



# POLICY AND FINANCE COMMITTEE

## AGENDA – 11 March 2015

### **A Conduct of Business**

The meeting will be held in the Council Chambers, 19 Kitchener Street, Martinborough and will commence at the conclusion of the District Council meeting. The meeting will be held in public (except for any items specifically noted in the agenda as being for public exclusion).

- A1. Apologies
- A2. Conflicts of Interest
- A3. Public Participation
- A4. Minutes for Confirmation: Policy & Finance Committee 4 February 2015 Pages 1-2
- A5. Minutes for Receipt: Risk & Audit 25 November 2014 Page 3
- A6. Minutes for Receipt: Risk & Audit 29 January 2015 Page 4
- A7. Action Items Page 5

### **B Policies and Reports**

- B1. Adoption of Policies Pages 6-40

### **C Finances**





# POLICY AND FINANCE COMMITTEE MEETING MINUTES

4 February 2015

**Present:** Mayor Adrienne Staples (Mayor), Councillors Margaret Craig, Dean Davies, Brian Jephson, David Montgomerie, Viv Napier, Colin Olds, Julie Riddell, Solitaire Robertson and Max Stevens.

**In Attendance:** Paul Crimp (Chief Executive Officer) and Suzanne Clark (Committee Secretary).

**Conduct of Business:** The meeting was held in the South Wairarapa District Council Chambers at 19 Kitchener Street, Martinborough and was conducted in public between 1:10pm and 2:05pm.

## A Preliminary Matters

### A1. Apologies

There were no apologies.

### A2. Conflicts of Interest

No conflicts of interest were declared.

### A3. Public Participation

There was no public participation.

### A4. Policy & Finance Committee Minutes 19 November 2014

*P&F RESOLVED (P&F2015/01)* that the minutes of the Policy and Finance Committee meeting held on 19 November 2014 be received and confirmed as a true and correct record subject to the correction of 'Montgomery' to 'Montgomerie' as the seconder of motion P&F2014/30.

*(Moved Cr Stevens/Seconded Cr Robertson)*

Carried

### A5. Risk and Audit Minutes for Receipt

*P&F RESOLVED (P&F2015/02)* that the minutes of the Risk and Audit Working Party meeting held on 23 October 2014 be received.

*(Moved Cr Napier/Seconded Cr Stevens)*

Carried

### A6. Action Items from 19 November 2014

*P&F RESOLVED (P&F2015/03)* to receive the action items from 19 November 2014.

*(Moved Cr Craig/Seconded Cr Davies)*

Carried

#### **DISCLAIMER**

*Until confirmed as a true and correct record, at a subsequent meeting, the minutes of this meeting should not be relied on as to their correctness*

**B Policies and Reports**

**B1. Graffiti Working Party – Proposed Change to Name and Terms of Reference**

Councillors discussed the report and made amendments for inclusion in the final Terms of Reference for adoption by Council on the 11 March 2015. Approval was given on the basis that the level of Council staff and resource commitment already being given would not increase.

*P&F RESOLVED (P&F2015/04):*

1. To receive the information.
2. To approve changing the name of the Graffiti Working Party to the Community Safety Working Party.
3. To approve the Terms of Reference for the Community Safety Working Party with changes as discussed.

*(Moved Cr Riddell/Seconded Cr Napier)*

Carried

Cr Montgomerie left the meeting at 1:39pm.

Cr Montgomerie returned to the meeting at 1:40pm.

**B Finances**

**B1. Financial Report**

The Chief Executive tabled the finances ending 30 November 2014 and 31 December 2014 reporting that Council was tracking well to budgets with expected fluctuations and small variances. Councillors discussed income collection from Martinborough Transfer Station, membership of the Risk and Audit Working Party and work towards an internal audit programme.

*P&F RESOLVED (P&F2015/05):*

1. To receive the tabled financial statements for the period ended 30 November 2014 and 31 December 2014.

*(Moved Cr Craig/Seconded Cr Davies)*

Carried

2. Action 41: Organise a press release highlighting the high activity in fees and licenses within the district; P Crimp

**Confirmed as a true and correct record**

.....(Mayor)

.....(Date)

**DISCLAIMER**

*Until confirmed as a true and correct record, at a subsequent meeting, the minutes of this meeting should not be relied on as to their correctness*

**Risk & Audit Working Party**  
**Minutes**  
**25 November 2014**  
**3.30 pm, Waiohine Room**

**Present** – Cr. V Napier (Chair), Cr M Craig, Cr M Stevens, Cr D Davies  
Also in attendance – P Crimp.

**Apologies** Nil

**Minutes** – Minutes of the 23 October 2014 meeting were confirmed as a true and correct record.

Moved Craig/Davies

**Matters Arising** –

The Local Alcohol Policy was discussed briefly – hearing to be held Thursday 27 November

**Monthly Financials** – October management accounts presented and discussed. Too early to ascertain any full year trends but nothing to indicate any issues.

**Risks**

Risks discussed :

- Staffing
  - Full compliment
  - But LGC announcement from LGC due soon
- Legislation
- LTP
  - Need to get focus groups going
    - Farming
    - Business
- FAR review
  - SWDC to 52%/
  - Thought all Councils on same rate but they are not
  - We have applied for a review
- Featherston Land
- Town hall

**General Business**

Independent audit function

Paper to January Council meeting for proposal

Meeting closed 5.09pm

**Next meeting:**

**Risk & Audit Working Party**  
**Minutes**  
**29 January 2015**  
**3.00 pm, Waiohine Room**

**Present** – Cr. V Napier (Chair), Cr M Craig, Cr M Stevens, Cr D Davies

Also in attendance – P Crimp.

**Apologies Nil**

**Minutes** – Minutes of the 25 November 2014 meeting were confirmed as a true and correct record.

Moved Craig/Davies

**Matters Arising –**

LTP Sector meetings – discuss at Council meeting, include Farming (incl viticulture); Business; Sport; Service Clubs (incl fire brigades); Youth; Elderly (Probus)

**Monthly Financials** – YTD December management accounts presented and discussed.

**Risks**

Risks discussed :

- Staffing
  - Full compliment
  - But LGC announcement may still impact engagement
- Legislation
- LTP
- FAR review
  - SWDC to 52%/
  - Thought all Councils on same rate but they are not
  - We have applied for a review
- Featherston Land
- Town hall, funding applications lodged some questions.

**General Business**

Independent audit function

Paper to January Council meeting for proposal

Meeting closed 5.09pm

**Next meeting:**

**18 February 3pm;**

**18 March 3pm**

**15 April 8.30am**

**20 May 3pm**

**Policy and Finance Committee  
Action Items  
From 4 February 2015**

Ref #	Meeting	Date	Action Type	Responsible Manager	Action or Task details	Status	Notes
41	P&F	4-Feb-15	Action	Paul	Organise a press release highlighting the high activity in fees and licenses within the district	Open	

# POLICY AND FINANCE COMMITTEE

11 MARCH 2015

---

## AGENDA ITEM B1

### ADOPTION OF POLICIES

---

#### **Purpose of Report**

To present policies for adoption.

#### **Recommendations**

Officers recommend that the Committee:

1. *Receive the information.*
2. *Adopt the Revenue and Financing Policy*
3. *Adopt the Postponement of Rates Policy*
4. *Adopt the Remission and Postponement of Rates on Maori Freehold Land Policy*
5. *Adopt the Maori Policy*
6. *Adopt the Remission of Rates Policy*
7. *Adopt the Financial Contributions Policy*

#### **1. Executive Summary**

Council has delegated authority to set and adopt various policies.

This paper presents a number of policies that relate to the Long Term Plan.

These policies will be identified in the Consultation Document as having been reviewed, and where they are located; there is no requirement to include the policies in the Consultation Document in their entirety.

#### **2. Policies for Adoption**

##### **2.1 Revenue and Financing Policy**

There have been some minor changes to update this policy as indicated in "track changes".

##### **2.2 Postponement of Rates Policy**

Paragraph 2.4.5 delete the fee of \$50.00 and insert the wording "Fees are outlined in the Annual Schedule of Fees and Charges"



This change is recommended as it is easier to alter fees if necessary through the annual plan process rather than a full policy review.

Paragraph 3.3.3 it is recommended that the full paragraph commencing " To assist ratepayers who are currently uninsured,..." and ending "Council expectations are that arrangements... 1 July 2006."

This change is recommended as it should still be the homeowners responsibility to source adequate insurance.

### **2.3 Remission and Postponement of Rates on Maori Freehold Land Policy**

No changes recommended.

### **2.4 Maori Policy**

Recommended minor changes have been highlighted using track changes.

### **2.5 Remission of Rates Policy**

Recommended changes are noted using track changes.

2.5 Delegation, this change is procedural and provides delegation to the newly created Policy and Reporting Manager role.

3.2.1 This change is recommended as not all not for profit organisations are charities.

3.2.7 This change will result applicants only having to apply once for the remission and if approved will remain in force until circumstances change such that the organisation is no longer eligible. There had been a very low uptake of annual applications and in any event if we were to enforce this requirement there would be a high administrative overhead due not only to updating the rates database year by year, but also if organisations forgot to apply working through the feedback we would receive.

3.3 Update delegated authority per 2.5 above.

4.2.3 This change is recommended as a procedural matter to clarify the process. Notices of protection are sometimes received directly from the "Protecting Agency" (e.g. QE2) without any formal application for rates remission. Some property owners do not wish to apply for remission, others may feel that simply by being notified the remission should apply.

5.3 Update delegated authority per 2.5 above.

6.2.3 This is a procedural matter.

6.3 Update delegated authority per 2.5 above.

### **2.6 Financial Contributions Policy**

No changes are recommended.

### **3. Appendix**

Appendix 1 – Policies Showing Tracked Changes

Contact Officer: Paul Crimp, Chief Executive

# **Appendix 1 – Policies Showing Tracked Changes**

# REVENUE AND FINANCING POLICY

## 1. Introduction

The Revenue and Financing Policy (Policy) contains Council's policies with respect to the funding of operating expenditure and capital expenditure from various revenue sources. When read in conjunction with the Funding Impact Statement (Rating), this policy provides the link between the funding decisions taken at the activity level, with the eventual rates assessment that each ratepayer will receive. It is also the lead policy for other funding and financial policies including:

- Liability Management Policy.
- Investment Policy.
- Development and/or Financial Contributions Policy.
- Rates Remission Policies.
- Rates Postponement Policy.

Section 101 (3) of the Local Government Act 2002 (LGA) set out the requirements Council must consider as part of the development of the policy. Section 103 LGA sets out the general contents of the Policy.

The first step requires consideration, at activity level of each of the following:

- Community outcomes - the community outcomes to which the activity primarily contributes (in other words your rationale for service delivery).
- The user/beneficiary pays principle – the distribution of benefits between the community as a whole, any identifiable part of the community, -and individuals.
- The intergenerational equity principle – the period in or over which those benefits are expected to accrue.
- The exacerbator pays principle – 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.

### 1.1 Community Outcomes

The requirement to consider community outcomes in the funding process is seen as an obligation for Council to consider why it is engaged in an activity and to what level. To that extent, possible funding of activities should be consistent with achievement of desired outcomes.

### 1.2 Distribution of Benefits

At this stage, Council is required to consider who benefits from the activities performed by Council. This is expressed as the Public/Private split. Economic theory suggests there are two main characteristics that need to be considered when looking at a particular good or service:

### 1.2.1. Rivalry in Consumption

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

### 1.2.2. Excludability

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

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

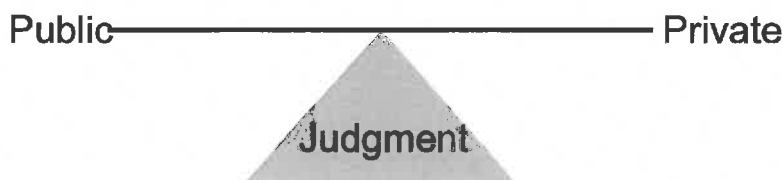
At the other end of the continuum are 'private goods' which are both rival and excludable. Most daily consumables are private goods.

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

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

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

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



### 1.3 Distribution of Benefits Over Time

Council needs to consider something called 'intergenerational equity' which means that funding decisions are required to consider future generations,

Adopted: 29 June 2009

Revised: 24 June 2015

Review: 30 June 2018

2

M/200

not just today. Many of the activities provided by local government are either network or community infrastructure which has long service lives. Benefits from these services can be expected to accrue over the entire life of the asset. Current ratepayers should not be expected to subsidise the benefits that future ratepayers receive nor should future ratepayers subsidise current ratepayers.

One way that Council applies the intergeneration equity principle is by spreading costs over the future. Council will typically borrow to fund the cost of a project and future ratepayers will repay the loan (and interest cost), say over a 25 year period. Council typically only borrows to fund capital expenditure but Council may use short term borrowing to spread some operating costs smooth funding over a limited period to avoid rate spikes.

Council also needs to ensure that appropriate funding has been allocated to reasonably meet the levels of service that each activity is targeting to meet and financial sustainability into the future needs to be considered.

#### **1.4 Actions or Inactions of Individuals or Groups**

This generally refers to how to make the 'exacerbators' pay. This could include funding mechanisms to allow for the fining of people that cause unwanted Council activity, e.g. cleaning up abandoned cars or rubbish. However, Council has very limited funding mechanisms to enable targeted charging and, in many cases, it is not possible to pass this cost on to the exacerbator and, therefore, it becomes more a case of identifying the quantum of the issue and deciding who then should bear the cost, if not the exacerbator.

#### **1.5 Costs, Benefits and Separate Funding**

Council is required to consider whether an activity should be separately funded and what the cost implications might be. There are administration costs associated with separate funding and these need to be weighed against any benefits of targeting specific beneficiaries/users of a service, including transparency and accountability.

Transparency and accountability are most evident when an activity is totally distinctly funded. This allows ratepayers, or payers of user charges, as the case may be, to see exactly how much money is being raised for and spent on the activity, and to assess more readily whether or not the cost to them of the activity represents good value.

However, funding every activity this way would be extremely complex. For some activities, the quantity of rates funding to be collected amounts to only a few cents per ratepayer. The administrative costs and lack of significance lead Council to fund a number of activities by way of a general rate. To aid in transparency and accountability, Council separates the total general rate into reasonable activity breakdowns when presenting the ratepayer with their rates assessment notices. This then allows the ratepayer to make some form of meaningful assessment down to activity level.

