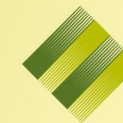


CHAPTER FIVE

# POLICIES, SUMMARIES & STATEMENTS

TE KAUNIHERA A ROHE MAI I NGA KURI-A-WHAREI KI OTAMARAKAU KI TE URU



*Western Bay of Plenty  
District Council*

**Chapter Five**  
**Policies, summaries**  
**and statements**

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# OVERALL REVENUE AND FINANCING POLICY

## Introduction

Our Revenue and Financing Policy for each group of activities can be found on page 373.

This policy deals with the revenue and financing decisions taken at a “whole of Council” level. It documents our high level rating philosophy and summarises the rationale for the rating decisions taken. We have considered the distribution and timing of benefits, rating efficiency and transparency, community preferences and the overall impact on the economic, cultural, social and environmental well-being of our District. In particular, we have considered the impacts of our rating proposals on a range of representative properties; these are shown on pages 310 to 315 of this Plan.

When read in conjunction with the Funding Impact Statement, this policy provides the link between the funding decisions taken at the activity level, with the eventual rates assessment that each ratepayer will receive.

### Council’s funding philosophy

Ratepayers have told us that fairness and equity in rating is very important to them. We try wherever practical, to maintain a close relationship between the benefits received by groups of ratepayers and the rates they pay for those services, especially where communities within our District have differing levels of service. Where levels of service are more uniform or where it is impractical to identify groups of ratepayers that principally benefit, we use general rates which are essentially a tax. In theory taxation is not related to benefit received but is charged according to an assessment of ability to pay – in the case of council rates this is assessed by property value.

In principle, we seek to recover the maximum amount possible from the direct users of a service (the ‘user-pays’ principle) or from those that create the need for a service (the ‘exacerbator-pays’ principle). The primary tools we use to achieve these principles are fees and targeted rates. We also seek to ensure that people pay for services at the time they consume them, (the ‘inter-generational equity’ principle). Costs of service include capital costs, direct operational costs, depreciation, interest and loan repayments. The tools we use to achieve inter-generational equity include loans financial contributions and increases in the rating base resulting from growth.

### Fees

These are funding tools which are used where the users of services can be individually identified.

### Targeted rates

Targeted rates tend to be used where categories of ratepayers can be identified as a group, rather than individually as primarily benefiting from a service or contributing to the requirement for a Council service.

### Financial contributions

Our policy for recovering the costs of infrastructure built to accommodate growth is to use financial contributions. Our Financial Contributions Policy is set through our District Plan under the Resource Management Act 1991.

The detail of the policy is published as part of the District Plan and is available on our website [www.westernbay.govt.nz](http://www.westernbay.govt.nz) and at our offices and libraries.

### Debt financing

As we have no significant reserves, we rely on loans to finance infrastructure development, for example wastewater schemes. The portion of interest and loan repayments relating to growth is generally funded through financial contributions. The remainder is funded by annual rates or charges. We acknowledge that the interest on loans increases the overall cost of services but we believe that this is offset by a more equitable allocation of cost between existing and future ratepayers. As our rating base increases with new development there are more ratepayers to meet the cost of interest and loan repayments.

For transportation infrastructure, however, we have traditionally used less financing. For this activity, where the capital development programme is more evenly spread over time and the users of the service are less easy to identify individually, we have primarily used rates to finance capital expenditure with loans and financial contributions used to a lesser degree.

The overall use of debt financing is limited by the extent of our indebtedness and the principles of prudent financial management. Our Financial Strategy (page 31) proposes a limit on debt and our Treasury Policy (page 422) contains limits on debt and interest payments in relation to our assets and income. The term of our debt is related to the useful life of the asset financed. This ensures that the people benefitting from the asset repay the loan before the asset’s life is over.

For several activities we operate a current account funding programme to smooth rates increases over time and to ensure renewals are adequately provided for. The level of rates in year one of the Long Term Plan is set such that once inflation is added to each of the ten years of the Plan, the projected current account balance in year 10 is adequate to meet the balanced budget test. The current account balance reflects all income and expenditure (including operating and capital costs) and all funding requirements (including loans, financial contributions and other income).

### **Depreciation funding and current account deficit funding**

Prudent financial management requires organisations to plan for the replacement or renewal of their assets when they reach the end of their useful lives to maintain the service they provide. The inter-generational equity principle suggests that, ideally, today's ratepayers should pay for the 'asset-life' they are consuming and likewise future generations should pay for their share of the asset's life. There are three principal ways this can be achieved:

#### **1. Pay as you go**

- ▶ Capital funded annually by rating existing ratepayers to cover the expenses incurred in that year

Suitable when capital expenditure is evenly spread over the years so there is less risk that today's ratepayers are not paying their fair share when compared to future ratepayers.

#### **2. Saving for asset replacement (charge rates over the life of the asset – spend later)**

- ▶ Ratepayers are rated annually to fund depreciation which builds up in a reserve account to fund future replacements of assets

Unsuitable if ratepayers are already servicing debt incurred to acquire the existing asset. If debt were incurred today's ratepayers would be paying twice for the asset, once through debt repayments and interest and again through financing the depreciation.

#### **3. Borrowing to fund asset replacement (spend now – charge rates over the life of the asset)**

- ▶ Ratepayers are rated annually to fund interest and capital repayments on loans matched to the life of the asset. In the future, replacement of the asset would be financed in the same way

Suitable if our overall level of debt can accommodate the required borrowing.

There is no legal requirement for councils to accumulate dedicated depreciation reserves, however the Local Government Act 2002 (LGA) requires that councils have a balanced budget, which means that revenue must be greater than operating expenditure (which includes depreciation). As the balanced budget test is conducted at the local authority level it is considered acceptable and within the bounds of prudence to run an operating deficit on one activity and a surplus on another. This means that we are not required to retain income on an annual basis in dedicated depreciation reserves if we can show through our financial strategy that future rates revenue is adequate to fund infrastructure renewals when they are needed.

### **Rating policy**

#### **1. Rating unit**

Under the relevant legislation, we have the ability to set our unit of rating as a dwelling (or separately used inhabited part of a property) as opposed to a property. We have chosen to retain our rating unit as a property consistent with our policy in previous years.

#### **2. Rating basis**

The Local Government (Rating) Act 2002 allows us to choose from three rating systems - the land value rating system, the capital value rating system and the annual value rating system. There is no legislation prescribing the best type of rating system for each council.

We will assess the general rate and all other property value-based rates (except the roading rate) on capital value. The roading rate will be assessed on land value.

We show a land value and an improvement value on our property valuations. The improvement value reflects the added value given to the land by buildings or other structures, including fruit trees, vines and landscaping. Capital value includes both the land value and the value of improvements. The improvement value excludes chattels, stock, crops, machinery or trees other than fruit or nut trees, vines, berry-fruit bushes and live hedges.

Regardless of the rating basis we use, the total amount of rates collected remains the same but the incidence of rating shifts. To illustrate the differences between the land and capital value rating systems for example, consider two identically valued pieces of land, one with a substantial dwelling on it and the other with no improvements. Under the land value rating system the two properties would pay the same rates. Under the capital value rating system the property with the substantial improvement would pay more than the property that was undeveloped.

**3. General rates**

General rates consist of a rate in the dollar charged on capital value and a Uniform Annual General Charge (UAGC) which is a flat amount levied on each rating unit. The size of the UAGC is set each year by Council and is used as a levelling tool in the collection of General Rates. If the Uniform Annual General Charge (UAGC) were set at zero the effect would be to increase the amount of General rates assessed on capital value which would increase the share levied on properties with higher capital values and decrease the share levied on lower capital values.

