37	(14.36)	-1.09%	1,226.68	(86.05)	-6.55%	1,141.35	(171.38)	-13.06%
Commercial	Franz Josef	960,000	7,159.29	7,037.61	(121.68)	-1.70%	7,390.96	231.67	3.24%	7,811.62	652.33	9.11%
Residential	Franz Josef	420,000	2,425.85	2,443.56	17.71	0.73%	2,420.80	(5.05)	-0.21%	2,393.71	(32.14)	-1.32%
Residential	Haast	280,000	2,017.54	1,986.94	(30.60)	-1.52%	1,929.03	(88.51)	-4.39%	1,860.08	(157.46)	-7.80%
Commercial	Haast	1,290,000	6,517.32	6,466.81	(50.51)	-0.77%	6,985.72	468.40	7.19%	7,603.46	1,086.14	16.67%
Rural	Haast	80,000	977.57	914.27	(63.30)	-6.48%	806.17	(171.40)	-17.53%	677.48	(300.09)	-30.70%
Rural Residential	Haast	290,000	1,181.62	1,154.26	(27.36)	-2.32%	1,080.69	(100.93)	-8.54%	993.11	(188.51)	-15.95%

Rate type	Area	Capital Valuation	2020/2021 Rates	UAGC @21.7%			UAGC @17.5%			UAGC @12.5%		
				Draft 2021/2022 Rates	Variance	Percentage Variance	Draft 2021/2022 Rates	Variance	Percentage Variance	Draft 2021/2022 Rates	Variance	Percentage Variance
Rural	Hari Hari	2,070,000	4,579.14	4,791.03	211.89	4.63%	5,184.00	604.86	13.21%	5,651.82	1,072.68	23.43%
Residential	Hari Hari	130,000	1,311.00	1,291.96	(19.04)	-1.45%	1,196.37	(114.63)	-8.74%	1,082.57	(228.43)	-17.42%
Commercial	Hari Hari	250,000	2,932.22	2,872.46	(59.76)	-2.04%	2,869.63	(62.59)	-2.13%	2,866.27	(65.95)	-2.25%
Rural	Hari Hari	196,000	965.00	1,049.23	84.23	8.73%	957.94	(7.06)	-0.73%	849.26	(115.74)	-11.99%
Residential	Hokitika	460,000	1,536.11	947.60	(588.51)	-38.31%	1,063.43	(472.68)	-30.77%	1,201.31	(334.80)	-21.80%
Rural	Hokitika	510,000	1,970.82	2,062.45	91.63	4.65%	2,030.36	59.54	3.02%	1,992.15	21.33	1.08%
Residential	Hokitika	390,000	2,884.24	2,948.47	64.23	2.23%	2,918.18	33.94	1.18%	2,882.12	(2.12)	-0.07%
Commercial	Hokitika	470,000	6,765.04	6,610.74	(154.30)	-2.28%	6,718.28	(46.76)	-0.69%	6,846.31	81.27	1.20%
Rural	Kumara	12,000	858.73	840.94	(17.79)	-2.07%	715.72	(143.01)	-16.65%	566.65	(292.08)	-34.01%
Residential	Kumara	155,000	1,723.76	1,708.07	(15.69)	-0.91%	1,618.76	(105.00)	-6.09%	1,512.43	(211.33)	-12.26%
Commercial	Kumara	170,000	3,015.70	2,865.88	(149.82)	-4.97%	2,822.92	(192.78)	-6.39%	2,771.78	(243.92)	-8.09%
Rural	Kumara	182,000	1,326.39	1,310.13	(16.26)	-1.23%	1,216.21	(110.18)	-8.31%	1,104.39	(222.00)	-16.74%
Residential	Ross	277,000	1,574.04	1,594.84	20.80	1.32%	1,536.35	(37.69)	-2.39%	1,466.71	(107.33)	-6.82%
Rural	Ross	750,000	2,392.72	2,576.25	183.53	7.67%	2,589.41	196.69	8.22%	2,605.07	212.35	8.87%
Residential	Ross	210,000	2,062.54	2,065.78	3.24	0.16%	1,990.28	(72.26)	-3.50%	1,900.41	(162.13)	-7.86%
Commercial	Ross	910,000	4,949.59	5,117.33	167.74	3.39%	5,445.60	496.01	10.02%	5,836.40	886.81	17.92%
Rural	Whataroa	1,050,000	2,586.43	2,693.55	107.12	4.14%	2,829.69	243.26	9.41%	2,991.76	405.33	15.67%
Rural	Whataroa	320,000	1,242.61	1,250.66	8.05	0.65%	1,182.74	(59.87)	-4.82%	1,101.90	(140.71)	-11.32%
Commercial	Whataroa	235,000	2,385.67	2,222.92	(162.75)	-6.82%	2,212.57	(173.10)	-7.26%	2,200.25	(185.42)	-7.77%
Residential	Whataroa	90,000	1,446.21	1,347.82	(98.39)	-6.80%	1,242.18	(204.03)	-14.11%	1,116.43	(329.78)	-22.80%