*Adopted: 29 June 2009  
Revised: 24 June 2015  
Review: 30 June 2018*

3

M/200

## 2. Selection of Tools

Section 103(1) requires Council to identify the funding of operational expenditure and capital expenditure.

Operational expenditure is normally funded by way of revenue (income) while capital expenditure can be funded by way of both revenue and non-revenue items such as borrowings and the use of Council created reserves.

Capital expenditure is expenditure when the benefit of that expenditure is greater than one year and therefore benefits obtained by those assets spread according to the life of the asset.

Section 103 (2) LGA requires Council to identify its funding tools from the list below.

A number of tools can be used to allocate both public and private good. The use of targeted rates is good example of this. An activity with a very high percentage of public good can be allocated over a small geographical area and therefore the most appropriate tool to recover the expenditure would be a targeted rate. Therefore in this instance a targeted rate is used to recover a public good. However targeted rates can be used to recover a private good such as use of water from a closed network. This is where Council can restrict people using that network and before they can join they have to formally join to it and are charged the appropriate fee(s).

## 3. Revenue

### 3.1 General Rates

Including Uniform Annual General Charge.

This is usually used to recover public good.

South Wairarapa District uses land value for the application of its general rate.

Council believes that land of value allocates the costs fairly between the rural and urban communities.

During the preparation of the 2012/22 LTPWhen Council considered the advantages and disadvantages of each option ~~and it considered it~~ identified that:

- The ratio of land to capital value was inconsistent across the district and this would have lead more ratepayers having an increase than those decreases) in rates payable.

RATIO OF LAND CAPITAL VALUES	
MOVEMENT IN GENERAL RATES	PERCENT OF GENERAL PROPERTIES WITH MOVEMENT
Decrease between 0% and 30%	35%
Increase between 0% and 30%	14%
Increase between 30% and 100%	31%
Increase greater than 100%	20%

Comment [KWPaRM1]: Is this still accurate

- As land value is the current method it is accepted and understood by the majority of ratepayers.
- There would be additional costs in both moving to capital value and additional costs in maintaining the rating database without out any significant increase in value.

### 3.2 Targeted rates

Any other rate includes, Uniform Annual Changes, rate set on a differential on value, rates set over at area of benefit and rates for a service or for an activity.

This can be used for both private good and public good.

Current targeted rates include the amenity rates.

### 3.3 Lump sum contributions

For the recovery of specific capital expenditure, otherwise loan funded (optional for ratepayer).

This must have a high component of private good.

### 3.4 Fees and charges

Any fee, recovery fine or charge made Council for service or activity.

Must have a high component of private good.

### 3.5 Interest and dividends from investments

Income from an investment. This would be generally public good.

### 3.6 Financial & development contributions

There are used to recover costs to mitigate the effects of development. Council has a Financial Contributions Policy under the Resource Management Act 1991 which explains the application and the levying of these fees. Council does not have a development contributions policy.

This must have a high component of private good.



### **3.7 Grants and subsidies**

Income from external funding entity. These generally would be of a public good.

### **3.8 Borrowing**

Loans, both short term and long term. This is a funding tool and does not need a split between public and private good as it is only deferring the eventual charge.

### **3.9 Proceeds from asset sales**

This would only need to be recognized where an asset was being sold and not replaced with a similar asset. For the example where the proceeds from the sale of corporate property were used to fund another activity. Again this is a funding tool.

### **3.10 Council Created reserves**

Council created reserves result from surplus revenues over expenditure being held for a particular purpose or the transfer of non-cash expenditure (e.g. depreciation).

Group of Activities, and Activity	Community Outcomes	user/beneficiary pays principle	intergenerational equity principle	excess/burden pays	costs and benefits	Proposed		Rationale	Funding Sources	
						Private	Public		Operational	Capital
Governance/Leadership/Advocacy										
Representing the community	Vibrant and strong communities Sustainable South Wairarapa	NIL	NIL	L	L		100%	The democracy process is available to all residents and ratepayers, therefore all ratepayers benefit from this activity.	General rate & reserve funding	
Public Protection										
Protection of public health		M	NIL	M	M		30%-20%	Council has a statutory obligation to enforce public health legislation	Fees & Charges General Rate	
Noise control and enforcement		NIL	NIL	H	L		10%	Council has the ability to charge for monitoring and recover other costs	Fees & Charges General Rate	
Building consents and enforcement		H	NIL	L	M		80%-90%	Council has statutory obligation to enforce the building act	Fees & Charges General Rate	
Dog and animal control	Healthy & economically secure people	L-M	NIL	H	L		60%-70%	For dog control the urban community receive a higher benefit than the rural community while for animal control the rural community receives a higher benefit than the urban	Fees & Charges General Rate	
Liquor licensing		H	NIL	L	L		30%-20%	Council has a legal obligation to enforce liquor act	Fees & Charges General Rate	
Emergency management and civil defence		NIL	NIL	L	H		100%	Emergency management is for the protection of life and restoration of essential services	Fees & Charges General Rate	
Rural life		M	NIL	H	M		25%-15%	Council has a statutory obligation to fund committed rural life activity	General rate Targeted General rate	
Community Development										
Cultural and community development		L	NIL	NIL	H		100%	Supporting community activities for which council believes there is a high public benefit	General rate Targeted rate	
Economic Development	Vibrant and strong communities Sustainable South Wairarapa	NIL	NIL	NIL	L		100%	Economic development provides a benefit of the district, but there are occasions where parts of the district benefit to a different degree	General rate Targeted rate	
Economic Development - Tourism		M	NIL	NIL	M		60%-70%	Tourism is a very important part of economic activity within Swai therefore has a high public good. However the benefit received from tourism develop also directly benefits the tourist related businesses	General rate Targeted rate	
Resource Management										
Educated and knowledgeable people										
Vibrant and strong communities										
Sustainable South Wairarapa										
District Plan (reviews and development)		L	NIL	M	L		95%	DP is a strategic and statutory planning document for the benefit of the district (house members of the community can apply and fund a private plan change (V))	General rate Fees and charges, reserves and other income (1-3 V))	
Resource consent applications		H	NIL	H	H		5%	Element public good for enquiries and consents that have a high public interest	General rate F & C surpluses	
Resource consent appeals		H	NIL	H	L		50%	Appeals potentially cover a wide range of effects and have a wide range of benefits	General rates / surpluses	

Comment [KWPaRM2]: ?

Adopted: 29 June 2009  
Revised: 24 June 2015  
Review: 30 June 2018

Group of Activities, Community Outcome and Activity	user/beneficiary pays principle	intergenerational equity principle	excessator pays	costs and benefits	Proposed		Rationale	Funding Sources	
					Private	Public		Operational	Capital
<b>Amenities</b>									
Parks and Reserves including playgrounds	L	H	M	M	10%-15%	90%-85%	Reserves are there for recreational purposes and are open to all without restriction except for specific areas and times	Targeted rates, fees and charges	Targeted rates, contributions, surplus funds & Loans
Swimming Pools in Featherston, Greytown and Martindborough.	H	M-H	L	L	30%-40%	70%-60%	While pools provide recreation value council can restrict access	Targeted rates, fees and charges	Targeted rates, contributions, surplus funds & Loans
Ownership of Camping Grounds in Martindborough and Greytown.	H	M	L	L	70%-85%	15%-30%	Martindborough is a restricted area and Greytown has restricted council may in the future may look at options for Greytown	Targeted rates, fees and charges	Targeted rates, contributions, surplus funds & Loans
<b>CMC Amenities</b>									
Libraries in Featherston, Greytown and Martindborough.	H	L-H	L	M	30%-40%	60%-70%	This activity provides public benefit by increasing people's knowledge, but also provides a private benefit.	General rate, fees & charges	General rates, surplus funds & Loans
Pensioner housing units in Featherston, Greytown and Martindborough.	H	M	L	L	5%		There is high private benefit by the tenants and council provides this facility for the wellbeing of a select number of the community	Fees & charges	Surplus funds & Loans
Public toilets in Featherston, Greytown and Martindborough and at various rural and coastal sites.	H	M	H	M	90%-90%	20%-10%	Providing essential services to ensure a clean environment	Targeted rates	Targeted rates, surplus funds & Loans
Public halls, Sports Stadium in Featherston, Greytown and Martindborough.	M-H	M	M	L	40%-60%	60%-40%	Halls while used for private benefit there are wider community benefits of having halls available. Halls are the focal point of the community	Targeted rates, fees and charges	Targeted rates, contributions, surplus funds & Loans
Cemeteries in Featherston, Greytown and Martindborough.	H	H	L	L	90%	10%	Can restrict access and there are alternatives, providing service to public there are benefits from memorial status	Targeted rates, fees and charges	Targeted rates, surplus funds & Loans
<b>Recreation / Land Transport</b>									
	H	H	H	H	70%-80%	30%-30%	Road corridor provides high public good however the use of the road is predominantly for private benefit purposes	Fees & charges, NZTA subsidy, tolls, contributions, General Rates	Surplus funds, NZTA subsidy, tolls, contributions, general rates
<b>Solid Waste Management</b>									
Waste collection	H	L	H	M	70%-80%	30%-20%	Service provision public benefit by keeping the district clean	Fees & Charges, targeted rates	Surplus funds, fees & charges, targeted rates and loans
Closed Landfill	NIL	M	L	L	100%		Protect environment from impacts of previous events	General rate	General rates, surplus funds & Loans
Transfer stations	H	L	H	M	70%-80%	30%-20%	Service provision public benefit by keeping the district clean	Fees & Charges, targeted rates	Surplus funds, fees & charges, targeted rates and loans
Recycling	H	L	H	M	70%-80%	30%-20%	Service provision public benefit by keeping the district clean	Fees & Charges, targeted rates	Surplus funds, fees & charges, targeted rates and loans

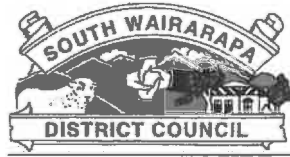
Comment [KWPaRM3]: ?

Adopted: 29 June 2009  
 Revised: 24 June 2015  
 Review: 30 June 2018

Group of Activities, Community Outcomes and Assets	user/beneficiary pays principle	intergenerational equity principle	excise/tax pays	costs and benefits	Proposed		Rationale	Funding Sources	
					Private	Public		Operational	Capital
Stormwater Healthy & economically secure people Sustainable South Waikato Stormwater Collection	H	H	H	L-M	20%	80%	Collection predominantly to prevent flooding of private and public property	Fees & Charges, targeted rates, general rates, surplus funds and loans	Fees & Charges, targeted rates, general rates, surplus funds and loans
Stormwater Treatment	L	H	H	L-M	5%	95%	To protect the environment	Fees & Charges, targeted rates, general rates	Fees & Charges, targeted rates, general rates, surplus funds and loans
Water Supply	H	H	H	M	90%	10%	Provides safe potable drinking water	Fees & Charges, targeted rates, contributions	Fees & Charges, targeted rates, contributions, surplus funds and loans
Wastewater Healthy & economically secure people Sustainable South Waikato Wastewater Treatment	H	H	H	M	70%	25%	Provides satisfactory treatment & disposal environment for waste	Fees & Charges, targeted rates, contributions	Fees & Charges, targeted rates, contributions, surplus funds and loans

Comment [KWPaRM4]: ?

Adopted: 29 June 2009  
 Revised: 24 June 2015  
 Review: 30 June 2018



## POSTPONEMENT OF RATES POLICIES

Formatted: Centered

Formatted: Different first page header

### 1. Introduction

These policies are prepared under section 110 of the Local Government Act 2002.

### 2. Extreme Financial Circumstances

#### 2.1 Objective

- To assist ratepayers experiencing extreme financial circumstances which affects their ability to pay rates.

#### 2.2 Criteria and Conditions

- Council will consider, on a case by case basis, all applications received that meet the criteria listed below.

#### 2.3 Criteria

1. The ratepayer(s) is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision of maintenance of the home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
2. The ratepayer(s) must be the current owner of the rating unit and have owned or resided on the property or within the District for not less than five years.
3. The rating unit must be used solely for residential purposes and the ratepayer(s) must reside on the property.
4. The ratepayer(s) must not own any other rating units or investment properties, whether in this District or another.

#### 2.4 Conditions

1. Application must be in writing by the ratepayer(s) or by an authorised agent.
2. The ratepayer(s) is required to disclose to Council, all personal circumstances, including the following factors: age, physical or mental disability, injury, illness and family circumstances so that Council can consider these factors to establish whether extreme financial hardship exists.

SWDC Communication Strategy  
Status – Approved 29 June 2011  
Reviewed 24 June 2015  
Review due: June 2018<sup>4</sup>

3. Applications for postponement of rates will only be considered from the beginning of the rating year in which the application is made. If Council decides to postpone rates the ratepayer(s) must first enter into an agreement with Council to make regular payments for future rates.
4. Council will charge a postponement fee on the postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the
5. Council's administrative and financial costs and may vary from year to year. Fees are outlined in the Annual Schedule of Fees and charges. ~~The fee is \$50.00.~~
6. Any postponed rates will be postponed until;
  - a. *the death of the ratepayer(s); or*
  - b. *until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or*
  - c. *until the ratepayer(s) ceases to use the property as their residence; or*
  - d. *until a date specified by the Council as determined by Council in any particular case.*
7. Postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
8. Postponed rates will be registered as a statutory land charge on the rating unit under the Statutory Land Charges Registration Act 1928 and no dealing with the land may be registered by the ratepayer while the charge is registered except with the consent of Council.

**Comment [KWPaRM1]:** Replace this so if the charge is altered we don't need to alter the policy.

## 2.5 Delegation

Council delegates the authority to approve applications for rate postponement to the Chief Executive Officer.

## 3. Ratepayers Aged 65 Years and Over

### 3.1 Objective

- To give ratepayers a choice between paying rates now or later subject to the full cost of postponement being met by the ratepayer and Council being satisfied that the risk of loss in any case is minimal.

### 3.2 General Approach

Only rating units defined as residential and used for personal residential purposes by the applicant(s) as their sole or principal residence will be eligible for consideration of rates postponement under the criteria and conditions of this policy.