In setting the level of the UAGC, we consider the following issues:

- ▶ the impact of a high UAGC on those with low incomes and relatively low property values
- ▶ the impact of a low UAGC on the relative share of rates levied on large rural properties
- ▶ fairness and equity and the social consequences of an unfair distribution of rates
- ▶ the collective effect of other flat charges (e.g. environmental protection rate, targeted rate for libraries) on affordability for low income households

**4. Differential general rate**

Our policy is to have the same system for charging General Rates across the whole District.

Our current differential rates policy is:

➡ residential zoned areas	1.0
➡ rural zoned areas	1.0
➡ commercial/industrial zoned areas	1.0
➡ post-harvest zoned areas	1.0

These differentials apply only to the General Rate.

**5. Multiple dwelling differentials**

We have abolished multiple dwelling differentials for any rates assessed on capital value.

**6. Environmental protection rate**

The Environmental Protection Rate is a fixed charge on each rateable unit. It funds a number of activities that are seen to benefit the District as a whole.

**7. Rooding rates**

There are three rooding rates:

- ▶ Rooding rate on land value
- ▶ Rooding charge (fixed amount on every property in our district)
- ▶ Rural works charge (fixed amount on every rural zoned property)

We use the rural works charge and the rooding Uniform Annual Charge (UAC) to reduce the share of rooding rates levied on higher value properties. If these fixed charges were not included large pastoral farms, for example, would be liable for an unfairly large share of the revenue required for rooding.

We are unable to collect direct user charges; only central government can charge road user fees and levy petrol tax.

The rooding rate on land value is calculated using the following differentials:

➡ residential zoned areas	1.0
➡ rural zoned areas	1.0
➡ commercial/industrial zoned areas	2.0
➡ post-harvest zoned areas	2.0

**8. Targeted rates**

We use targeted rates (as defined in the Local Government (Rating) Act 2002) to collect funds over areas of benefit. This rating tool is chosen where the services provided are specific to a particular community or area within our District and it is not considered fair to charge all ratepayers, e.g. charges for town centre promotion, community halls, recreation. Details of these rates are shown in the Funding Impact Statement (page 303). These rates may be collected on a uniform (fixed) basis per property or on the capital value of each property.

**9. Water metering**

Our policy on water meters is that all properties 0.5 ha (1.23 acres) and larger, which are connected to Council's water supply and all properties likely to use more water than the usual household amount will be metered. We are introducing metering to all other properties in a staged process over the term of this ten year plan. In establishing the criteria for water metering we have recognised the environmental benefits that would result from water conservation if all users were metered and balanced that against the cost of installing meters on all properties and the affordability of such a strategy.

Where meters are in use charges are as follows:

- ▶ each property will be charged the Uniform Annual Basic Water Charge for the first meter; and
- ▶ an additional Uniform Annual Charge will be charged for every additional meter on the property. This covers the costs of reading, billing, maintenance and future meter replacement
- ▶ Connections larger than 20mm will be charged additional UACs in proportion to the capacity of the connection
- ▶ A charge based on water consumption is also levied

## 10. Wastewater

Our policy on wastewater charges is:

### 10.1 Uniform Annual Charge

All properties connected or available to be connected (within 30 metres of a public wastewater drain) will be charged a Uniform Annual Wastewater Charge.

### 10.2 Multiple connection charges

We have a policy for charging properties with more than one toilet. It applies to all wastewater schemes.

- ▶ Each residential household will pay one standard connection charge to the wastewater scheme regardless of the number of toilets in the dwelling. This charge covers fixed and variable costs.
- ▶ For non-residential properties with more than one toilet, each property will pay the standard connection charge for the first toilet. For each additional toilet, the charge will be:
  - ➡ ¼ of the variable cost component of the standard connection charge, plus
  - ➡ the full fixed cost component of the standard connection charge

Our intention is to achieve a fair allocation of the costs of the wastewater scheme based on the usage of capacity in the system. We acknowledge that in some instances additional toilets may be installed in non-residential properties for convenience which may not result in an increase in total usage. We intend to take into account the provisions of the Building Act when making a judgment on the number of toilets required for the capacity of a building and the number that have been provided in addition.

We developed a rates remission policy in 2010 to address instances where not-for-profit organisations would be charged unduly high amounts by the application of this policy see page 405.

## 11. Schools

We noted that the Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001 was repealed. Given that schools, by and large, have accepted the charges levied under this legislation, we resolved to charge schools for sewage disposal on the same basis as that envisaged by the Act but as a targeted rate for each individual school in our District.

## 12. Financial contributions (development impact fees/financial contributions)

Our policy, for recovering the costs of infrastructure built to accommodate growth is to use financial contributions. Our Financial Contributions Policy is set through our District Plan under the Resource Management Act 1991.

The detail of the policy is published as part of the District Plan and is available on our website [www.westernbay.govt.nz](http://www.westernbay.govt.nz) and at Council offices and libraries.

Our District Plan provides that waivers and reductions to financial contributions levied under the Resource Management Act 1991 are agreed through our Annual Plan process. The Long Term Plan 2012-2022 is also our Annual Plan for 2012/2013.

## REVENUE AND FINANCING POLICIES FOR EACH ACTIVITY

LEADERSHIP	
REPRESENTATION	
<p><b>Community outcome</b> Leaders are informed by the views of residents to make effective decisions which improve our communities and environment, now and for the future</p>	
<p><b>Goals</b></p> <ul style="list-style-type: none"> <li>▶ Effective representation arrangements for our communities</li> <li>▶ We engage with our communities, listen well, lead effectively and make well informed decisions</li> <li>▶ We actively seek and consider the full range of residents’ views on our plans, policies and projects</li> <li>▶ We have strong relationships with tangata whenua and work together in a range of ways so that tangata whenua perspectives inform our decisions</li> <li>▶ Strategic relationships at all levels are maintained and strengthened</li> <li>▶ Financial management is prudent, effective and efficient</li> </ul>	
<p><b>Discussion/rationale</b></p> <p>The whole of the District benefits from the representation provided by elected members, while residents of each Community Board area also benefit from having a Community Board.</p> <p><b>Resource consent hearings</b> Consent applicants receive a private benefit when the Regulatory Hearing Committee hears resource consent applications, although it is recognised that the purpose of the Committee is to provide a democratic process for the benefit of the public. No inter-generational benefits have been identified. No exacerbator has been identified.</p>	<p><b>Funding approach</b></p> <p>The General Rate and Uniform Annual Charge fund elected members’ expenditure. Community Board rates (a fixed charge per property) fund Community Boards. Targeted rates (a fixed charge per property) over the area of benefit, fund community development projects.</p> <p><b>Resource consent hearings</b> Fees and charges to fund up to 25% of the cost of elected members’ expenses are charged to the consent applicant. General rates fund the balance.</p>

**PLANNING FOR THE FUTURE**

**Community outcome**  
 In consultation with our communities and guided by our sustainable development approach, we plan for the future

**Goal**  
 ► Develop, monitor, review and advocate policy and plans that support the achievement of our vision for the District, our community outcomes and the direction provided by Smartgrowth