Prospective Funding Impact Statement

For the years ending 30 June 2021 - 2031

Prospective Funding Impact Statement												
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	
(SURPLUS) / DEFICIT OF OPERATING FUNDING	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
Sources of Operating Funding												
General rates, uniform annual general charges, rates penalties	\$7,723	\$8,833	\$10,578	\$12,290	\$11,711	\$11,877	\$12,208	\$12,402	\$12,627	\$13,034	\$13,036	
Targeted Rates	\$8,184	\$9,119	\$9,638	\$10,057	\$10,329	\$11,342	\$11,645	\$11,732	\$12,034	\$12,425	\$12,763	
Subsidies and grants for operating purposes	\$2,896	\$3,103	\$3,113	\$3,660	\$2,638	\$2,704	\$2,769	\$2,838	\$2,910	\$2,983	\$3,057	
Fees and charges	\$1,947	\$1,801	\$1,844	\$1,924	\$1,997	\$2,062	\$2,105	\$2,150	\$2,196	\$2,243	\$2,289	
Interest and dividends from investments	\$293	\$8	\$257	\$257	\$257	\$257	\$257	\$256	\$256	\$256	\$256	
Local authorities fuel tax, fines, infringement fees, and other receipts	\$959	\$1,009	\$918	\$932	\$903	\$845	\$857	\$871	\$884	\$898	\$911	
Total Operating Funding (A)	\$22,002	\$23,873	\$26,349	\$28,121	\$28,436	\$29,088	\$29,840	\$30,248	\$30,907	\$31,839	\$32,312	
Applications of Operating Funding												
Payments to staff and suppliers	\$16,609	\$18,670	\$19,127	\$19,236	\$19,727	\$20,133	\$20,695	\$21,062	\$21,451	\$22,326	\$22,651	
Finance Costs	\$867	\$904	\$1,096	\$1,422	\$1,650	\$1,704	\$1,826	\$1,888	\$1,886	\$1,892	\$1,941	
Other operating funding applications	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Applications of Operating Funding (B)	\$17,475	\$19,575	\$20,223	\$20,658	\$21,378	\$21,837	\$22,521	\$22,950	\$23,338	\$24,218	\$24,593	
Surplus/(Deficit) of Operating Funding (A - B)	\$4,527	\$4,298	\$6,126	\$7,463	\$7,059	\$7,251	\$7,319	\$7,298	\$7,570	\$7,621	\$7,720	
(SURPLUS) / DEFICIT OF CAPITAL FUNDING												
Sources of Capital Funding												
Subsidies and grants for capital expenditure	\$2,697	\$8,308	\$3,896	\$4,310	\$2,626	\$2,960	\$2,956	\$2,379	\$2,639	\$3,602	\$3,773	
Development and financial contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Increase (decrease) in debt	\$25,626	\$6,316	\$6,382	\$4,621	\$1,263	-\$402	-\$1,365	-\$1,949	-\$932	\$520	-\$156	
Gross proceeds from sale of assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Lump sum contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other dedicated capital funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Sources of Capital Funding (C)	\$28,323	\$14,624	\$10,277	\$6,931	\$3,890	\$2,559	\$1,590	\$430	\$1,707	\$4,121	\$3,617	

	2021 Annual Plan (000's)	2022 LTP (000's)	2023 LTP (000's)	2024 LTP (000's)	2025 LTP (000's)	2026 LTP (000's)	2027 LTP (000's)	2028 LTP (000's)	2029 LTP (000's)	2030 LTP (000's)	2031 LTP (000's)
Application of Capital Funding											
Capital Expenditure:											
-to meet additional demand	\$31	\$968	\$1,232	\$1,264	\$346	\$912	\$597	\$38	\$416	\$939	\$641
-to improve the level of service	\$6,000	\$6,937	\$5,271	\$3,634	\$3,390	\$1,616	\$988	\$400	\$981	\$2,226	\$2,198
-to replace existing assets	\$5,102	\$10,478	\$10,095	\$8,733	\$8,232	\$7,190	\$5,396	\$6,967	\$4,882	\$5,543	\$6,661
Increase (decrease) in reserves	\$21,718	\$540	-\$194	\$763	-\$1,020	\$92	\$1,929	\$324	\$2,996	\$3,035	\$1,837
Increase (decrease) of investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Applications of Capital Funding (D)	\$32,850	\$18,922	\$16,404	\$14,393	\$10,948	\$9,809	\$8,909	\$7,728	\$9,276	\$11,743	\$11,336
Surplus/(Deficit) of Capital Funding (C - D)	-\$4,527	-\$4,298	-\$6,126	-\$7,463	-\$7,059	-\$7,251	-\$7,319	-\$7,298	-\$7,570	-\$7,621	-\$7,720
Funding Balance ((A - B) + (C - D))	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0