Current and all future rates may be postponed indefinitely if at least one ratepayer (or, if the ratepayer is a family trust, at least one named occupier) is 65 years of age or older.

Owners of units in retirement villages will be eligible provided that Council is satisfied payment of postponed rates can be adequately secured.

Council will add to the postponed rates all financial and administrative costs to ensure neutrality as between ratepayers who use the postponement option and those who pay as rates are levied.

Council will establish a reserve fund out of which to meet any shortfall between the net realisation on sale of a property and the amount outstanding for postponed rates and accrued charges, at the time of sale. This will ensure, that neither the ratepayer(s) nor the ratepayer(s') estate will be liable for any shortfall.

### 3.3 Criteria

#### 1. Eligibility

Any ratepayer aged 65 years or over is eligible for postponement provided that the rating unit is used by the ratepayer as their sole or principal residence. This includes, in the case of a family trust owned property, use by a named individual or couple. Residents of retirement villages who hold an occupation licence will be able to apply for postponement of the rates payable by the retirement village on their unit with the agreement of the owner of the retirement village.

#### 2. Risk

Council must be satisfied, on reasonable assumptions, that the risk of any shortfall when postponed rates and accrued charges are ultimately paid is negligible. To determine this, the Council uses a model developed by an actuary to forecast, on a case by case basis, expected equity, when repayment falls due. If that is likely to be less than 20%, the Council will offer partial postponement, set at a level expected to result in final equity of not less than 20%.

For prudential reasons, the Council will need to register a statutory land charge against the property to protect its right to recover postponed rates. At present the law does not allow councils to register such a charge against Maori freehold land. Accordingly, Maori freehold land is not eligible for rates postponement (unless and until the law is changed so that the Council can register a statutory land charge).

If the property in respect of which postponement is sought is subject to a mortgage, then the applicant will be required to obtain the mortgagee's consent before the Council will agree to postpone rates.

3. *Insurance*

The property must be insured for its full value and evidence of this produced annually.

To assist ratepayers who are currently uninsured, Council is arranging for the development of a group insurance policy to provide all risks cover. This will achieve cover against catastrophic loss at minimum cost. The premium will be treated as part of the postponement fee and thus come within the postponement arrangements. Council expectations are that arrangements for the group insurance policy will be completed in time for it to come into effect from 1 July 2006.

Comment [KWPaRM2]: Update

If insurance cannot be arranged because the property is uninsurable, only the land value can be used when calculating maximum postponement allowable under subclause 4.

4. *Rates Able to be Postponed*

All rates are eligible for postponement except for:

- a. *target rates for water supplied by volume (water by meter rates)*
- b. *lump sum options which are rates paid in advance.*

**3.4 Conditions**

Any postponed rates (under this policy) will be postponed until:

- 1. The death of the ratepayer(s) or named individual or couple, (in this case the council will allow up to 12 months for payment so that there is ample time available to settle the estate or, in the case of a trust owned property, make arrangements for repayment); or
- 2. The ratepayer(s) or named individual or couple ceases to be the owner or occupier of the rating unit (if the ratepayer sells the property in order to purchase another within the Council's district, Council will consider transferring the outstanding balance, or as much as is needed, to facilitate the purchase, provided it is satisfied that there is adequate security in the new property for eventual repayment); or
- 3. If the ratepayer(s) or named individual or couple continue to own the rating unit, but are placed in residential care, Council will consider them to still be occupying the residence for the purpose of determining when postponement ceases and rates are to be paid in full;
- 4. A date specified by Council.



Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Council's administrative and financial costs and may vary from year to year.

The financial cost will be the interest Council will incur at the rate of Council's cost of borrowing for funding rates postponed, plus a margin to cover other costs (these will include Council's own in-house costs, a 1% p.a. levy on outstanding balances to cover external management and promotion costs, a reserve fund levy of 0.25% p.a., and a contribution to cover the cost of independent advice).

To protect Council against any suggestion of undue influence, applicants will be asked to obtain advice from an appropriately qualified and trained independent person. A certificate confirming this, will be required before postponement is granted. Council has made arrangements with a reputable and appropriately qualified non-government organisation to provide this service.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy. Postponed rates will be registered as a statutory land charge on the rating unit title. This means that Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

#### **4. Review of Suspension of Policy**

This policy is in place indefinitely and can be reviewed subject to the requirements of the Local Government Act 2002 at any time. Any resulting modifications will not change the entitlement of people already in the scheme to continued postponement of all future rates. Council reserves the right not to postpone any further rates once the total of postponed rates and accrued charges exceeds 80% of the ratable value of the property as recorded in Council's rating information database. This will require the ratepayer(s) for that property to pay all future rates but will not require any payment in respect of rates postponed up to that time. These will remain due for payment on death or sale.

The policy consciously acknowledges that future changes in policy could include withdrawal of the postponement option.

#### **5. Procedures**

1. Applications must be on the required form which will be available from ~~any~~ the Council office. The policy will apply from the beginning of the rating year in which the application is made.
2. ~~This policy was implemented effective from 1 July 2006.~~

Comment [KWPaRM3]: Not relevant in footer



# REMISSION AND POSTPONEMENT OF RATES ON MAORI FREEHOLD LAND POLICY

## 1. Objectives

- To recognise that certain Maori owned land may have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide for relief from rates.
- To recognise that the Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectable.
- To meet the requirements of section 102 of the Local Government Act 2002 to have a policy on the remission and postponement of rates on Maori freehold land.

## 2. Conditions and Criteria

1. Application for remission or postponement under this policy should be made prior to the commencement of the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of the Council. A separate application must be made for each year.
2. Owners or trustees making application should include the following information in their applications:
  - a. *Details of the rating unit or units involved.*
  - b. *Documentation that shows that the land qualifies as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court.*
3. The Council may of its own volition investigate and grant remission or postponement of rates on any Maori freehold land in the district.
4. Relief, and the extent thereof, is at the sole discretion of the Council and may be cancelled and reduced at any time.
5. Council will give a remission or postponement of up to 100% of all rates for the year for which it is applied or based on the extent to which the remission or postponement of rates will:
  - a. *Support the use of the land by the owners for traditional purposes.*
  - b. *Support the relationship of Maori and their cultural traditions with their ancestral lands.*
  - c. *Avoid further alienation of Maori freehold land.*

- d. *Facilitate any wish of the owners to develop the land for economic use.*
  - e. *Recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes.*
  - f. *Recognise and take account of the importance of the land for community goals relating to:*
    - The preservation of the natural character of the coastal environment.
    - The protection of outstanding natural features.
    - The protection of significant indigenous vegetation and significant habitats of indigenous fauna.
  - g. *Recognise the level of community services provided to the land and its occupiers.*
  - h. *Recognise matters relating to the physical accessibility of the land.*
  - i. *Provide for an efficient collection of rates and the removal of rating debt.*
6. Decisions on the remission and postponement of rates on Maori freehold land may be delegated to council officers or a committee of the Council. All delegations will be recorded in the Council's delegation schedule.

# Maori Policy

## Goal

To formulate, develop and implement policies and programmes in partnership with Maori of the District which are in accord with the requirements of the Local Government Act 2002, which reflect the underlying intentions and principles of the Treaty of Waitangi and the statutory obligations to Maori under the provisions of the Resource Management Act 1991.

## Strategies and Policies

The South Wairarapa District is rich in Maori history and culture. Some of the earliest known occupational sites exist within its boundaries and for centuries the natural environment has provided both material and spiritual sustenance. Its place in the Maori political history of New Zealand is a matter of national record.

Lake Wairarapa and the South Wairarapa coastline are of immense cultural, spiritual and historic significance to Maori.

Comment [KWPaRM1]: Included in 2009/12 LTP

The Local Government Act 2002 signals that the social, cultural and economic development of Maori is of particular importance.

The Resource Management Act 1991 places an obligation on the Council to consult with Maori during the planning process. This obligation is in turn derived from the underlying principles of the Treaty of Waitangi, which in this context, refers to:-

- **Partnership** - the development of an active and on-going relationship between the Council and local Iwi.
- **Participation** - a principle which emphasises positive Maori involvement in the business of the Council, and in particular its planning and delivery functions.
- **Protection** - the requirement to ensure that Maori well-being is enhanced whenever possible, and that principles of equity towards Maori are observed in the Council's decision making process.

The Council is committed to engage in active consultation with Maori and to foster positive relationships in pursuance of the partnership envisaged under the Treaty of Waitangi, on matters that affect and concern Maori.

## Nature and Scope of Activity

The Council has established a Maori Standing Committee comprising -

- 2 Representatives from Kohunui Marae
- 2 representatives from Hau Arika Marae
- 2 Representatives from Papawai Marae
- 1 Representative from Kahungunu o Wairarapa
- 1 Representative from Rangitaane o Wairarapa
- 2 Councillors

Its role is to:-

- a) Advise on tangata whenua and Maori interests in the Council's major areas of activity, and particularly in the areas of:-
- Economic ~~D~~development.
  - Resource ~~M~~management.
  - Tourism.
  - Reserve ~~M~~management.
  - Environmental ~~health~~Health.
  - Employment.
  - ~~C~~ommunity ~~D~~development.
- b) Establish a method of consultation, which involves tangata whenua and iwi, on all matters relating to the District's resources, and involving the District's planning processes.
- c) Advise on consultation processes with Maori in the District and assist in the development of consultation networks throughout the District
- d) Promote the development of processes within Council, which develop policy, processes and guidelines, based on the Treaty of Waitangi principles of participation, partnership and active protection.

Formatted: Indent: Left: 1.27 cm



## REMISSION OF RATES POLICY

### 1. Introduction

In order to allow rate relief where it is considered fair and reasonable to do so, the Council is required to adopt policies specifying the circumstances under which rates will be considered for remission. There are various types of remission, and the circumstances under which a remission will be considered for each type may be different. The conditions and criteria relating to each type of remission are therefore set out separately in the following pages, together with the objectives of the policy.

### 2. Remission of Penalty Rates

#### 2.1 Objectives

- To enable Council to act fairly and reasonably in its consideration of rates which have not been received by the due date.
- To provide relief and assistance to those ratepayers experiencing financial hardship.

#### 2.2 Criteria and Conditions

Council will consider each application on its merit and remission may be granted where it is considered that the application meets the following criteria and conditions.

#### 2.3 Criteria

1. Council will remit penalty rates where it is demonstrated that penalty rates have been levied due to an error by Council.
2. Remission of one penalty will be considered in any one rating year where payment had been late due to significant family disruption. Significant family disruption is likely to be the ratepayer, or a member of the household being affected by serious illness, serious accident, hospitalisation or death.
3. Remission of penalty may be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control. Applications under these criteria will only be accepted if the ratepayer has a history of regular payments of rates and has not incurred penalty rates in the previous two years.
4. Remission of penalty rates will be considered for those ratepayers who due to financial hardship, are in arrears and who have entered into an agreement with Council to repay all outstanding and current rates. This repayment scheme will generally be up to a period of 24

Approved 29 June 2011  
Ammended 24 June 2015  
Review due: 30 June 2018

12 months. Penalty rates remission will not be considered if the agreement plan is not being adhered to, or a prior repayment scheme has not been adhered to.-

5. Remission will be considered if a new owner receives penalty rates through the late issuing of a sale notice, a wrong address on the sale notice or late clearance of payment by the Solicitor on a property settlement. This only applies to penalty rates incurred on one installment. Future installments do not qualify under these criteria.

#### **2.4 Conditions**

1. Application for remission of penalty rates must be in writing using the prescribed form.
2. Penalty rates will not be considered for remission if the penalty rates were incurred in a previous rating year, regardless if the application otherwise meets the criteria.

#### **2.5 Delegation**

Council delegates the authority to remit penalty rates to the [Chief Executive Officer or the Group Manager Corporate Support](#), [Chief Executive Officer or the Policy & Reporting Manager](#)

Formatted: Indent: Left: 1.27 cm

### **3. Remission of Rates for Land Used by Sporting, Recreational and Community Organisations**

#### **3.1 Objective**

- To facilitate the ongoing provision of non-commercial sporting, recreational and community services that meet the needs of the residents of the district.
- To provide indirect financial assistance to community organisations.
- To make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These may include children, youth, young families, aged people and economically disadvantaged people.

#### **3.2 Conditions and Criteria**

1. This policy will apply to land owned by the Council or owned and occupied by a charitable-not for profit organisation, which is used exclusively or principally for sporting, recreation or community purposes.
2. Council will remit 50% of rates, with the exception of targeted rates, for organisations that qualify under this policy, and with the exception of Rural Halls which will receive 100% remission. Sporting

Adopted 29 June 2009  
Revised: 24 June 2015  
Review: 30 June 2018

2

M/900

organisations will qualify for 50% remission regardless of whether they hold a current licence under the ~~Sale of Liquor Act 1989~~[Sale and Supply of Alcohol Act 2012](#).

3. The policy does not apply to organisations operated for pecuniary profit or which charge tuition fees.
4. The policy does not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting or community services as a secondary purpose only.
5. Applications for remission must be made to the Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated. All rating units that have remissions in place at 1 July 2002 are not required to make application.
6. Organisations making application should include the following documents in support of their application. Information of activities and programmes, details of membership and statement of objectives.
- 6-7. [Remissions will remain in force until the purposes of the organization change such that the criteria is no longer met. No annual applications are required following the granting of a remission.](#)

### 3.3 Delegation

Council delegates the authority to remit 50% of rates for sporting, recreational and community organisations to the Chief Executive Officer or the ~~Group Manager Corporate Support~~[Policy & Reporting Manager](#).

## 4. Remission of Rates on Land Protected for Natural, Historical or Cultural Conservation Purposes

### 4.1 Objective

- To preserve and promote natural resources and heritage.
- To encourage the protection of land for natural, historic or cultural purposes.

### 4.2 Conditions and Criteria

1. Ratepayers who own rating units which have some feature of cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this part of the policy.
2. Land that is non-rateable under section 8 of the Local Government (Rating) Act and is liable only for rates for water supply, sewage



disposal or refuse collection will not qualify for remission under this part of the policy.