<b>Discussion/rationale</b>	<b>Funding approach</b>
<p><b>Policy and planning</b>                      The community as a whole benefits from monitoring, policy and planning activities.</p> <p>Individuals may request private plan changes to the District Plan. Applicants would receive a private benefit from this service and it is possible and practical to charge them a fee to recover the costs of this service.</p> <p>Council’s Strategic and District Planning activities guide Council’s high-level, long term vision and plans. To this extent, these activities provide inter-generational benefits. No exacerbator was identified for this activity.</p> <p><b>Strategic planning of infrastructure</b>                      Infrastructure investigations and feasibility studies are undertaken to provide us with information for decision-making.</p> <p>At the planning stage it is not always possible to identify individuals or groups who will benefit from an activity. If a project goes ahead, some design work will have been done and consents obtained. This may provide a benefit to the future users of water and wastewater schemes and to groups of ratepayers in the case of stormwater investigations. For other infrastructure planning projects it may be possible to identify individuals who benefit from the resulting development. Third party benefits also result from information gathering and knowledge gained during investigations.</p> <p>If a project does not go ahead, no private benefit can be identified.</p> <p>To the extent that the costs of such applications and consent costs are capitalised, it could be considered that this activity delivers an inter-generational benefit.</p> <p>No exacerbator for this activity was identified.</p>	<p><b>Policy and planning</b>                      All expenditure on policy and planning activities is funded from general rates, with the exception of private District plan changes where the costs are recovered from the applicant.</p> <p>Environmental monitoring is funded through ecological financial contributions.</p> <p><b>Strategic planning of infrastructure</b>                      Central government funding may be available to fund certain infrastructure investigations. The Bay of Plenty Regional Council may fund particular projects through its Regional Infrastructure Fund.</p> <p><b>Wastewater investigations:</b>                      Funded 60% from the Environmental Protection Rate and 40% initially loan funded and recovered by Uniform Annual Charges over the area of benefit of the wastewater scheme.</p> <p><b>Water and stormwater investigations:</b>                      Funded from General Rates and Uniform Annual General Charge.</p> <p><b>All other infrastructure planning costs:</b>                      Funding will be assessed on a project by project basis.</p>



**BUILDING COMMUNITIES**

**COMMUNITY BUILDING**

**Community outcome**

Social infrastructure (the community facilities, services and networks that help individuals, families, groups and communities) meets the diverse needs of communities; communities are strong and can influence their futures

**Goals**

- ▶ Communities are healthy and safe
- ▶ Communities are vibrant and diverse
- ▶ Communities participate in the development of their futures

**Discussion/rationale**

**Building communities – grants and contracts**

This policy covers:

- Creative Tauranga
- Sport Bay of Plenty
- Bay of Plenty Surf Lifesaving
- Te Puke Sports fields
- Fee abatement scheme
- Discretionary grants

The community as a whole benefits from Council’s service delivery contracts and grant schemes. Individuals benefitting from these activities cannot be separately identified.

**Funding approach**

General rates fund this activity.

## LIBRARIES AND SERVICE CENTRES

### Community outcome

Social infrastructure (the community facilities, services and networks that help individuals, families, groups and communities) meets the diverse needs of communities; communities are strong and can influence their futures.

### Goal

- Communities are vibrant and diverse

### Discussion/rationale

#### Libraries

The whole community benefits from a better informed and more literate community. Many residents value the existence of a library and service centre and having the option to use them even if they choose not to. Individuals benefit from the learning opportunities provided by libraries and information provided at the service centres. Having a library in a community may contribute to the public's pride in its community and act as an anchor for further development.

Developers and new residents benefit from the provision of local library services which must be increased to cater for growth. Theoretically it would be possible to exclude ratepayers from the service if they refused to pay for it but legislation provides that we cannot charge for membership of libraries.

#### Te Puna library contract

We fund this contract as a collecting agent in order to secure public access to the facilities for the benefit of the Te Puna community.

We cannot charge user fees for this facility as we do not own the assets.

#### Customer care – service centres

Many individuals seek information from us in order to comply with Council processes, regulations and procedures. Individuals also obtain other benefits from information provided either in person, via the phone, email or the internet from Council service centres, the Katikati Resource Centre and the Tauranga Citizens' Advice Bureau.

This activity also includes delivery of internal service level agreements to other departments and functions and the monitoring of customer satisfaction with these services. Internal customers can be identified and charged through internal cost recoveries and overheads. External customers can be identified and could be charged for the service provided.

#### Katikati resource centre

The Katikati Resource Centre offers information, services and support to the community in the areas of health, education and well-being.

### Funding approach

#### Libraries

##### Operational expenditure

Funding targets are set at 96% from the Uniform Annual Charge and 4% from library user fees and charges.

##### Capital expenditure

Capital expenditure (including renewals) for existing ratepayers is funded by the uniform annual charge and general rates and the sale of surplus existing library buildings.

Capital costs arising from growth, including increases in the existing book stock are funded from recreation and leisure financial contributions.

#### Te Puna library contract

This contract is funded by a targeted rate over the defined area of benefit (Te Puna).

#### Customer care - service centres

Funded from fees and charges for external customers, where practical and efficient; for example for property file access and printing.

Tauranga Citizens' Advice Bureau is funded from general rates.

Internal recoveries and overheads where applicable for internal services provided. The balance of both operational and capital expenditure from general rates.

#### Katikati resource centre

Funded from targeted rates (75% from the Katikati Ward and 25% from the Waihi Beach Ward).

**COMMUNITY FACILITIES (Community meeting places, housing for older people and cemeteries)****Community outcome**

Social infrastructure (community facilities, services and networks that help individuals, families, groups and communities) meets the diverse needs of communities; communities are strong and can influence their future.

**Goals**

- ▶ Communities are healthy and safe
- ▶ Communities are vibrant and diverse

**Discussion/rationale****Community meeting places**

All community halls are available to the public. Groups and individuals use the halls for community and recreational use. Users can be identified and are charged by the respective hall committee for hireage. The community benefits from the existence of the hall and the option they have to use it.

In terms of Council policy, the facility must be available to the public and any project eligible for funding must enhance the value of the facility to the public at large.

Hall committees are able to apply for funding for capital development to community trusts and sponsors which could reduce the amount required to be collected by Council from ratepayers.

**Housing for older people**

The public indirectly benefits from supporting the health and well-being of low income residents through the provision of affordable housing.

Most of the benefits of pensioner housing are gained by the tenants of the units. Access to Council-owned affordable housing is limited to a relatively small number of low income older residents.

**Cemeteries**

The public receives indirect benefit from this activity through the existence of cemeteries and the option they have of using them. The public also benefits from the heritage values of cemeteries and there are third party benefits associated with public health.

Users of this service are the families of the deceased that choose to use Council cemeteries – from within and outside our District. They can be identified at the time of burial and charged for the use of the cemetery.

**Funding approach****Community meeting places****Operational expenditure (Council's operational costs only)**

Funded from general rates.

**Capital expenditure and significant maintenance projects (hall committee costs)**

This is funded from a Uniform Annual Charge over a defined hall area of benefit.

**Housing for older people**

100% of the funding for capital, operations and maintenance is provided from rental income.

**Cemeteries**

Fees and charges to recover 70% of operational and renewals costs.