3. Applications must be made in writing. Applications should be supported by documentary evidence of the protected status of the rating unit e.g. a copy of the covenant or other legal mechanism. Receipt of evidence of protection without a written application will not be considered.
4. In considering any application for remission of rates under this part of the policy the Council will consider the following criteria:
  - a. *The extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.*
  - b. *The degree to which features of natural, cultural or historic heritage are present on the land.*
  - c. *The degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land.*
5. In granting remissions under this part of the policy, Council may specify certain conditions before remissions will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.
6. Council will decide what amount of rates will be remitted on a case-by-case basis.

#### **4.3 Delegations**

Applications for the remission of rates for protection of heritage will be considered by Council.

Formatted: Indent: Left: 1.27 cm

## **5. Remission of Uniform Annual General Charge in Certain Circumstances**

### **5.1 Objectives**

- To encourage continued subdivision activity by providing rates relief to new subdivisions by limiting the rates impact of multiple UAGCs.
- To assist ratepayers who have multiple rating units that are contiguous and used as a single farming operation.

### **5.2 Conditions and Criteria**

1. For subdivision purposes, this policy will apply to land that is:
  - a. *subdivided into two or more lots; and*

- b. *where title has been issued, and*
- c. *the unsold lots remain in common ownership.*

Remission will be the charge for each unsold lot except one.

2. For multiple rating units, this policy will apply to land that is:
  - a. *contiguous, and*
  - b. *are used as part of the farming operation.*

Remission will be the charge for each unit except the main farm residence unit.

Formatted: Indent: Left: 1.25 cm

### 5.3 Delegation

Council delegates the authority to remit UAGCs to the Chief Executive officer or the [Group Manager Corporate Support Policy & Reporting Manager](#).

Formatted: Indent: Left: 1.27 cm

## 6. Remission of Reserves and Civic Amenities Charge

### 6.1 Objectives

- To encourage continued subdivision activity by providing rates relief to new subdivisions by limiting the rates impact of multiple UAGCs.
- To assist ratepayers who have multiple rating units that are contiguous and used as a single farming operation
- To provide relief to rural farming properties for a vacant unit used as a run-off.

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

### 6.2 Conditions and Criteria

1. For subdivision purposes, this policy will apply to land that is:
  - a. *subdivided into two or more lots; and*
  - b. *where title has been issued, and*
  - c. *the unsold lots remain in common ownership.*

Remission will be the charge for each unsold lot except one.

2. For multiple rating units, this policy will apply to land that is:

- a. *contiguous, and*
- b. *are used as part of the farming operation.*

Remission will be the charge for each unit except the main farm residence unit.

- 3. For a run-off unit the policy will apply to one unit used as a run-off for a farming operation. A separate application in writing must be made for consideration of this remission. Remissions will apply to the following rating year and will not be retrospective.

### **6.3 Delegation**

Council delegates the authority to remit Reserves and Civic Amenities Charge to the Chief Executive Officer or the [Group Manager Corporate Support, Policy & Reporting Manager](#)

Formatted: Indent: Left: 1.27 cm

## **7. Remission of Rates for Natural Disasters**

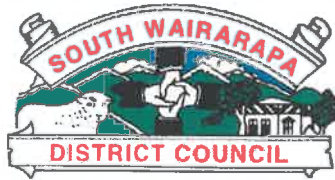
### **7.1 Objectives**

To provide relief to properties affected by natural disasters.

### **7.2 Conditions and Criteria**

- 1. Council will remit rates to those properties identified according to the conditions and criteria set by Central Government.

The level of remission will be to the extent of funding provided by Central Government.



# FINANCIAL CONTRIBUTIONS POLICY

## 1 Introduction<sup>1</sup>

As further subdivision occurs and new activities are established within the Wairarapa, the existing infrastructure and amenities come under pressure. Financial contributions are a way of ensuring that any adverse effects from subdivision and development on the environment or on community resources are minimised, including ways of offsetting any adverse effects with a contribution toward environmental improvements. Such contributions can be in the form of money, land, works or services and may include the provision of roads and services, the protection of an important historic or natural feature, the visual enhancement of a site through landscape treatment or the provision of access to a hitherto inaccessible river or stream.

Financial contributions for subdivision and land use consents may include the costs of upgrading and expanding community works and services as a result of the proposal, including (but not limited to) public roads, public water supplies, and the disposal of sewage and stormwater. This section deals with the requirements for financial contributions, either as a standard of a permitted activity, or a land use or subdivision consent.

Where a financial contribution is required as a condition of a permitted activity or resource consent, the purpose, circumstances in which a contribution may be required, and the amount of that contribution are stated. For some types of contributions, a maximum contribution is specified to ensure such contributions are equitable and not unreasonably onerous for some forms of development.

Contributions for land use development through the resource consent process will be sought in full, unless a previous contribution has been received in the subdivision of the site. Conversely, if a contribution was paid at the time of land use development, then no contribution may be required at the time of any subsequent subdivision consent in recognition of the previous contributions.

## 2 Reserve Contributions Standard

### 2.1 Circumstances when a general reserves contribution is required as a condition of a permitted activity or a resource consent

- a. As a condition of a land use resource consent for any additional residential unit, provided that a general reserve contribution has not

---

<sup>1</sup> Refer to the District Plan, Section 18 Subdivision, Land Development and Urban Growth for the objectives and policies on Financial Contributions.

- b. already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.
- c. As a condition of subdivision resource consent for any new allotment, provided that a general reserve contribution has not already been made under the relevant Council's Long Term
- d. As a standard of a permitted land use activity for any additional residential unit, with the payment of the contribution to be made prior to the issuance of code of compliance certificate for the building consent, provided that a general reserve contribution has not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

## **2.2 Amount of Contribution for reserves as a standard of a Permitted Activity or as a condition of Resource Consent**

- a. For subdivision, a general district-wide reserves contribution of 3% of the land value of each allotment to be created in the Residential, Commercial and Industrial Zones (plus GST), and 2% of the land value of each allotment to be created in the Rural Zone (plus GST). In the Rural Zone, the maximum amount of the sum of this general district-wide reserves contribution and any general district-wide roads, access, parking and loading contribution taken under Rule 23.4.2(g) shall be \$7,500 (plus GST) per allotment created by a subdivision; or
- b. For land use development for residential purposes, a general district-wide reserves contribution of 0.25% of the value of each additional residential unit (plus GST).

## **2.3 Assessment Criteria for Remission or Waiver of Reserves Contribution**

In determining whether to grant a remission or waiver of any reserves contribution, regard shall be had, but not limited to, the following criteria:

- a. The activity's impacts on the reserve network and the cost to the relevant Council to avoid, remedy, or mitigate these impacts.
- b. Measures proposed by the developer to enhance an existing reserve or the open space of the locality.
- c. Other methods proposed by the developer to avoid, remedy or mitigate any adverse effects on the reserve network.
- d. Whether any site of natural and cultural heritage can and should be enhanced or protected.

## **2.4 Form of Contribution**

- a. The contribution may be required in the form of money or land or any combination thereof.
- b. If the reserve contribution is in the form of land which is acceptable to Council, the value of the land to be vested as reserve shall be established on the basis of a registered valuer's report. Registered

valuer's reports shall be produced at the consent holders cost and be no older than 3 months at the time the contribution is paid.

## **2.5 Purpose**

- a. To provide for the acquisition and development of reserves and open spaces in response to the needs arising from subdivision and development.
- b. To protect conservation values of riparian and coastal margins, and associated water quality and aquatic habitat.
- c. To provide opportunities for public access to and along water bodies including the coast.
- d. To provide recreational opportunities near water bodies.

## **2.6 Contributions Payable**

- a. For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance Certificate for the Building Consent.
- b. For land use resource consents, contributions shall be payable as and when required by any condition of that consent.
- c. For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.

# **3 Infrastructure Contributions Standard**

## **3.1 Circumstances when an infrastructure contribution is required as a standard of a permitted activity or as a condition of a resource consent**

- a. As a condition of a land use resource consent for any additional residential unit or administrative, commercial or industrial purposes towards particular works of one or more of the types referred to in sections 23.3.2(a) to (f) and a contribution under section 23.3.2(h) or (i), provided that an infrastructure contribution towards those particular works and a contribution under section 23.3.2(h) or (i) have not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.
- b. As a condition of subdivision resource consent for any new allotment towards particular works of one or more of the types referred to in sections 23.3.2(a) to (f) and a contribution under section 23.3.2(g), provided that an infrastructure contribution towards those particular works and a contribution under section 23.3.2(g) have not already been made under the relevant Council's Long Term Council Community Plan.
- c. As a standard of a permitted land use activity towards particular works of one or more of the types referred to in sections 23.3.2(a) to (f) and a contribution under section 23.3.2(h) or (i), with the

payment of the contribution(s) to be made prior to the issuance of code of compliance certificate for the building consent, provided that an infrastructure contribution towards those particular works and a contribution under section 23.3.2(h) or (i) have not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

### **3.2 Amount of contribution for infrastructure as a standard of a permitted activity or as a condition of a resource consent**

- a. The actual cost of water supply, wastewater or stormwater disposal systems to the development; and
- b. The actual cost of all necessary water supply, wastewater or stormwater disposal reticulation within the development for each allotment or building; and
- c. The actual cost of connections between the water supply, wastewater or stormwater disposal reticulation in the development and the Council's water supply, wastewater and stormwater disposal system; and
- d. The actual cost of upgrading of any existing Council water supply, wastewater or stormwater disposal system to the extent that it is necessary to service the development; and
- e. A share of the cost of the existing water supply, wastewater or stormwater disposal system where additional capacity has been created in anticipation of future development. The share will be calculated on the proportion of the additional capacity required to serve the development; and
- f. A share of the cost of new water supply, wastewater or stormwater disposal system or upgraded water supply, wastewater or stormwater disposal system where additional capacity will be required by the cumulative effects of an area's development – the share will be calculated on the proportion of the additional capacity required by the development; and
- g. For subdivisions, a general district-wide infrastructure contribution of \$5000 (plus GST) per allotment that connects with public infrastructure and services; or
- h. For land use development for residential, administrative, commercial and industrial purposes, a general district-wide infrastructure contribution of \$5000 (plus GST) per new unit for linking with public infrastructure and services; plus 0.5% of the assessed value of any building development in excess of \$1,000,000 (plus GST). The assessed value of the development will be based on the estimated value of the building as stipulated on the building consent application, or
- i. For land use development for additions and alterations for administrative, commercial or industrial purposes that connects with public infrastructure and services, a general district-wide infrastructure contribution of 0.5% of the assessed value of any building development in excess of \$50,000 (plus GST). The assessed value of the development will be based on the estimated value

(excluding GST) of the building as stipulated on the building consent application.

### **3.3 Assessment Criteria for Remission or Waiver of Infrastructure Contribution**

In determining whether to grant a remission of any infrastructure contribution, regard shall be had, but not limited to, the following criteria:

- a. Whether any allotment or any part of the development is proposed to be connected to public infrastructure and services.
- b. The effect of the proposed subdivision or development on the infrastructure and the cost to the relevant Council to avoid, remedy, or mitigate these impacts.
- c. Measures proposed by the developer to upgrade any existing infrastructure.
- d. Whether any contribution had been previously made towards the establishment or upgrade of the infrastructure.

### **3.4 Form of Contribution**

- a. The contribution may be required in the form of money or works or any combination thereof.

### **3.5 Purpose**

- a. To provide a potable water supply.
- b. To safeguard the health of inhabitants and protect the natural environment from inappropriate disposal of sewage.
- c. To prevent damage to property or amenity from the indiscriminate and uncontrolled runoff of stormwater.
- d. To ensure sufficient water is available for fire fighting purposes.

### **3.6 Contributions Payable**

- a. For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance Certificate for the Building Consent.
- b. For land use resource consents, contributions shall be payable as and when required by any condition of that consent.
- c. For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.



## **4 Roads, Access, Parking & Loading Contributions Standard**

### **4.1 Circumstances when a roads, access, parking and loading contribution is required as a standard of a permitted activity or as a condition of a resource consent**

- a. As a condition of a land use resource consent for any residential, commercial or industrial activity towards particular works of one or more of the types referred to in sections 23.4.2(a) to (f) and a contribution under section 23.4.2(g) provided that a roads, access, parking and loading contribution towards those particular works and a contribution under section 23.4.2(g) have not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.
- b. As a condition of a subdivision resource consent for any new allotment towards particular works of one or more of the types referred to in sections 23.4.2(a) to (f) and a contribution under section 23.4.2(g) provided that a roads, access, parking and loading contribution towards those particular works and a contribution under section 23.4.2(g) have not already been made under the relevant Council's Long Term Council Community Plan.
- c. As a standard of a permitted land use activity towards particular works of one or more of the types referred to in sections 23.4.2(a) to (f) and a contribution under section 23.4.2(g) with the payment of the contribution(s) to be made prior to the issuance of code of compliance certificate for the building consent, provided that a roads, access, parking and loading contribution towards those particular works and a contribution under section 23.4.2(g) have not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.
- d. As a condition of land use resource consent in the Commercial or Industrial Zones in which the waiver of all or some of the required on-site parking is sought.

### **4.2 Amount of contribution for roads, access, parking and loading as a standard of a permitted activity or as a condition of a resource consent**

- a. The actual cost of providing a road or access to the development concerned; and
- b. The actual cost of all necessary roads and accesses within the development area for each allotment or building; and
- c. The actual cost of road or access crossings between allotments, or buildings in the development; and
- d. A share of the cost of the existing roads and access where additional capacity has been created in anticipation of future subdivision or development. The share will be calculated on the proportion of that additional capacity which is to serve the development; and

- e. A reasonable share of the cost of new or upgraded roads or access where additional capacity or safety improvements are necessary to accommodate the cumulative effects of the development within an area. The share will be calculated on the proportion of additional traffic likely to be generated by the development; and
- f. The cost of forming of the parking spaces (where a waiver from the District Plan parking requirements is sought, the cost of forming a parking space is deemed to be at a rate of \$5,000 (plus GST) per space); and
- g. For subdivision, a general district-wide roads, access, parking and loading contribution of 2% of the land value of each allotment to be created in the Residential, Commercial and Industrial Zones (plus GST), and 3% of the land value of each allotment to be created in the Rural Zone (plus GST). In the Rural Zone, the maximum amount of the sum of this general district-wide roads, access, parking and loading contribution and any general district wide reserves contribution taken under Rule 23.2.2(a) shall be \$7,500 (plus GST) per allotment created by a subdivision.

#### **4.3 Form of Contribution**

- a. The contribution may be required in the form of money or land or any combination thereof.

#### **4.4 Purpose**

- a. To provide for the safe and convenient movement on roads of motor vehicles, bicycles and pedestrians within and through the Wairarapa.

#### **4.5 Contributions Payable**

- a. For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance Certificate for the Building Consent.
- b. For land use resource consents, contributions shall be payable as and when required by any condition of that consent.
- c. For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.



# POLICY AND FINANCE COMMITTEE MEETING MINUTES

4 February 2015

**Present:** Mayor Adrienne Staples (Mayor), Councillors Margaret Craig, Dean Davies, Brian Jephson, David Montgomerie, Viv Napier, Colin Olds, Julie Riddell, Solitaire Robertson and Max Stevens.

**In Attendance:** Paul Crimp (Chief Executive Officer) and Suzanne Clark (Committee Secretary).

**Conduct of Business:** The meeting was held in the South Wairarapa District Council Chambers at 19 Kitchener Street, Martinborough and was conducted in public between 1:10pm and 2:05pm.

## A Preliminary Matters

### A1. Apologies

There were no apologies.

### A2. Conflicts of Interest

No conflicts of interest were declared.

### A3. Public Participation

There was no public participation.

### A4. Policy & Finance Committee Minutes 19 November 2014

*P&F RESOLVED (P&F2015/01)* that the minutes of the Policy and Finance Committee meeting held on 19 November 2014 be received and confirmed as a true and correct record subject to the correction of 'Montgomery' to 'Montgomerie' as the seconder of motion P&F2014/30.

*(Moved Cr Stevens/Seconded Cr Robertson)*

Carried

### A5. Risk and Audit Minutes for Receipt

*P&F RESOLVED (P&F2015/02)* that the minutes of the Risk and Audit Working Party meeting held on 23 October 2014 be received.

*(Moved Cr Napier/Seconded Cr Stevens)*

Carried

### A6. Action Items from 19 November 2014

*P&F RESOLVED (P&F2015/03)* to receive the action items from 19 November 2014.

*(Moved Cr Craig/Seconded Cr Davies)*

Carried

#### **DISCLAIMER**

*Until confirmed as a true and correct record, at a subsequent meeting, the minutes of this meeting should not be relied on as to their correctness*

**B Policies and Reports**

**B1. Graffiti Working Party – Proposed Change to Name and Terms of Reference**

Councillors discussed the report and made amendments for inclusion in the final Terms of Reference for adoption by Council on the 11 March 2015. Approval was given on the basis that the level of Council staff and resource commitment already being given would not increase.

*P&F RESOLVED (P&F2015/04):*

1. To receive the information.
2. To approve changing the name of the Graffiti Working Party to the Community Safety Working Party.
3. To approve the Terms of Reference for the Community Safety Working Party with changes as discussed.

*(Moved Cr Riddell/Seconded Cr Napier)*

Carried

Cr Montgomerie left the meeting at 1:39pm.

Cr Montgomerie returned to the meeting at 1:40pm.

**B Finances**

**B1. Financial Report**

The Chief Executive tabled the finances ending 30 November 2014 and 31 December 2014 reporting that Council was tracking well to budgets with expected fluctuations and small variances. Councillors discussed income collection from Martinborough Transfer Station, membership of the Risk and Audit Working Party and work towards an internal audit programme.

*P&F RESOLVED (P&F2015/05):*

1. To receive the tabled financial statements for the period ended 30 November 2014 and 31 December 2014.

*(Moved Cr Craig/Seconded Cr Davies)*

Carried

2. Action 41: Organise a press release highlighting the high activity in fees and licenses within the district; P Crimp

**Confirmed as a true and correct record**

.....(Mayor)

.....(Date)

**DISCLAIMER**

*Until confirmed as a true and correct record, at a subsequent meeting, the minutes of this meeting should not be relied on as to their correctness*

**Risk & Audit Working Party**  
**Minutes**  
**25 November 2014**  
**3.30 pm, Waiohine Room**

**Present** – Cr. V Napier (Chair), Cr M Craig, Cr M Stevens, Cr D Davies  
Also in attendance – P Crimp.

**Apologies** Nil

**Minutes** – Minutes of the 23 October 2014 meeting were confirmed as a true and correct record.

Moved Craig/Davies

**Matters Arising** –

The Local Alcohol Policy was discussed briefly – hearing to be held Thursday 27 November

**Monthly Financials** – October management accounts presented and discussed. Too early to ascertain any full year trends but nothing to indicate any issues.

**Risks**

Risks discussed :

- Staffing
  - Full compliment
  - But LGC announcement from LGC due soon
- Legislation
- LTP
  - Need to get focus groups going
    - Farming
    - Business
- FAR review
  - SWDC to 52%/
  - Thought all Councils on same rate but they are not
  - We have applied for a review
- Featherston Land
- Town hall

**General Business**

Independent audit function

Paper to January Council meeting for proposal

Meeting closed 5.09pm

**Next meeting:**

**Risk & Audit Working Party**  
**Minutes**  
**29 January 2015**  
**3.00 pm, Waiohine Room**

**Present** – Cr. V Napier (Chair), Cr M Craig, Cr M Stevens, Cr D Davies  
Also in attendance – P Crimp.

**Apologies Nil**

**Minutes** – Minutes of the 25 November 2014 meeting were confirmed as a true and correct record.

Moved Craig/Davies

**Matters Arising –**

LTP Sector meetings – discuss at Council meeting, include Farming (incl viticulture); Business; Sport; Service Clubs (incl fire brigades); Youth; Elderly (Probus)

**Monthly Financials** – YTD December management accounts presented and discussed.

**Risks**

Risks discussed :

- Staffing
  - Full compliment
  - But LGC announcement may still impact engagement
- Legislation
- LTP
- FAR review
  - SWDC to 52%/
  - Thought all Councils on same rate but they are not
  - We have applied for a review
- Featherston Land
- Town hall, funding applications lodged some questions.

**General Business**

Independent audit function

Paper to January Council meeting for proposal

Meeting closed 5.09pm

**Next meeting:**

**18 February 3pm;**

**18 March 3pm**

**15 April 8.30am**

**20 May 3pm**

**Policy and Finance Committee  
Action Items  
From 4 February 2015**

Ref #	Meeting	Date	Action Type	Responsible Manager	Action or Task details	Status	Notes
41	P&F	4-Feb-15	Action	Paul	Organise a press release highlighting the high activity in fees and licenses within the district	Open	

# POLICY AND FINANCE COMMITTEE

11 MARCH 2015

---

## AGENDA ITEM B1

### ADOPTION OF POLICIES

---

#### **Purpose of Report**

To present policies for adoption.

#### **Recommendations**

Officers recommend that the Committee:

1. *Receive the information.*
2. *Adopt the Revenue and Financing Policy*
3. *Adopt the Postponement of Rates Policy*
4. *Adopt the Remission and Postponement of Rates on Maori Freehold Land Policy*
5. *Adopt the Maori Policy*
6. *Adopt the Remission of Rates Policy*
7. *Adopt the Financial Contributions Policy*

## **1. Executive Summary**

Council has delegated authority to set and adopt various policies.

This paper presents a number of policies that relate to the Long Term Plan.

These policies will be identified in the Consultation Document as having been reviewed, and where they are located; there is no requirement to include the policies in the Consultation Document in their entirety.

## **2. Policies for Adoption**

### **2.1 Revenue and Financing Policy**

There have been some minor changes to update this policy as indicated in "track changes".

### **2.2 Postponement of Rates Policy**

Paragraph 2.4.5 delete the fee of \$50.00 and insert the wording "Fees are outlined in the Annual Schedule of Fees and Charges"



This change is recommended as it is easier to alter fees if necessary through the annual plan process rather than a full policy review.

Paragraph 3.3.3 it is recommended that the full paragraph commencing " To assist ratepayers who are currently uninsured,..." and ending "Council expectations are that arrangements... 1 July 2006."

This change is recommended as it should still be the homeowners responsibility to source adequate insurance.

### **2.3 Remission and Postponement of Rates on Maori Freehold Land Policy**

No changes recommended.

### **2.4 Maori Policy**

Recommended minor changes have been highlighted using track changes.

### **2.5 Remission of Rates Policy**

Recommended changes are noted using track changes.

2.5 Delegation, this change is procedural and provides delegation to the newly created Policy and Reporting Manager role.

3.2.1 This change is recommended as not all not for profit organisations are charities.

3.2.7 This change will result applicants only having to apply once for the remission and if approved will remain in force until circumstances change such that the organisation is no longer eligible. There had been a very low uptake of annual applications and in any event if we were to enforce this requirement there would be a high administrative overhead due not only to updating the rates database year by year, but also if organisations forgot to apply working through the feedback we would receive.

3.3 Update delegated authority per 2.5 above.

4.2.3 This change is recommended as a procedural matter to clarify the process. Notices of protection are sometimes received directly from the "Protecting Agency" (e.g. QE2) without any formal application for rates remission. Some property owners do not wish to apply for remission, others may feel that simply by being notified the remission should apply.

5.3 Update delegated authority per 2.5 above.

6.2.3 This is a procedural matter.

6.3 Update delegated authority per 2.5 above.

### **2.6 Financial Contributions Policy**

No changes are recommended.

### **3. Appendix**

Appendix 1 – Policies Showing Tracked Changes

Contact Officer: Paul Crimp, Chief Executive

# **Appendix 1 – Policies Showing Tracked Changes**

# REVENUE AND FINANCING POLICY

## 1. Introduction

The Revenue and Financing Policy (Policy) contains Council's policies with respect to the funding of operating expenditure and capital expenditure from various revenue sources. When read in conjunction with the Funding Impact Statement (Rating), this policy provides the link between the funding decisions taken at the activity level, with the eventual rates assessment that each ratepayer will receive. It is also the lead policy for other funding and financial policies including:

- Liability Management Policy.
- Investment Policy.
- Development and/or Financial Contributions Policy.
- Rates Remission Policies.
- Rates Postponement Policy.

Section 101 (3) of the Local Government Act 2002 (LGA) set out the requirements Council must consider as part of the development of the policy. Section 103 LGA sets out the general contents of the Policy.

The first step requires consideration, at activity level of each of the following:

- Community outcomes - the community outcomes to which the activity primarily contributes (in other words your rationale for service delivery).
- The user/beneficiary pays principle – the distribution of benefits between the community as a whole, any identifiable part of the community, -and individuals.
- The intergenerational equity principle – the period in or over which those benefits are expected to accrue.
- The exacerbator pays principle – 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.

### 1.1 Community Outcomes

The requirement to consider community outcomes in the funding process is seen as an obligation for Council to consider why it is engaged in an activity and to what level. To that extent, possible funding of activities should be consistent with achievement of desired outcomes.

### 1.2 Distribution of Benefits

At this stage, Council is required to consider who benefits from the activities performed by Council. This is expressed as the Public/Private split. Economic theory suggests there are two main characteristics that need to be considered when looking at a particular good or service:

### 1.2.1. Rivalry in Consumption

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

### 1.2.2. Excludability

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

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

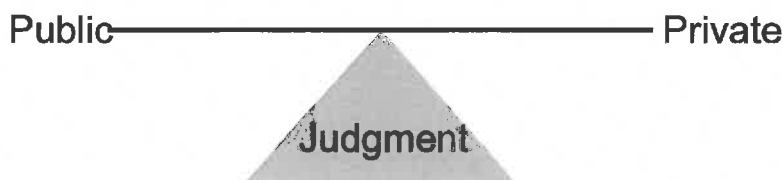
At the other end of the continuum are 'private goods' which are both rival and excludable. Most daily consumables are private goods.

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

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

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

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



### 1.3 Distribution of Benefits Over Time

Council needs to consider something called 'intergenerational equity' which means that funding decisions are required to consider future generations,

Adopted: 29 June 2009  
Revised: 24 June 2015  
Review: 30 June 2018

2

M/200

not just today. Many of the activities provided by local government are either network or community infrastructure which has long service lives. Benefits from these services can be expected to accrue over the entire life of the asset. Current ratepayers should not be expected to subsidise the benefits that future ratepayers receive nor should future ratepayers subsidise current ratepayers.

One way that Council applies the intergeneration equity principle is by spreading costs over the future. Council will typically borrow to fund the cost of a project and future ratepayers will repay the loan (and interest cost), say over a 25 year period. Council typically only borrows to fund capital expenditure but Council may use short term borrowing to spread some operating costs smooth funding over a limited period to avoid rate spikes.

Council also needs to ensure that appropriate funding has been allocated to reasonably meet the levels of service that each activity is targeting to meet and financial sustainability into the future needs to be considered.

#### **1.4 Actions or Inactions of Individuals or Groups**

This generally refers to how to make the 'exacerbators' pay. This could include funding mechanisms to allow for the fining of people that cause unwanted Council activity, e.g. cleaning up abandoned cars or rubbish. However, Council has very limited funding mechanisms to enable targeted charging and, in many cases, it is not possible to pass this cost on to the exacerbator and, therefore, it becomes more a case of identifying the quantum of the issue and deciding who then should bear the cost, if not the exacerbator.

#### **1.5 Costs, Benefits and Separate Funding**

Council is required to consider whether an activity should be separately funded and what the cost implications might be. There are administration costs associated with separate funding and these need to be weighed against any benefits of targeting specific beneficiaries/users of a service, including transparency and accountability.

Transparency and accountability are most evident when an activity is totally distinctly funded. This allows ratepayers, or payers of user charges, as the case may be, to see exactly how much money is being raised for and spent on the activity, and to assess more readily whether or not the cost to them of the activity represents good value.

However, funding every activity this way would be extremely complex. For some activities, the quantity of rates funding to be collected amounts to only a few cents per ratepayer. The administrative costs and lack of significance lead Council to fund a number of activities by way of a general rate. To aid in transparency and accountability, Council separates the total general rate into reasonable activity breakdowns when presenting the ratepayer with their rates assessment notices. This then allows the ratepayer to make some form of meaningful assessment down to activity level.