General rates are used to fund the remaining 30%

**COMMUNITY FACILITIES (Community meeting places, housing for older people and cemeteries)**

Discussion/rationale	Funding approach
<p><b>Cemeteries</b>                      The useful life of a cemetery is limited by the rate of uptake of the interment plots. As plots are used and spare capacity reaches a minimum level, we have to develop additional plots or berms.</p> <p>Booking of plots, without the requirement to pay an appropriate W fee results in the need to develop additional berms in the absence of a corresponding income.</p> <p>Individuals can exclude themselves from using this service by choosing to be cremated or buried in other than Council-owned and operated cemeteries – for example an urupa.</p> <p>Vandalism can result in additional costs of providing this service.</p>	

**CIVIL DEFENCE AND EMERGENCY MANAGEMENT**

**Community outcome**  
 Social infrastructure (community facilities, services and networks that help individuals, families, groups and communities) meets the diverse needs of communities; communities are strong and can influence their futures.

**Goal**  
 ► Communities are healthy and safe

Discussion/rationale	Funding approach
<p><b>Civil defence</b>                      The community as a whole benefits from the District’s readiness and policies for dealing with a civil emergency. Individuals who directly benefit from this service cannot be separately identified.</p> <p>Public education advises the community how to cope with civil emergencies and how to reduce the likelihood of loss in emergency situations.</p> <p>Actions that result in increased expenditure on this activity include the careless use, transport and storage of large quantities of hazardous substances resulting in a civil emergency.</p> <p><b>Rural fire</b>                      The community benefits from the existence of the rural fire service. It values the opportunity to call on the rural fire service if necessary. People enjoy the benefit even if they do not ever have to use the service.</p> <p>Actions that result in increased expenditure on this activity include vandalism, careless lighting and poor control of fires in rural areas can lead to out of control fires.</p>	<p><b>Civil defence</b>                      Civil defence levy funded from the general rate.                      External funding sources can include:</p> <ul style="list-style-type: none"> <li>► central government cost sharing scheme, whereby a percentage of expenditure incurred in an emergency is refunded, based on the nature of the emergency.</li> <li>► central government recovery assistance, applicable only if an emergency is declared</li> </ul> <p><b>Rural fire</b>                      Cost recovery charges from the perpetrator – wherever possible.                      General rates for the balance of all operational and capital expenditure.</p>

**RECREATION AND LEISURE****Community outcome**

Recreation and leisure facilities are well planned and safe to meet the diverse needs of our community

**Goals**

- ▶ Provide safe, healthy and appropriate facilities
- ▶ Provide a basic range of public facilities across the District
- ▶ Work with the wider community including tangata whenua to provide and promote recreation and leisure facilities
- ▶ Support provision of sub-regional recreation and leisure opportunities
- ▶ Protect important natural environmental, cultural and heritage values
- ▶ Ensure resources are secured to provide for future public recreation and leisure needs

**Discussion/rationale****District reserves, harbour structures, recreational service delivery contracts**

Reserves provide recreation and open space to the community as a whole and many residents value their existence and the option to use them for both passive and active recreation. Facilities are available for use by visitors and residents alike.

Communities are often proud of their reserves and even if they do not use them themselves, people may recognise a prestige value attached to a particular reserve area.

In many cases it is not practical or efficient to identify the individual users of reserves and recreational assets.

Sports and recreational clubs whose clubhouses occupy parts of our reserves can be identified and are charged rentals. Graziers who occupy reserves for grazing can also be identified and charged. While users of jetties and boat ramps are not charged there could be some commercial use of these structures that could be identified and charged for. Users of swimming pools can be identified and charged by the pool administrators (although the income accrues to the administering trust, not Council).

The level of provision of recreational assets is linked to demand, which is affected by population growth and development. Property developers can be identified and charged for the resulting consumption of reserves capacity when properties are developed.

Land has an infinite life with the life of improvements exceeding 15 years. Lives of coastal and harbour structures range from 15-50 years. The life of swimming pool assets is estimated at 75 years.

Actions identified that result in increased expenditure on this activity include vandalism, littering and inappropriate use of facilities which results in increased costs to ratepayers for maintenance and replacement of assets.

**Funding approach****District reserves, harbour structures, recreational service delivery contracts**

Loans are used to fund significant reserve land acquisitions opportunities. Loans are serviced (repaid) through recreation and leisure financial contributions when related to growth or from general rates, as appropriate.

General rates, fees for commercial use of boat ramps, rentals, lease fees, grazing fees, fines and reparation are used to fund operational expenditure including financing costs, renewals and capital expenditure relating to existing ratepayers.

The Environmental Protection Rate is used to fund coastal erosion projects relating to reserves.

A targeted rate over the Katikati Ward is used to fund the service delivery contract relating to the Dave Hume Swimming Pool.

Financial contributions are used to fund capital development that is required to accommodate growth and to service loans where appropriate. Such capital developments may include expenditure on assets that are not in council ownership or on council land.

**RECREATION AND LEISURE**

<b>Discussion/rationale</b>	<b>Funding approach</b>
<p><b>Camping grounds</b>                      While we do not run motor camps, we do lease property on a commercial basis to various motor camp operators. The lessees of the property have a legal interest in the land and use this for commercial gain. They are charged market rates for the right of occupation through a lease agreement.</p> <p>The properties are either held as reserve land or as corporate property.</p> <p>The public benefits from the existence of the camp ground as a community asset and public access to the property is protected by Section 17 of the Reserves Act 1977, subject to any specific terms of the lease and bylaws.</p> <p>The Reserves Act also requires that any financial surpluses generated from reserve land must be used for reserve purposes, providing a public benefit.</p> <p>The land and improvements to the property revert to Council on expiry, surrender, breach or otherwise of each lease. No inter-generational benefits have been recognised as the useful life of the assets is not known.</p> <p>Actions that result in increased expenditure on this activity include legal disputes which may arise with lessees and could result in increased expenditure such as increased compliance and monitoring costs.</p>	<p><b>Camping grounds</b>                      Lease rentals fund operating costs, overheads and maintenance of the properties undertaken by Council.</p> <p>Any shortfall will be funded from the General Rate.</p>

**REGULATORY SERVICES - ANIMAL CONTROL SERVICES**

**Community outcome**  
 Regulatory services support community well-being

**Goal**  
 ► Animal control services provide a safe environment for the public taking into account the needs of animal owners

<b>Discussion/rationale</b>	<b>Funding approach</b>
<p><b>Animal control services</b>                      The public benefits from the enforcement of bylaws and legislation aimed at meeting health, public order and safety requirements. In relation to dog control in particular, the community as a whole benefits from Council’s response to complaints about uncontrolled or nuisance dogs.</p> <p>Similarly patrolling public places and enforcement of designated dog on leash/prohibited areas (especially during the holiday season) benefit the wider community as does impounding and sometimes destruction of unregistered, nuisance dogs.</p>	<p><b>Animal control services</b>                      Funding targets for the dog control activity are set at 80% private benefit funded through dog registration fees, impounding fees and fines, and 20% public benefit funded through general rates.</p> <p>Funding targets for the livestock control activity are set at 60% private benefit funded through user fees and impounding fees and 40% public benefit funded through general rates.</p>