## 2. Selection of Tools

Section 103(1) requires Council to identify the funding of operational expenditure and capital expenditure.

Operational expenditure is normally funded by way of revenue (income) while capital expenditure can be funded by way of both revenue and non-revenue items such as borrowings and the use of Council created reserves.

Capital expenditure is expenditure when the benefit of that expenditure is greater than one year and therefore benefits obtained by those assets spread according to the life of the asset.

Section 103 (2) LGA requires Council to identify its funding tools from the list below.

A number of tools can be used to allocate both public and private good. The use of targeted rates is good example of this. An activity with a very high percentage of public good can be allocated over a small geographical area and therefore the most appropriate tool to recover the expenditure would be a targeted rate. Therefore in this instance a targeted rate is used to recover a public good. However targeted rates can be used to recover a private good such as use of water from a closed network. This is where Council can restrict people using that network and before they can join they have to formally join to it and are charged the appropriate fee(s).

## 3. Revenue

### 3.1 General Rates

Including Uniform Annual General Charge.

This is usually used to recover public good.

South Wairarapa District uses land value for the application of its general rate.

Council believes that land of value allocates the costs fairly between the rural and urban communities.

During the preparation of the 2012/22 LTPWhen Council considered the advantages and disadvantages of each option ~~and it considered it~~ identified that:

- The ratio of land to capital value was inconsistent across the district and this would have lead more ratepayers having an increase than those decreases) in rates payable.

RATIO OF LAND CAPITAL VALUES	
MOVEMENT IN GENERAL RATES	PERCENT OF GENERAL PROPERTIES WITH MOVEMENT
Decrease between 0% and 30%	35%
Increase between 0% and 30%	14%
Increase between 30% and 100%	31%
Increase greater than 100%	20%

Comment [KWPaRM1]: Is this still accurate

- As land value is the current method it is accepted and understood by the majority of ratepayers.
- There would be additional costs in both moving to capital value and additional costs in maintaining the rating database without out any significant increase in value.

### 3.2 Targeted rates

Any other rate includes, Uniform Annual Changes, rate set on a differential on value, rates set over at area of benefit and rates for a service or for an activity.

This can be used for both private good and public good.

Current targeted rates include the amenity rates.

### 3.3 Lump sum contributions

For the recovery of specific capital expenditure, otherwise loan funded (optional for ratepayer).

This must have a high component of private good.

### 3.4 Fees and charges

Any fee, recovery fine or charge made Council for service or activity.

Must have a high component of private good.

### 3.5 Interest and dividends from investments

Income from an investment. This would be generally public good.

### 3.6 Financial & development contributions

There are used to recover costs to mitigate the effects of development. Council has a Financial Contributions Policy under the Resource Management Act 1991 which explains the application and the levying of these fees. Council does not have a development contributions policy.

This must have a high component of private good.



### **3.7 Grants and subsidies**

Income from external funding entity. These generally would be of a public good.

### **3.8 Borrowing**

Loans, both short term and long term. This is a funding tool and does not need a split between public and private good as it is only deferring the eventual charge.

### **3.9 Proceeds from asset sales**

This would only need to be recognized where an asset was being sold and not replaced with a similar asset. For the example where the proceeds from the sale of corporate property were used to fund another activity. Again this is a funding tool.

### **3.10 Council Created reserves**

Council created reserves result from surplus revenues over expenditure being held for a particular purpose or the transfer of non-cash expenditure (e.g. depreciation).

Group of Activities, and Activity	Community Outcomes	user/beneficiary pays principle	intergenerational equity principle	excess/burden pays	costs and benefits	Proposed		Rationale	Funding Sources	
						Private	Public		Operational	Capital
Governance/Leadership/Advocacy										
Representing the community	Vibrant and strong communities Sustainable South Wairarapa	NIL	NIL	L	L		100%	The democracy process is available to all residents and ratepayers, therefore all ratepayers benefit from this activity.	General rate & reserve funding	
Public Protection										
Protection of public health		M	NIL	M	M		30%-20%	Council has a statutory obligation to enforce public health legislation	Fees & Charges General Rate	
Noise control and enforcement		NIL	NIL	H	L		10%	Council has the ability to charge for monitoring and recover other costs	Fees & Charges General Rate	
Building consents and enforcement		H	NIL	L	M		20%-10%	Council has statutory obligation to enforce the building act	Fees & Charges General Rate	
Dog and animal control	Healthy & economically secure people	L-M	NIL	H	L		60%-70%	For dog control the urban community receive a higher benefit than the rural community while for animal control the rural community receives a higher benefit than the urban	Fees & Charges General Rate	
Liquor licensing		H	NIL	L	L		30%-20%	Council has a legal obligation to enforce liquor act	Fees & Charges General Rate	
Emergency management and civil defence		NIL	NIL	L	H		100%	Emergency management is for the protection of life and restoration of essential services	Fees & Charges General Rate	
Rural life		M	NIL	H	M		25%-15%	Council has a statutory obligation to fund community rural life activity	General rate Targeted General rate	
Community Development										
Cultural and community development		L	NIL	NIL	H		100%	Supporting community activities for which council believes there is a high public benefit	General rate Targeted rate	
Economic Development	Vibrant and strong communities Sustainable South Wairarapa	NIL	NIL	NIL	L		100%	Economic development provides a benefit of the district, but there are occasions where parts of the district benefit to a different degree	General rate Targeted rate	
Economic Development - Tourism		M	NIL	NIL	M		60%-70%	Tourism is a very important part of economic activity within Swai therefore has a high public good. However the benefit received from tourism develop also directly benefits the tourist related businesses	General rate Targeted rate	
Resource Management										
Educated and knowledgeable people										
Vibrant and strong communities										
Sustainable South Wairarapa										
District Plan (reviews and development)		L	NIL	M	L		95%	DP is a strategic and statutory planning document for the benefit of the district (house members of the community can apply and fund a private plan change (V))	General rate Fees and charges, reserves and other income (1-3 V))	
Resource consent applications		H	NIL	H	H		5%	Element public good for enquiries and consents that have a high public interest	General rate F & C surpluses	
Resource consent appeals		H	NIL	H	L		50%	Appeals potentially cover a wide range of effects and have a wide range of benefits	General rates / surpluses	

Comment [KWPaRM2]: ?

Adopted: 29 June 2009  
 Revised: 24 June 2015  
 Review: 30 June 2018

Group of Activities, Community Outcome and Activity	user/beneficiary pays principle	intergenerational equity principle	excessor pays	costs and benefits	Proposed		Rationale	Funding Sources	
					Private	Public		Operational	Capital
<b>Amenities</b>									
Parks and Reserves including playgrounds	L	H	M	M	10%-15%	90%-85%	Reserves are there for recreational purposes and are open to all without restriction except for specific areas and times	Targeted rates, fees and charges	Targeted rates, contributions, surplus funds & Loans
Swimming Pools in Featherston, Greytown and Martindborough.	H	M-H	L	L	30%-40%	70%-60%	While pools provide recreation value council can restrict access	Targeted rates, fees and charges	Targeted rates, contributions, surplus funds & Loans
Ownership of Camping Grounds in Martindborough and Greytown.	H	M	L	L	70%-85%	15%-30%	Martindborough is a restricted area and Greytown has restricted council may in the future may look at options for Greytown	Targeted rates, fees and charges	Targeted rates, contributions, surplus funds & Loans
<b>CMC Amenities</b>									
Libraries in Featherston, Greytown and Martindborough.	H	L-H	L	M	30%-40%	60%-70%	This activity provides public benefit by increasing people's knowledge, but also provides a private benefit.	General rate, fees & charges	General rates, surplus funds & Loans
Pensioner housing units in Featherston, Greytown and Martindborough.	H	M	L	L	5%		There is high private benefit by the tenants and council provides this facility for the wellbeing of a select number of the community	Fees & charges	Surplus funds & Loans
Public toilets in Featherston, Greytown and Martindborough and at various rural and coastal sites.	H	M	H	M	90%-90%	20%-10%	Providing essential services to ensure a clean environment	Targeted rates	Targeted rates, surplus funds & Loans
Public halls, Sports Stadium in Featherston, Greytown and Martindborough.	M-H	M	M	L	40%-60%	60%-40%	Halls while used for private benefit there are wider community benefits of having halls available. Halls are the focal point of the community	Targeted rates, fees and charges	Targeted rates, contributions, surplus funds & Loans
Cemeteries in Featherston, Greytown and Martindborough.	H	H	L	L	90%	10%	Can restrict access and there are alternatives, providing service to public there are benefits from memorial status	Targeted rates, fees and charges	Targeted rates, surplus funds & Loans
<b>Recreation / Land Transport</b>									
	H	H	H	H	70%-80%	30%-30%	Road corridor provides high public good however the use of the road is predominantly for private benefit purposes	Fees & charges, NZTA subsidy, tolls, contributions, General Rates	Surplus funds, NZTA subsidy, tolls, contributions, general rates
<b>Solid Waste Management</b>									
Waste collection	H	L	H	M	70%-80%	30%-20%	Service provision public benefit by keeping the district clean	Fees & Charges, targeted rates	Surplus funds, fees & charges, targeted rates and loans
Closed Landfill	NIL	M	L	L	100%		Protect environment from impacts of previous events	General rate	General rates, surplus funds & Loans
Transfer stations	H	L	H	M	70%-80%	30%-20%	Service provision public benefit by keeping the district clean	Fees & Charges, targeted rates	Surplus funds, fees & charges, targeted rates and loans
Recycling	H	L	H	M	70%-80%	30%-20%	Service provision public benefit by keeping the district clean	Fees & Charges, targeted rates	Surplus funds, fees & charges, targeted rates and loans

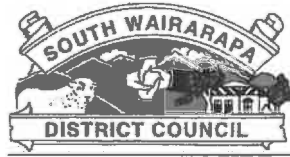
Comment [KWPaRM3]: ?

Adopted: 29 June 2009  
 Revised: 24 June 2015  
 Review: 30 June 2018

Group of Activities, Community Outcomes and Assets	user/beneficiary pays principle	intergenerational equity principle	excise/tax pays	costs and benefits	Proposed		Rationale	Funding Sources	
					Private	Public		Operational	Capital
Stormwater Healthy & economically secure people Sustainable South Waikato Stormwater Collection	H	H	H	L-M	20%	80%	Collection predominantly to prevent flooding of private and public property	Fees & Charges, targeted rates, general rates, surplus funds and loans	Fees & Charges, targeted rates, general rates, surplus funds and loans
Stormwater Treatment	L	H	H	L-M	5%	95%	To protect the environment	Fees & Charges, targeted rates, general rates	Fees & Charges, targeted rates, general rates, surplus funds and loans
Water Supply	H	H	H	M	90%	10%	Provides safe potable drinking water	Fees & Charges, targeted rates, contributions	Fees & Charges, targeted rates, contributions, surplus funds and loans
Water Storage	H	H	H	M	75%	25%	Provides supplementary treatment & disposal environment for waste	Fees & Charges, targeted rates, contributions	Fees & Charges, targeted rates, contributions, surplus funds and loans

Comment [KWPaRM4]: ?

Adopted: 29 June 2009  
 Revised: 24 June 2015  
 Review: 30 June 2018



## POSTPONEMENT OF RATES POLICIES

Formatted: Centered

Formatted: Different first page header

### 1. Introduction

These policies are prepared under section 110 of the Local Government Act 2002.

### 2. Extreme Financial Circumstances

#### 2.1 Objective

- To assist ratepayers experiencing extreme financial circumstances which affects their ability to pay rates.

#### 2.2 Criteria and Conditions

- Council will consider, on a case by case basis, all applications received that meet the criteria listed below.

#### 2.3 Criteria

1. The ratepayer(s) is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision of maintenance of the home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
2. The ratepayer(s) must be the current owner of the rating unit and have owned or resided on the property or within the District for not less than five years.
3. The rating unit must be used solely for residential purposes and the ratepayer(s) must reside on the property.
4. The ratepayer(s) must not own any other rating units or investment properties, whether in this District or another.

#### 2.4 Conditions

1. Application must be in writing by the ratepayer(s) or by an authorised agent.
2. The ratepayer(s) is required to disclose to Council, all personal circumstances, including the following factors: age, physical or mental disability, injury, illness and family circumstances so that Council can consider these factors to establish whether extreme financial hardship exists.

SWDC Communication Strategy  
Status – Approved 29 June 2011  
Reviewed 24 June 2015  
Review due: June 2018<sup>4</sup>

3. Applications for postponement of rates will only be considered from the beginning of the rating year in which the application is made. If Council decides to postpone rates the ratepayer(s) must first enter into an agreement with Council to make regular payments for future rates.
4. Council will charge a postponement fee on the postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the
5. Council's administrative and financial costs and may vary from year to year. Fees are outlined in the Annual Schedule of Fees and charges. ~~The fee is \$50.00.~~
6. Any postponed rates will be postponed until;
  - a. *the death of the ratepayer(s); or*
  - b. *until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or*
  - c. *until the ratepayer(s) ceases to use the property as their residence; or*
  - d. *until a date specified by the Council as determined by Council in any particular case.*
7. Postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
8. Postponed rates will be registered as a statutory land charge on the rating unit under the Statutory Land Charges Registration Act 1928 and no dealing with the land may be registered by the ratepayer while the charge is registered except with the consent of Council.

**Comment [KWPaRM1]:** Replace this so if the charge is altered we don't need to alter the policy.

## 2.5 Delegation

Council delegates the authority to approve applications for rate postponement to the Chief Executive Officer.

## 3. Ratepayers Aged 65 Years and Over

### 3.1 Objective

- To give ratepayers a choice between paying rates now or later subject to the full cost of postponement being met by the ratepayer and Council being satisfied that the risk of loss in any case is minimal.

### 3.2 General Approach

Only rating units defined as residential and used for personal residential purposes by the applicant(s) as their sole or principal residence will be eligible for consideration of rates postponement under the criteria and conditions of this policy.

Current and all future rates may be postponed indefinitely if at least one ratepayer (or, if the ratepayer is a family trust, at least one named occupier) is 65 years of age or older.

Owners of units in retirement villages will be eligible provided that Council is satisfied payment of postponed rates can be adequately secured.

Council will add to the postponed rates all financial and administrative costs to ensure neutrality as between ratepayers who use the postponement option and those who pay as rates are levied.