<b>REGULATORY SERVICES - ANIMAL CONTROL SERVICES</b>	
<b>Discussion/rationale</b>	<b>Funding approach</b>
<p><b>Animal control services</b></p> <p>Registration of dogs provides a benefit to identifiable individuals as lost and found dogs can be returned to owners. Dog owners who do not maintain control of their animals may cause public nuisance and/or danger, requiring the attention of animal control officers. While identified offenders are fined, there remains an unrecovered cost of enforcement. People can avoid using the registration services by not owning a dog.</p> <p>There is a more defined private benefit that can be attributed to livestock control services where we respond to complaints about wandering stock. In most cases stray stock is returned to the owner by animal control officers. Offenders can only be prosecuted through the courts and unrecovered costs of enforcement remain incases where it is unreasonable and impatient to prosecute.</p> <p>Education improves overall public safety and reduces the incidence of complaints.</p>	
<b>REGULATORY SERVICES - BUILDING SERVICES</b>	
<p><b>Community outcome</b></p> <p>Regulatory services support community well-being</p>	
<p><b>Goal</b></p> <p>► Building work is regulated to ensure the health and safety of people and sustainability in design and construction methods</p>	
<b>Discussion/rationale</b>	<b>Funding approach</b>
<p><b>Building services</b></p> <p><b>Health and building services public enquiry and compliance</b></p> <p>The public benefits from the assurance that building standards are being upheld. However a private benefit can be attributed to an applicant for a building consent and the administration, processing and inspection costs charged accordingly.</p> <p>Public education and the monitoring and investigation of complaints improve safety and benefits the community.</p> <p>Individuals have the opportunity to obtain information on consents and licences even if they are not applicants themselves.</p> <p>The community may benefit from the use of information obtained by individuals.</p> <p>When applicants are well informed, consents and licences can be processed more smoothly. The public may benefit from this in terms of reduced numbers of objections.</p>	<p><b>Building services – public enquiry and compliance</b></p> <p>The costs of processing and approving building consent applications and inspections are funded 100% through user fees.</p> <p>Any shortfall is funded from the General Rate.</p>

## REGULATORY SERVICES - BUILDING SERVICES

Discussion/rationale	Funding approach
<p><b>Land information memoranda (LIMs)</b> LIMs enable members of the public to be well informed in their property purchase decisions and illegal or dangerous situations will come to the attention of the Council.</p> <p>Encouragement of the use of LIMs places pressure on owners of un-consented illegal or dangerous properties to regularize their situation, benefitting the community indirectly.</p>	<p><b>Land information memoranda (LIMs)</b> Funding of the LIMs service is 50% user fees and 50% from general rates.</p>

## REGULATORY SERVICES - RESOURCE CONSENTS

<p><b>Community outcome</b> Regulatory services support community well-being</p>	
<p><b>Goal</b> ▶ The quality of the environment enjoyed by residents and visitors is maintained and enhanced</p>	
Discussion/rationale	Funding approach
<p><b>Processing of resource consents</b> Control of development and the imposition of consent conditions benefits the public in general. Our District Plan rules are designed to control the negative effects of development and to impose charges on developers to mitigate those negative effects for the benefit of the public. The implementation of our District Plan therefore benefits the community as a whole. Similarly the facilitation of consultation with affected parties, iwi and ourselves as infrastructure owners benefits the community.</p> <p>A private benefit is derived by applicants for resource consents who can be identified and charged for the service.</p> <p>Where resource consents are appealed to the Environment Court we have no ability to charge appellants or other parties in the appeal process.</p> <p><b>Resource consent public enquiry process</b> Individuals derive a private benefit from this service when making enquiries and could be identified and charged for this service.</p> <p><b>Resource consent monitoring and District Plan compliance</b> Enforcement of consent conditions ensures that development of our District is consistent with our District Plan, benefitting the whole community rather than individuals. Protection lot monitoring, noise control and bylaw enforcement benefit the community as a whole.</p>	<p><b>Processing of resource consents</b> For non-notified resource consent applications, 80% is funded from user fees and charges and 20% from general rates.</p> <p>For notified resource consent applications, 75% is funded from user fees and charges and 25% from general rates.</p> <p>For subdivision consent applications, 100% is funded from user fees and charges.</p> <p>Appeals to the Environment Court are funded 100% from general rates.</p> <p>Any shortfall is funded from the General Rate.</p> <p><b>Resource consent public enquiries</b> Although the benefits of this activity are assessed as 5% public and 95% private, it is not our policy to charge for this service as it is in the interests of ratepayers and residents. Therefore funding is 100% from general rates.</p> <p><b>Resource consent monitoring and District Plan compliance</b> This activity is funded 10% from user fees and infringement fines and 90% from general rates.</p>



<b>REGULATORY SERVICES - RESOURCE CONSENTS</b>	
<b>Discussion/rationale</b>	<b>Funding approach</b>
<p>Individuals being monitored can be identified and charged when they receive the service.</p> <p>Monitoring expenditure can increase where there is non-compliance with consent conditions and enforcement is required. Cost recovery can include infringement fines and/or prosecution through the court.</p>	
<b>REGULATORY SERVICES - COMMUNITY PROTECTION</b>	
<b>Community outcome</b>	
Regulatory services support community well-being	
<b>Goal</b>	
▶ Community protection – protect and preserve the environment and public health and safety by minimising risks from nuisance and offensive behaviour	
<b>Discussion/rationale</b>	<b>Funding approach</b>
<p><b>Traffic and parking services</b></p> <p>Enforcement of bylaws for improving and maintaining traffic safety provides a public benefit. Individuals who will benefit in the future from traffic safety measures cannot be identified but include pedestrians and cyclists as well as motor vehicle owners.</p> <p>Enforcement of parking bylaws enables businesses in the patrolled areas to benefit from accessible parking close to their businesses.</p> <p>Individuals who can be identified benefit from the potential opportunity to use convenient parking spaces.</p> <p><b>Licensing and inspection services of premises</b></p> <p>The public benefits from the assurance that premises selling liquor are appropriately licensed, complying with the conditions of their licence and meeting the obligation to reduce alcohol-related harm. Similarly, public health and safety is protected when food and other premises are appropriately registered and dangerous goods premises are licensed.</p> <p>Private benefit is also derived from applicants for these various licenses as they are legally required before a business can operate. Applicants can be identified and charged for these services.</p>	<p><b>Traffic and parking services</b></p> <p>Funded 100% through infringement fines.</p> <p><b>Licensing and inspection services of premises</b></p> <p>Licensing and inspection services funded 70% by user fees and 30% from general rates.</p>

## TRANSPORTATION

### Community outcome

Transportation networks are safe, affordable, sustainable and planned to meet our community's needs and support economic development

### Goals

- ▶ Transportation networks support and promote economic development
- ▶ The impact on the environment of the transportation system is mitigated where practicable
- ▶ Transport systems enable healthy activity and reduce transport-related public health risks
- ▶ Transport systems improve access and mobility
- ▶ Land use and transportation network planning are integrated

### Discussion/rationale

#### Network optimisation and network development

Council has a statutory responsibility under the Local Government Act 2002 to manage its transportation network for the benefit of the community.

Both individuals and the community as a whole benefit from the efficient flow of goods, services and people through the transport network. Through registration, individual vehicles can be identified when they use the road. It is practically possible to charge road users through fuel taxes and road user charges and tolls. It is also possible to exclude road users who refuse to pay through enforcement of registration and tolling parts of the roading network.

When roads are not at capacity increased use by individuals does not reduce the ability of others to use the road. Conversely when capacity is reached, increased use of the road by individuals reduces the ability of others to use the road.

Public benefits of improving/maximising the efficient flows of goods and services and people through the network include:

- ▶ Reductions in emissions and energy efficiency improvements as a result of reduced travel distances and/or congestion
- ▶ Contribution to improved social cohesion by increasing accessibility within the district.
- ▶ Indirect benefits of improved economic wellbeing.

Private benefits identified include:

- ▶ Developers benefit from the ability to subdivide. This growth may result in consumption of the existing roading capacity
- ▶ Road users benefit from the maintenance and upgrade of roads by having reduced vehicle operating costs, reduced accidents, reduced driver frustration, reduced travelling times and increased road user comfort
- ▶ Safety improvements and travel time savings for road and rail users from increasing use of rail to transport bulk items
- ▶ Improved pedestrian mobility by removing heavy vehicle traffic from local town centres.

### Funding approach

#### Capital expenditure

- ▶ Roothing rates including Roothing Uniform Annual Charge (UAC) and Rural Works charge for capital expenditure to service existing ratepayers
- ▶ Financial contributions for capital expenditure to accommodate growth and/or to pay for any excess capacity in the roading network. Includes the related loan servicing costs (interest, administration)
- ▶ Private contributions, where applicable, in terms of our policy
- ▶ New Zealand Transport Agency (NZTA) subsidies for eligible projects (46% for this Long Term Plan)

Where appropriate bank loans are used initially and then funded from the sources above.

#### Operational, maintenance and renewals expenditure including financing costs that relate to existing ratepayers

- ▶ Roothing Rate Uniform Annual Charge on all properties in our District
- ▶ Roothing Rate based on land value for all residential, commercial, industrial, post-harvest zoned and rural properties
- ▶ Rural Works charge for all rural zoned properties
- ▶ New Zealand Transport Agency (NZTA) subsidies for eligible projects (46% for this Long Term Plan)

#### For particular community projects or higher levels of service, as negotiated with the relevant community

Targeted rates over the defined area of benefit.

<b>TRANSPORTATION</b>	
<b>Discussion/rationale</b>	<b>Funding approach</b>
<p>Integrated planning creates time and cost efficiencies which benefit individual transport users.</p> <p>Developers benefit from integrated transport planning because well connected subdivisions may command higher section prices.</p> <p>Our ability to recover for private benefit is limited by Government policy on the use of vehicle registration charges. This funding is provided through New Zealand Transport Agency (NZTA) subsidies which are available according to certain criteria.</p> <p>The components of roading have widely varying design lives ranging from 3 to 75 years. The key roading component lives are:</p> <ul style="list-style-type: none"> <li>▶ base course - 25-75 years</li> <li>▶ seal - 12 years</li> <li>▶ unsealed road surfaces - 3-5 years</li> </ul> <p>Actions that result in increased expenditure on this activity include:</p> <ul style="list-style-type: none"> <li>▶ illegally overloaded vehicles that reduce the life of the road</li> <li>▶ cattle crossings that require cleaning up</li> <li>▶ heavy traffic turning in driveways which damages the edges of roads</li> </ul> <p><b>Environmental mitigation</b></p> <p>The community as a whole benefits from the effective management of the environmental impacts of the transport network as a result of:</p> <ul style="list-style-type: none"> <li>▶ Actions taken to reduce negative environmental effects</li> <li>▶ Environmental recovery costs reduced by the ability to undertake immediate action to mitigate or reduce the environmental impact</li> </ul> <p>Emergency environmental response services provide a private benefit to those affected or responsible for accidents through our ability to undertake immediate action.</p> <p>These individuals could be identified at the time they use the service.</p> <p>Improved travel demand management benefits identifiable individuals by reducing travel time and energy consumption.</p> <p>Owners of poorly maintained vehicle, which contribute to excessive emissions, may result in more Council expenditure being required for this activity.</p>	

**TRANSPORTATION**

Discussion/rationale	Funding approach
<p><b>Health and safety</b></p> <p>The public benefits of transport-related health impacts include:</p> <ul style="list-style-type: none"> <li>▶ The potential for reduced community health costs through increased physical activity for example use of cycleways, walkways and footpaths</li> <li>▶ Improved road safety and personal security</li> <li>▶ Reduced vehicle emissions</li> </ul> <p>Pedestrians and cyclists cannot be as easily identified as vehicles when they use the roads. It would be impractical to identify the individual users of walkways and cycleways.</p> <p>Seal Extensions: residents in the vicinity of roads undergoing seal extension enjoy a private benefit as they could technically be identified and charged. They could benefit from the potential reduction in vehicle wear and tear, increased road-user comfort, productive gains resulting from elimination of dust and increased property values.</p> <p><b>Modal choice and mobility</b></p> <p>The transport network forms a vital part of any community’s means of communication and movement of goods, services and people which benefits the community as a whole, even if they do not actually use some parts of it.</p> <p>The community as a whole also benefits from others using the transport network; for example visitors, ambulances, fire service, postal delivery, etc.</p> <p>The community and affected individuals gain indirect and direct benefits from the increased mobility of transport disadvantaged people, through the effect it has on their ability to participate in the economy and play a part in the social life of the community.</p> <p>Reducing heavy traffic volumes helps to improve individual pedestrian mobility, however it is not practical to individually identify those receiving this benefit. Individual users of public transport could theoretically be identified. However, where public transport is subsidised, charging the full cost of the service would defeat the purpose of the subsidy.</p> <p>The availability of alternative transport modes (including public transport) has the potential to reduce congestion and travel times for individual road users who can be separately identified.</p>	

**WATER SUPPLY****Community outcome**

Water supply is provided to our community in a sustainable manner

**Goals**

- ▶ Provide potable water of an appropriate standard and quality to meet the needs of consumers within the three supply zones
- ▶ Sustainably manage our water resource, water supply infrastructure and consumer use of water across the three zones

**Discussion/rationale**

We have a statutory responsibility as an administering body under the Local Government Act 2002 to manage our District's water supply for the benefit of the community. However, it should be noted that many rural ratepayers in our District are not connected to Council water supplies as they provide their own water.

Provision of potable water provides public health and sanitation benefits to the community. It enables commercial and industrial businesses to have access to clean water for their activities.

If potable water were unavailable economic development would be constrained and the community as a whole would suffer.

Water supply schemes provide fire-fighting capability to the community.

Individuals provided with water can be identified and charged for the service. Increased use of water by some customers reduces the amount available for others. We are progressively implementing water metering across the District which will help extend the life of existing water supply schemes, help identify water losses through leaks and ensure that those individuals who use more water pay their fair share.

Water supply, treatment facilities and reticulation systems have surplus capacity designed to cater for growth. Developers who take advantage of this capacity by subdividing properties can be identified and charged.

The life of assets ranges from 40 to 100 years and are designed to cater for growth. Actions identified that result in increased expenditure on this activity include:

- ▶ Undetected leaks resulting in water losses
- ▶ Illegal connections contributing to water losses
- ▶ Poor maintenance of pipes and taps leading to water losses
- ▶ Customers with large connections and a rapid delivery rate (>20mm) affect the level of service that can be offered elsewhere, especially in peak demand times

**Funding approach****Capital expenditure**

Paid for by loans initially to match the financing with the life of the asset which are serviced from:

- ▶ Financial contributions, for expenditure to accommodate growth and/or to pay for the consumption of excess capacity in the water supply system. Includes the related loan servicing (holding) costs
- ▶ User fees and charges for capital expenditure to service existing ratepayers

**Operational, maintenance and renewals expenditure including financing costs that relate to existing ratepayers**

User fees and charges including:

- ▶ Metered uniform annual charges and charges for actual water consumed via metering
- ▶ Unmetered water uniform annual charges
- ▶ Connection fees including additional fees for large connections >20mm
- ▶ Availability charges

**STORMWATER**

**Community outcome**

Stormwater networks are designed and managed to meet community and environmental needs

**Goals**

- ▶ Stormwater systems in Urban Growth nodes are progressively upgraded to comply with adopted Structure Plans
- ▶ Existing stormwater systems in Small Settlements are progressively upgraded to provide a minimum level of service
- ▶ Urban development is avoided in flood-prone areas unless mitigation measures can be provided
- ▶ Communities are consulted and informed about various approaches to stormwater management and their views are sought and taken into account
- ▶ Compliance and monitoring activities are carried out

<b>Discussion/rationale</b>	<b>Funding approach</b>
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**Stormwater – general**

Education aimed at raising community awareness of stormwater issues and good practice benefits the District as a whole.