Council will establish a reserve fund out of which to meet any shortfall between the net realisation on sale of a property and the amount outstanding for postponed rates and accrued charges, at the time of sale. This will ensure, that neither the ratepayer(s) nor the ratepayer(s)' estate will be liable for any shortfall.

### 3.3 Criteria

#### 1. Eligibility

Any ratepayer aged 65 years or over is eligible for postponement provided that the rating unit is used by the ratepayer as their sole or principal residence. This includes, in the case of a family trust owned property, use by a named individual or couple. Residents of retirement villages who hold an occupation licence will be able to apply for postponement of the rates payable by the retirement village on their unit with the agreement of the owner of the retirement village.

#### 2. Risk

Council must be satisfied, on reasonable assumptions, that the risk of any shortfall when postponed rates and accrued charges are ultimately paid is negligible. To determine this, the Council uses a model developed by an actuary to forecast, on a case by case basis, expected equity, when repayment falls due. If that is likely to be less than 20%, the Council will offer partial postponement, set at a level expected to result in final equity of not less than 20%.

For prudential reasons, the Council will need to register a statutory land charge against the property to protect its right to recover postponed rates. At present the law does not allow councils to register such a charge against Maori freehold land. Accordingly, Maori freehold land is not eligible for rates postponement (unless and until the law is changed so that the Council can register a statutory land charge).

If the property in respect of which postponement is sought is subject to a mortgage, then the applicant will be required to obtain the mortgagee's consent before the Council will agree to postpone rates.

3. *Insurance*

The property must be insured for its full value and evidence of this produced annually.

To assist ratepayers who are currently uninsured, Council is arranging for the development of a group insurance policy to provide all risks cover. This will achieve cover against catastrophic loss at minimum cost. The premium will be treated as part of the postponement fee and thus come within the postponement arrangements. Council expectations are that arrangements for the group insurance policy will be completed in time for it to come into effect from 1 July 2006.

Comment [KWPaRM2]: Update

If insurance cannot be arranged because the property is uninsurable, only the land value can be used when calculating maximum postponement allowable under subclause 4.

4. *Rates Able to be Postponed*

All rates are eligible for postponement except for:

- a. *target rates for water supplied by volume (water by meter rates)*
- b. *lump sum options which are rates paid in advance.*

**3.4 Conditions**

Any postponed rates (under this policy) will be postponed until:

1. The death of the ratepayer(s) or named individual or couple, (in this case the council will allow up to 12 months for payment so that there is ample time available to settle the estate or, in the case of a trust owned property, make arrangements for repayment); or
2. The ratepayer(s) or named individual or couple ceases to be the owner or occupier of the rating unit (if the ratepayer sells the property in order to purchase another within the Council's district, Council will consider transferring the outstanding balance, or as much as is needed, to facilitate the purchase, provided it is satisfied that there is adequate security in the new property for eventual repayment); or
3. If the ratepayer(s) or named individual or couple continue to own the rating unit, but are placed in residential care, Council will consider them to still be occupying the residence for the purpose of determining when postponement ceases and rates are to be paid in full;
4. A date specified by Council.



Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Council's administrative and financial costs and may vary from year to year.

The financial cost will be the interest Council will incur at the rate of Council's cost of borrowing for funding rates postponed, plus a margin to cover other costs (these will include Council's own in-house costs, a 1% p.a. levy on outstanding balances to cover external management and promotion costs, a reserve fund levy of 0.25% p.a., and a contribution to cover the cost of independent advice).

To protect Council against any suggestion of undue influence, applicants will be asked to obtain advice from an appropriately qualified and trained independent person. A certificate confirming this, will be required before postponement is granted. Council has made arrangements with a reputable and appropriately qualified non-government organisation to provide this service.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy. Postponed rates will be registered as a statutory land charge on the rating unit title. This means that Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

#### **4. Review of Suspension of Policy**

This policy is in place indefinitely and can be reviewed subject to the requirements of the Local Government Act 2002 at any time. Any resulting modifications will not change the entitlement of people already in the scheme to continued postponement of all future rates. Council reserves the right not to postpone any further rates once the total of postponed rates and accrued charges exceeds 80% of the ratable value of the property as recorded in Council's rating information database. This will require the ratepayer(s) for that property to pay all future rates but will not require any payment in respect of rates postponed up to that time. These will remain due for payment on death or sale.

The policy consciously acknowledges that future changes in policy could include withdrawal of the postponement option.

#### **5. Procedures**

1. Applications must be on the required form which will be available from ~~any~~ the Council office. The policy will apply from the beginning of the rating year in which the application is made.
2. ~~This policy was implemented effective from 1 July 2006.~~

Comment [KWPaRM3]: Not relevant in footer



# REMISSION AND POSTPONEMENT OF RATES ON MAORI FREEHOLD LAND POLICY

## 1. Objectives

- To recognise that certain Maori owned land may have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide for relief from rates.
- To recognise that the Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectable.
- To meet the requirements of section 102 of the Local Government Act 2002 to have a policy on the remission and postponement of rates on Maori freehold land.

## 2. Conditions and Criteria

1. Application for remission or postponement under this policy should be made prior to the commencement of the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of the Council. A separate application must be made for each year.
2. Owners or trustees making application should include the following information in their applications:
  - a. *Details of the rating unit or units involved.*
  - b. *Documentation that shows that the land qualifies as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court.*
3. The Council may of its own volition investigate and grant remission or postponement of rates on any Maori freehold land in the district.
4. Relief, and the extent thereof, is at the sole discretion of the Council and may be cancelled and reduced at any time.
5. Council will give a remission or postponement of up to 100% of all rates for the year for which it is applied or based on the extent to which the remission or postponement of rates will:
  - a. *Support the use of the land by the owners for traditional purposes.*
  - b. *Support the relationship of Maori and their cultural traditions with their ancestral lands.*
  - c. *Avoid further alienation of Maori freehold land.*

- d. *Facilitate any wish of the owners to develop the land for economic use.*
  - e. *Recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes.*
  - f. *Recognise and take account of the importance of the land for community goals relating to:*
    - The preservation of the natural character of the coastal environment.
    - The protection of outstanding natural features.
    - The protection of significant indigenous vegetation and significant habitats of indigenous fauna.
  - g. *Recognise the level of community services provided to the land and its occupiers.*
  - h. *Recognise matters relating to the physical accessibility of the land.*
  - i. *Provide for an efficient collection of rates and the removal of rating debt.*
6. Decisions on the remission and postponement of rates on Maori freehold land may be delegated to council officers or a committee of the Council. All delegations will be recorded in the Council's delegation schedule.

# Maori Policy

## Goal

To formulate, develop and implement policies and programmes in partnership with Maori of the District which are in accord with the requirements of the Local Government Act 2002, which reflect the underlying intentions and principles of the Treaty of Waitangi and the statutory obligations to Maori under the provisions of the Resource Management Act 1991.

## Strategies and Policies

The South Wairarapa District is rich in Maori history and culture. Some of the earliest known occupational sites exist within its boundaries and for centuries the natural environment has provided both material and spiritual sustenance. Its place in the Maori political history of New Zealand is a matter of national record.

Lake Wairarapa and the South Wairarapa coastline are of immense cultural, spiritual and historic significance to Maori.

Comment [KWPaRM1]: Included in 2009/12 LTP

The Local Government Act 2002 signals that the social, cultural and economic development of Maori is of particular importance.

The Resource Management Act 1991 places an obligation on the Council to consult with Maori during the planning process. This obligation is in turn derived from the underlying principles of the Treaty of Waitangi, which in this context, refers to:-

- **Partnership** - the development of an active and on-going relationship between the Council and local Iwi.
- **Participation** - a principle which emphasises positive Maori involvement in the business of the Council, and in particular its planning and delivery functions.
- **Protection** - the requirement to ensure that Maori well-being is enhanced whenever possible, and that principles of equity towards Maori are observed in the Council's decision making process.

The Council is committed to engage in active consultation with Maori and to foster positive relationships in pursuance of the partnership envisaged under the Treaty of Waitangi, on matters that affect and concern Maori.

## Nature and Scope of Activity

The Council has established a Maori Standing Committee comprising -

- 2 Representatives from Kohunui Marae
- 2 representatives from Hau Arika Marae
- 2 Representatives from Papawai Marae
- 1 Representative from Kahungunu o Wairarapa
- 1 Representative from Rangitaane o Wairarapa
- 2 Councillors

Its role is to:-

- a) Advise on tangata whenua and Maori interests in the Council's major areas of activity, and particularly in the areas of:-
- Economic ~~D~~development.
  - Resource ~~M~~management.
  - Tourism.
  - Reserve ~~M~~management.
  - Environmental ~~health~~Health.
  - Employment.
  - ~~C~~ommunity ~~D~~development.
- b) Establish a method of consultation, which involves tangata whenua and iwi, on all matters relating to the District's resources, and involving the District's planning processes.
- c) Advise on consultation processes with Maori in the District and assist in the development of consultation networks throughout the District
- d) Promote the development of processes within Council, which develop policy, processes and guidelines, based on the Treaty of Waitangi principles of participation, partnership and active protection.

Formatted: Indent: Left: 1.27 cm



## REMISSION OF RATES POLICY

### 1. Introduction

In order to allow rate relief where it is considered fair and reasonable to do so, the Council is required to adopt policies specifying the circumstances under which rates will be considered for remission. There are various types of remission, and the circumstances under which a remission will be considered for each type may be different. The conditions and criteria relating to each type of remission are therefore set out separately in the following pages, together with the objectives of the policy.

### 2. Remission of Penalty Rates

#### 2.1 Objectives

- To enable Council to act fairly and reasonably in its consideration of rates which have not been received by the due date.
- To provide relief and assistance to those ratepayers experiencing financial hardship.

#### 2.2 Criteria and Conditions

Council will consider each application on its merit and remission may be granted where it is considered that the application meets the following criteria and conditions.

#### 2.3 Criteria

1. Council will remit penalty rates where it is demonstrated that penalty rates have been levied due to an error by Council.
2. Remission of one penalty will be considered in any one rating year where payment had been late due to significant family disruption. Significant family disruption is likely to be the ratepayer, or a member of the household being affected by serious illness, serious accident, hospitalisation or death.
3. Remission of penalty may be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control. Applications under these criteria will only be accepted if the ratepayer has a history of regular payments of rates and has not incurred penalty rates in the previous two years.
4. Remission of penalty rates will be considered for those ratepayers who due to financial hardship, are in arrears and who have entered into an agreement with Council to repay all outstanding and current rates. This repayment scheme will generally be up to a period of 24

Approved 29 June 2011  
Amended 24 June 2015  
Review due: 30 June 2018

12 months. Penalty rates remission will not be considered if the agreement plan is not being adhered to, or a prior repayment scheme has not been adhered to.-

5. Remission will be considered if a new owner receives penalty rates through the late issuing of a sale notice, a wrong address on the sale notice or late clearance of payment by the Solicitor on a property settlement. This only applies to penalty rates incurred on one installment. Future installments do not qualify under these criteria.

#### **2.4 Conditions**

1. Application for remission of penalty rates must be in writing using the prescribed form.
2. Penalty rates will not be considered for remission if the penalty rates were incurred in a previous rating year, regardless if the application otherwise meets the criteria.

#### **2.5 Delegation**

Council delegates the authority to remit penalty rates to the [Chief Executive Officer or the Group Manager Corporate Support](#). ~~Chief Executive Officer or the Policy & Reporting Manager~~

Formatted: Indent: Left: 1.27 cm

### **3. Remission of Rates for Land Used by Sporting, Recreational and Community Organisations**

#### **3.1 Objective**

- To facilitate the ongoing provision of non-commercial sporting, recreational and community services that meet the needs of the residents of the district.
- To provide indirect financial assistance to community organisations.
- To make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These may include children, youth, young families, aged people and economically disadvantaged people.

#### **3.2 Conditions and Criteria**

1. This policy will apply to land owned by the Council or owned and occupied by a charitable-not for profit organisation, which is used exclusively or principally for sporting, recreation or community purposes.
2. Council will remit 50% of rates, with the exception of targeted rates, for organisations that qualify under this policy, and with the exception of Rural Halls which will receive 100% remission. Sporting

Adopted 29 June 2009  
Revised: 24 June 2015  
Review: 30 June 2018

2

M/900

organisations will qualify for 50% remission regardless of whether they hold a current licence under the ~~Sale of Liquor Act 1989~~[Sale and Supply of Alcohol Act 2012](#).

3. The policy does not apply to organisations operated for pecuniary profit or which charge tuition fees.
4. The policy does not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting or community services as a secondary purpose only.
5. Applications for remission must be made to the Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated. All rating units that have remissions in place at 1 July 2002 are not required to make application.
6. Organisations making application should include the following documents in support of their application. Information of activities and programmes, details of membership and statement of objectives.
- 6.7. [Remissions will remain in force until the purposes of the organization change such that the criteria is no longer met. No annual applications are required following the granting of a remission.](#)

### 3.3 Delegation

Council delegates the authority to remit 50% of rates for sporting, recreational and community organisations to the Chief Executive Officer or the ~~Group Manager Corporate Support~~[Policy & Reporting Manager](#).

## 4. Remission of Rates on Land Protected for Natural, Historical or Cultural Conservation Purposes

### 4.1 Objective

- To preserve and promote natural resources and heritage.
- To encourage the protection of land for natural, historic or cultural purposes.

### 4.2 Conditions and Criteria

1. Ratepayers who own rating units which have some feature of cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this part of the policy.
2. Land that is non-rateable under section 8 of the Local Government (Rating) Act and is liable only for rates for water supply, sewage



disposal or refuse collection will not qualify for remission under this part of the policy.

3. Applications must be made in writing. Applications should be supported by documentary evidence of the protected status of the rating unit e.g. a copy of the covenant or other legal mechanism. Receipt of evidence of protection without a written application will not be considered.
4. In considering any application for remission of rates under this part of the policy the Council will consider the following criteria:
  - a. *The extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.*
  - b. *The degree to which features of natural, cultural or historic heritage are present on the land.*
  - c. *The degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land.*
5. In granting remissions under this part of the policy, Council may specify certain conditions before remissions will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.
6. Council will decide what amount of rates will be remitted on a case-by-case basis.