Some communities will be required to implement higher standards of stormwater treatment as a result of having sensitive receiving environments, for example wetlands, estuaries and harbours. While these communities could be seen as the cause of the adverse environmental effects, protection of these environments also benefits the whole District.

Individual property owners within a community cannot exclude themselves from benefitting from the existence of a stormwater system and we could not exclude them from receiving these benefits if they refused to pay for the service.

Different communities may benefit from different levels of service for stormwater. This could be as a result of topographical conditions, for example steep slopes, unstable land or density of settlement, i.e. urban versus rural densities of development.

Individuals benefit from the delivery of this service through the reduction in risk of damage due to flooding and/or erosion on their properties. Properties that benefit from stormwater assets can be identified.

Developers benefit from the existence of excess capacity in the stormwater system. In some cases stormwater assets and levels of service have to be increased to enable development to proceed.

Not all ratepayers are connected to a stormwater system, primarily our District’s towns and small settlements are connected but not our rural residents.

**Capital expenditure**

Paid for by loans initially and serviced from:

- ▶ financial contributions, if expenditure is to accommodate growth and/or to pay for the consumption of excess capacity in the stormwater supply system. Includes the related loan servicing (holding) costs.
- ▶ For capital expenditure to service existing ratepayers.

Uniform annual charges over the defined area of benefit which has a reticulated stormwater system.

**Areas of benefit**

- ▶ Urban Growth nodes – Katikati, Omokoroa, Te Puke, Waihi Beach (including Pios Beach, Athenree)
- ▶ Small settlements – Kauri Point, Maketu/Little Waihi, Paengaroa, Pukehina, Tanners Point and Te Puna
- ▶ Minden

**Operational, maintenance and renewals expenditure including financing costs that relate to existing ratepayers**

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<b>STORMWATER</b>	
<b>Discussion/rationale</b>	<b>Funding approach</b>
<p>Some actions increase expenditure on this service:</p> <ul style="list-style-type: none"> <li>▶ Modifications to overland flow paths through minor earthworks, construction of retaining walls or fences</li> <li>▶ Growth of trees or shrubs in overland flow paths</li> <li>▶ Additional paving, hard surfaces or buildings may increase the volume of stormwater run-off and reduce its quality/effectiveness</li> <li>▶ Inappropriate disposal of hazardous substances and contaminants into the stormwater system increases the requirements for stormwater prior to discharge</li> </ul> <p>Expected useful lives of stormwater assets:</p> <ul style="list-style-type: none"> <li>▶ Reticulated stormwater &gt;60 years</li> <li>▶ Open drains 30 to 50 years</li> </ul> <p>Some drains and reticulation systems have surplus capacity which can be utilized by later developments.</p> <p>If this activity were funded using a rate in the dollar a disproportionate burden of the funding would fall on high value properties, especially those in coastal settlements whose property values have increased more rapidly than the average in recent years.</p> <p><b>Waihi Beach coastal protection project</b> This policy applies to the project that comprises:</p> <ul style="list-style-type: none"> <li>▶ Dune enhancement - 412m dune enhancement (shoreline at northern end of Shaw Road).</li> <li>▶ Rock revetment - 1047m rock revetment (along shoreline at Shaw Road, Ayr Street and the Loop) and 1.2m wide timber access ways.</li> <li>▶ Three Mile Creek works - 146m dune enhancement (shoreline off Glen Isla Place) and creek training at Three Mile Creek using training groynes.</li> <li>▶ Maintenance and monitoring during the life of the works.</li> </ul> <p>The policy does not apply to:</p> <ul style="list-style-type: none"> <li>▶ Coastal erosion works in other locations, intended for the purpose of protecting Council esplanade reserves, strategic harbour walkways or public access ways. Such structures are included in the District Reserves Activity.</li> <li>▶ Additional works at Two Mile Creek, e.g. Creek Training.</li> </ul>	<p><b>Waihi Beach coastal protection project</b> Loans will be used to finance capital expenditure, excluding renewals, over a 25 year period. These loans will be serviced from the following revenue sources:</p> <p><b>General rate reserves</b> To finance up to 5% of the capital cost of the project.</p> <p><b>Balance of Waihi Beach Drainage Reserve and Waihi Beach Erosion Reserve</b> Lump sums transferred to finance the capital cost of the project. (\$272,000)</p> <p><b>Rates collected for coastal protection works (2003/04)</b> - Lump sum transferred to finance the capital cost of the project. (\$245,474)</p> <p><b>Uniform Annual General Charge (UAGC)</b> To fund the revenue required for capital and all operating, maintenance and finance costs of the Three Mile Creek training groynes.</p>

**STORMWATER**

Discussion/rationale	Funding approach
<p><b>Waihi Beach coastal protection project</b>                      If coastal erosion went uncontrolled and damage to property occurred, the image of Waihi Beach could be adversely affected.</p> <p>If protection works were not constructed other costs may be imposed on the community such as litigation in the event of property loss or the need for other solutions to the erosion problem.</p> <p>Walkways along the top of the rock revetment will provide public access.</p> <p>Two Council reserves (Elizabeth Street Reserve and Brewer Park) will be protected through these works. These reserves comprise two out of 85 properties in the primary hazard area. The works reduce the risk of erosion to esplanade reserves but the works themselves will reduce the amenity value of the esplanade reserves.</p> <p>In areas where beach scraping and dune care is undertaken there is expected to be some improved beach amenity value and environmental enhancement.</p> <p>Two Mile Creek and Three Mile Creek provide waterways into which stormwater discharges flow from both rural and urban catchments. The eroding effects of additional stormwater from increased urban development are not considered significant in terms of intensity, when compared to the overall quantity of stormwater from existing urban and rural catchments. Three Mile Creek receives treated discharges from the Waihi Beach wastewater treatment plant.</p> <p>The Waihi Beach community therefore benefits from the existence of Two Mile Creek and Three Mile Creek but there is no direct stormwater or wastewater benefit from the erosion mitigation works.</p> <p>Individual properties that receive benefits from the reduced risk of property damage resulting from coastal erosion can be identified and can be charged for the service.</p> <p>The Life of the protection works is 25 years. The works are designed to protect buildings and property that have a long life.</p>	<p><b>Area of Benefit targeted rates - Uniform Annual Charge for the Waihi Beach Ward</b>                      To fund 25% of the remaining revenue requirement for capital and all operating, maintenance and financing cost of the rock revetment works. To fund 30% of the remaining revenue requirement for capital and all operating, maintenance and financing cost of the coastal protection works for the dune enhancement work (northern end and off Glen Isla Place).</p> <p><b>Area of benefit targeted rates - Uniform Annual Charge for 83 beachfront properties directly benefitting from the works</b>                      or</p> <ul style="list-style-type: none"> <li>▶ <b>Lump-sum contributions* equivalent to loan and interest portion of revenue requirement over 25 years; and</b></li> <li>▶ <b>Area of benefit targeted rates to meet the revenue required for maintenance and operations for those properties that elect to take up the lump-sum payment option</b></li> </ul> <p>To fund 75% of the remaining revenue requirement for capital and all operating, maintenance and financing costs of the rock revetment (53 properties).</p> <p>To fund 70% of the remaining revenue requirement for capital and all operating, maintenance and financing costs of the coastal protection works for the dune enhancement, northern end (23 properties) and off Glen Isla Place (7 properties).</p> <p><b>* a lump-sum payment option may be offered in future, once the project costs are certain.</b></p>