#### **4.3 Delegations**

Applications for the remission of rates for protection of heritage will be considered by Council.

Formatted: Indent: Left: 1.27 cm

## **5. Remission of Uniform Annual General Charge in Certain Circumstances**

### **5.1 Objectives**

- To encourage continued subdivision activity by providing rates relief to new subdivisions by limiting the rates impact of multiple UAGCs.
- To assist ratepayers who have multiple rating units that are contiguous and used as a single farming operation.

### **5.2 Conditions and Criteria**

1. For subdivision purposes, this policy will apply to land that is:
  - a. *subdivided into two or more lots; and*

- b. *where title has been issued, and*
- c. *the unsold lots remain in common ownership.*

Remission will be the charge for each unsold lot except one.

2. For multiple rating units, this policy will apply to land that is:
  - a. *contiguous, and*
  - b. *are used as part of the farming operation.*

Remission will be the charge for each unit except the main farm residence unit.

Formatted: Indent: Left: 1.25 cm

### 5.3 Delegation

Council delegates the authority to remit UAGCs to the Chief Executive officer or the [Group Manager Corporate Support Policy & Reporting Manager](#).

Formatted: Indent: Left: 1.27 cm

## 6. Remission of Reserves and Civic Amenities Charge

### 6.1 Objectives

- To encourage continued subdivision activity by providing rates relief to new subdivisions by limiting the rates impact of multiple UAGCs.
- To assist ratepayers who have multiple rating units that are contiguous and used as a single farming operation
- To provide relief to rural farming properties for a vacant unit used as a run-off.

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

### 6.2 Conditions and Criteria

1. For subdivision purposes, this policy will apply to land that is:
  - a. *subdivided into two or more lots; and*
  - b. *where title has been issued, and*
  - c. *the unsold lots remain in common ownership.*

Remission will be the charge for each unsold lot except one.

2. For multiple rating units, this policy will apply to land that is:

- a. *contiguous, and*
- b. *are used as part of the farming operation.*

Remission will be the charge for each unit except the main farm residence unit.

- 3. For a run-off unit the policy will apply to one unit used as a run-off for a farming operation. A separate application in writing must be made for consideration of this remission. Remissions will apply to the following rating year and will not be retrospective.

### **6.3 Delegation**

Council delegates the authority to remit Reserves and Civic Amenities Charge to the Chief Executive Officer or the [Group Manager Corporate Support, Policy & Reporting Manager](#)

Formatted: Indent: Left: 1.27 cm

## **7. Remission of Rates for Natural Disasters**

### **7.1 Objectives**

To provide relief to properties affected by natural disasters.

### **7.2 Conditions and Criteria**

- 1. Council will remit rates to those properties identified according to the conditions and criteria set by Central Government.

The level of remission will be to the extent of funding provided by Central Government.



# FINANCIAL CONTRIBUTIONS POLICY

## 1 Introduction<sup>1</sup>

As further subdivision occurs and new activities are established within the Wairarapa, the existing infrastructure and amenities come under pressure. Financial contributions are a way of ensuring that any adverse effects from subdivision and development on the environment or on community resources are minimised, including ways of offsetting any adverse effects with a contribution toward environmental improvements. Such contributions can be in the form of money, land, works or services and may include the provision of roads and services, the protection of an important historic or natural feature, the visual enhancement of a site through landscape treatment or the provision of access to a hitherto inaccessible river or stream.

Financial contributions for subdivision and land use consents may include the costs of upgrading and expanding community works and services as a result of the proposal, including (but not limited to) public roads, public water supplies, and the disposal of sewage and stormwater. This section deals with the requirements for financial contributions, either as a standard of a permitted activity, or a land use or subdivision consent.

Where a financial contribution is required as a condition of a permitted activity or resource consent, the purpose, circumstances in which a contribution may be required, and the amount of that contribution are stated. For some types of contributions, a maximum contribution is specified to ensure such contributions are equitable and not unreasonably onerous for some forms of development.

Contributions for land use development through the resource consent process will be sought in full, unless a previous contribution has been received in the subdivision of the site. Conversely, if a contribution was paid at the time of land use development, then no contribution may be required at the time of any subsequent subdivision consent in recognition of the previous contributions.

## 2 Reserve Contributions Standard

### 2.1 Circumstances when a general reserves contribution is required as a condition of a permitted activity or a resource consent

- a. As a condition of a land use resource consent for any additional residential unit, provided that a general reserve contribution has not

---

<sup>1</sup> Refer to the District Plan, Section 18 Subdivision, Land Development and Urban Growth for the objectives and policies on Financial Contributions.

already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

- b. As a condition of subdivision resource consent for any new
- c. allotment, provided that a general reserve contribution has not already been made under the relevant Council's Long Term
- d. As a standard of a permitted land use activity for any additional residential unit, with the payment of the contribution to be made prior to the issuance of code of compliance certificate for the building consent, provided that a general reserve contribution has not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

## **2.2 Amount of Contribution for reserves as a standard of a Permitted Activity or as a condition of Resource Consent**

- a. For subdivision, a general district-wide reserves contribution of 3% of the land value of each allotment to be created in the Residential, Commercial and Industrial Zones (plus GST), and 2% of the land value of each allotment to be created in the Rural Zone (plus GST). In the Rural Zone, the maximum amount of the sum of this general district-wide reserves contribution and any general district-wide roads, access, parking and loading contribution taken under Rule 23.4.2(g) shall be \$7,500 (plus GST) per allotment created by a subdivision; or
- b. For land use development for residential purposes, a general district-wide reserves contribution of 0.25% of the value of each additional residential unit (plus GST).

## **2.3 Assessment Criteria for Remission or Waiver of Reserves Contribution**

In determining whether to grant a remission or waiver of any reserves contribution, regard shall be had, but not limited to, the following criteria:

- a. The activity's impacts on the reserve network and the cost to the relevant Council to avoid, remedy, or mitigate these impacts.
- b. Measures proposed by the developer to enhance an existing reserve or the open space of the locality.
- c. Other methods proposed by the developer to avoid, remedy or mitigate any adverse effects on the reserve network.
- d. Whether any site of natural and cultural heritage can and should be enhanced or protected.

## **2.4 Form of Contribution**

- a. The contribution may be required in the form of money or land or any combination thereof.
- b. If the reserve contribution is in the form of land which is acceptable to Council, the value of the land to be vested as reserve shall be established on the basis of a registered valuer's report. Registered

valuer's reports shall be produced at the consent holders cost and be no older than 3 months at the time the contribution is paid.

## **2.5 Purpose**

- a. To provide for the acquisition and development of reserves and open spaces in response to the needs arising from subdivision and development.
- b. To protect conservation values of riparian and coastal margins, and associated water quality and aquatic habitat.
- c. To provide opportunities for public access to and along water bodies including the coast.
- d. To provide recreational opportunities near water bodies.

## **2.6 Contributions Payable**

- a. For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance Certificate for the Building Consent.
- b. For land use resource consents, contributions shall be payable as and when required by any condition of that consent.
- c. For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.

# **3 Infrastructure Contributions Standard**

## **3.1 Circumstances when an infrastructure contribution is required as a standard of a permitted activity or as a condition of a resource consent**

- a. As a condition of a land use resource consent for any additional residential unit or administrative, commercial or industrial purposes towards particular works of one or more of the types referred to in sections 23.3.2(a) to (f) and a contribution under section 23.3.2(h) or (i), provided that an infrastructure contribution towards those particular works and a contribution under section 23.3.2(h) or (i) have not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.
- b. As a condition of subdivision resource consent for any new allotment towards particular works of one or more of the types referred to in sections 23.3.2(a) to (f) and a contribution under section 23.3.2(g), provided that an infrastructure contribution towards those particular works and a contribution under section 23.3.2(g) have not already been made under the relevant Council's Long Term Council Community Plan.
- c. As a standard of a permitted land use activity towards particular works of one or more of the types referred to in sections 23.3.2(a) to (f) and a contribution under section 23.3.2(h) or (i), with the

payment of the contribution(s) to be made prior to the issuance of code of compliance certificate for the building consent, provided that an infrastructure contribution towards those particular works and a contribution under section 23.3.2(h) or (i) have not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

### **3.2 Amount of contribution for infrastructure as a standard of a permitted activity or as a condition of a resource consent**

- a. The actual cost of water supply, wastewater or stormwater disposal systems to the development; and
- b. The actual cost of all necessary water supply, wastewater or stormwater disposal reticulation within the development for each allotment or building; and
- c. The actual cost of connections between the water supply, wastewater or stormwater disposal reticulation in the development and the Council's water supply, wastewater and stormwater disposal system; and
- d. The actual cost of upgrading of any existing Council water supply, wastewater or stormwater disposal system to the extent that it is necessary to service the development; and
- e. A share of the cost of the existing water supply, wastewater or stormwater disposal system where additional capacity has been created in anticipation of future development. The share will be calculated on the proportion of the additional capacity required to serve the development; and
- f. A share of the cost of new water supply, wastewater or stormwater disposal system or upgraded water supply, wastewater or stormwater disposal system where additional capacity will be required by the cumulative effects of an area's development – the share will be calculated on the proportion of the additional capacity required by the development; and
- g. For subdivisions, a general district-wide infrastructure contribution of \$5000 (plus GST) per allotment that connects with public infrastructure and services; or
- h. For land use development for residential, administrative, commercial and industrial purposes, a general district-wide infrastructure contribution of \$5000 (plus GST) per new unit for linking with public infrastructure and services; plus 0.5% of the assessed value of any building development in excess of \$1,000,000 (plus GST). The assessed value of the development will be based on the estimated value of the building as stipulated on the building consent application, or
- i. For land use development for additions and alterations for administrative, commercial or industrial purposes that connects with public infrastructure and services, a general district-wide infrastructure contribution of 0.5% of the assessed value of any building development in excess of \$50,000 (plus GST). The assessed value of the development will be based on the estimated value

(excluding GST) of the building as stipulated on the building consent application.

### **3.3 Assessment Criteria for Remission or Waiver of Infrastructure Contribution**

In determining whether to grant a remission of any infrastructure contribution, regard shall be had, but not limited to, the following criteria:

- a. Whether any allotment or any part of the development is proposed to be connected to public infrastructure and services.
- b. The effect of the proposed subdivision or development on the infrastructure and the cost to the relevant Council to avoid, remedy, or mitigate these impacts.
- c. Measures proposed by the developer to upgrade any existing infrastructure.
- d. Whether any contribution had been previously made towards the establishment or upgrade of the infrastructure.

### **3.4 Form of Contribution**

- a. The contribution may be required in the form of money or works or any combination thereof.

### **3.5 Purpose**

- a. To provide a potable water supply.
- b. To safeguard the health of inhabitants and protect the natural environment from inappropriate disposal of sewage.
- c. To prevent damage to property or amenity from the indiscriminate and uncontrolled runoff of stormwater.
- d. To ensure sufficient water is available for fire fighting purposes.

### **3.6 Contributions Payable**

- a. For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance Certificate for the Building Consent.
- b. For land use resource consents, contributions shall be payable as and when required by any condition of that consent.
- c. For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.



## **4 Roads, Access, Parking & Loading Contributions Standard**

### **4.1 Circumstances when a roads, access, parking and loading contribution is required as a standard of a permitted activity or as a condition of a resource consent**

- a. As a condition of a land use resource consent for any residential, commercial or industrial activity towards particular works of one or more of the types referred to in sections 23.4.2(a) to (f) and a contribution under section 23.4.2(g) provided that a roads, access, parking and loading contribution towards those particular works and a contribution under section 23.4.2(g) have not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.
- b. As a condition of a subdivision resource consent for any new allotment towards particular works of one or more of the types referred to in sections 23.4.2(a) to (f) and a contribution under section 23.4.2(g) provided that a roads, access, parking and loading contribution towards those particular works and a contribution under section 23.4.2(g) have not already been made under the relevant Council's Long Term Council Community Plan.
- c. As a standard of a permitted land use activity towards particular works of one or more of the types referred to in sections 23.4.2(a) to (f) and a contribution under section 23.4.2(g) with the payment of the contribution(s) to be made prior to the issuance of code of compliance certificate for the building consent, provided that a roads, access, parking and loading contribution towards those particular works and a contribution under section 23.4.2(g) have not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.
- d. As a condition of land use resource consent in the Commercial or Industrial Zones in which the waiver of all or some of the required on-site parking is sought.

### **4.2 Amount of contribution for roads, access, parking and loading as a standard of a permitted activity or as a condition of a resource consent**

- a. The actual cost of providing a road or access to the development concerned; and
- b. The actual cost of all necessary roads and accesses within the development area for each allotment or building; and
- c. The actual cost of road or access crossings between allotments, or buildings in the development; and
- d. A share of the cost of the existing roads and access where additional capacity has been created in anticipation of future subdivision or development. The share will be calculated on the proportion of that additional capacity which is to serve the development; and

- e. A reasonable share of the cost of new or upgraded roads or access where additional capacity or safety improvements are necessary to accommodate the cumulative effects of the development within an area. The share will be calculated on the proportion of additional traffic likely to be generated by the development; and
- f. The cost of forming of the parking spaces (where a waiver from the District Plan parking requirements is sought, the cost of forming a parking space is deemed to be at a rate of \$5,000 (plus GST) per space); and
- g. For subdivision, a general district-wide roads, access, parking and loading contribution of 2% of the land value of each allotment to be created in the Residential, Commercial and Industrial Zones (plus GST), and 3% of the land value of each allotment to be created in the Rural Zone (plus GST). In the Rural Zone, the maximum amount of the sum of this general district-wide roads, access, parking and loading contribution and any general district wide reserves contribution taken under Rule 23.2.2(a) shall be \$7,500 (plus GST) per allotment created by a subdivision.

#### **4.3 Form of Contribution**

- a. The contribution may be required in the form of money or land or any combination thereof.

#### **4.4 Purpose**

- a. To provide for the safe and convenient movement on roads of motor vehicles, bicycles and pedestrians within and through the Wairarapa.

#### **4.5 Contributions Payable**

- a. For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance Certificate for the Building Consent.
- b. For land use resource consents, contributions shall be payable as and when required by any condition of that consent.
- c. For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.