**PROTECTING THE ENVIRONMENT****NATURAL ENVIRONMENT****Community outcome**

Areas of our natural environment with important environmental, cultural and heritage values are protected

**Goals**

- ▶ Support the provision of environmental education and information across our District
- ▶ Support community based environmental projects

**Discussion/rationale****Natural environment support**

(Local environmental officer and service delivery contracts)

The community as a whole benefits from activities to protect and enhance the environment. Valuable environmental features are preserved for future generations. Individuals take part in community education and facilitation activities but even those that do not participate benefit from the results.

Public and private land owners adjoining areas where remedial work has occurred may gain increased amenity value to their properties.

Actions that result in increased expenditure on this activity include:

- ▶ Land owner neglect, lack of pest control
- ▶ Growth and subdivision alters the natural environment and increases the need to protect ecological features that remain

**Natural environment incentives**

The public benefits from fencing of ecological areas from farming activities in that biodiversity or valuable environmental features are preserved.

Fencing subsidies can assist farming activities by containing stock and helping to pay for fencing.

Council's incentivisation policy is designed to provide encouragement to individuals to protect the environment so it is difficult to allocate to particular ratepayers the private benefit share of costs.

There is a need to recognise the work of volunteers in reducing our costs for this activity. Intergenerational benefits include:

- ▶ Protection and enhancement will provide health and amenity value
- ▶ Fencing ecological features will protect them for future generations
- ▶ Growth and subdivision will increase the need to protect ecological features that remain

**Funding approach**

Ecological financial contributions fund:

- ▶ 80% of the cost of fencing grants
- ▶ 100% environmental education service delivery contract
- ▶ 100% regional biodiversity forum grants
- ▶ Compensation for esplanade reserves

Environmental protection rate funds:

- ▶ 20% of the costs of fencing grants
- ▶ 100% of the community environmental programme

Recreation and leisure financial contributions fund:

- ▶ 50% of the Coast Care programme

General rates fund:

- ▶ 50% of the Coast Care programme
- ▶ the Community Participation programme
- ▶ rates remission and other incentives not funded by recreation and leisure financial contributions

In addition, for specific projects targeted rates are used for:

Pukehina Beach Coastal side of Pukehina Parade for 80% of the grant to Pukehina Ratepayers Association for the costs of the sand relocation project.

Remaining properties in Pukehina Beach for the remaining 20% of the grant to Pukehina Ratepayers Association for the sand relocation project.

## WASTEWATER

### Community outcome

Wastewater services are well planned and maintained to ensure a clean and healthy environment

### Goals

- ▶ All areas in our District served by our reticulated wastewater disposal systems meet acceptable health, safety and environmental standards
- ▶ Assist small urban communities along the Tauranga Harbour to ensure that the wastewater disposal options available to them meet health and safety requirements

### Discussion/rationale

Provision of reticulated wastewater systems in the district provides public health and sanitation benefits to the community. If adequate wastewater disposal systems were unavailable economic development may be constrained or environmental standards may be compromised, which would affect the community as a whole.

Individuals provided with reticulated wastewater can be identified and charged for the service. Wastewater reticulation systems, treatment facilities and disposal systems have surplus capacity designed to cater for growth. Developers who take advantage of this capacity by subdividing can be identified and charged.

Increased volumes of wastewater produced by some commercial and industrial users (trade waste) require that the capacity of the system be larger. Higher toxicity of the wastewater produced by some users requires more treatment in order to meet consents for disposal.

Many ratepayers are not connected to our wastewater systems and construct and maintain their own septic tanks.

Actions that result in increased expenditure on this activity include:

- ▶ Illegal disposal of stormwater into the wastewater systems via illegal private connections and sub-standard private connections
- ▶ Infiltration and inflow into reticulation systems through poorly maintained or badly constructed reticulation systems
- ▶ Illegal discharges of trade waste into domestic sewers
- ▶ Trade waste discharges which are not measured or charged
- ▶ Pollution of the harbour and coastal areas from poorly maintained septic tanks
- ▶ Pollution caused by septic tank de-sludging
- ▶ Contractors disposing of septage at non-conforming disposal sites.

Wastewater infrastructure typically has a long life:

- ▶ Reticulation and manholes 60 to 100 years, depending on pipe material
- ▶ Pumps and pump stations 25 years on average
- ▶ Wastewater treatment and disposal facilities 50 years

### Funding approach

#### Capital expenditure

Paid for by loans initially and serviced from:

- ▶ financial contributions, if expenditure is to accommodate growth and/or to pay for the consumption of excess capacity in the wastewater supply system. Includes the related loan servicing (holding) costs
- ▶ wastewater targeted rates over the applicable area of benefit for capital expenditure (excluding renewals) to service existing ratepayers

#### Operational, maintenance and renewals expenditure including financing costs that relate to existing ratepayers

Funding sources to cover 96% of the revenue requirement include:

- ▶ Area of benefit targeted rates (uniform charges)
- ▶ Availability charges
- ▶ Multiple connection charges
- ▶ Capital charges
- ▶ Development levies
- ▶ Fees and charges from trade waste and connections
- ▶ Subsidies (if available)

To fund 4% of the revenue requirement:

- ▶ Environmental protection rate

<b>SOLID WASTE</b>	
<b>Community outcome</b>	
Efficient waste management practices minimise environmental harm and waste	
<b>Goals</b>	
<ul style="list-style-type: none"> <li>▶ Minimise the total quantity of residual waste for disposal through effective planning, education and enforcement so people reduce, reuse and recycle</li> <li>▶ Provide good information so people dispose of residual waste in an environmentally acceptable manner</li> <li>▶ Work with our communities to create a clean environment by encouraging and recognising innovative solutions to waste problems</li> </ul>	
<b>Discussion/rationale</b>	<b>Funding approach</b>
<p>Education, promotion of waste minimisation benefits, planning for and monitoring waste benefits our district as a whole. When individuals make use of education and information on waste and hazardous waste issues the community benefits as a result.</p> <p>If the remediation and monitoring of closed landfills were not undertaken it would affect the community as a whole, through downstream effects on the environment.</p> <p>The existence of greenwaste and recycling facilities will benefit those in the local area.</p> <p>If convenient facilities are not provided to dispose of greenwaste it may be more likely that it will be illegally dumped and may result in increased enforcement and regulatory costs for the whole community.</p> <p>It is sometimes possible to identify individuals who are illegally dumping cars and other rubbish. They may be prosecuted.</p> <p>Individuals using greenwaste and recycling facilities can be identified and charged for the service.</p> <p>Council wishes to encourage recycling and therefore chooses not to charge gate fees at its recycling drop off facilities.</p> <p>Council also wishes to consolidate its revenue collection for this activity by geographical area of benefit and has chosen to combine targeted rates for greenwaste and recycling with targeted rates for landfill remediation and monitoring where facilities are available.</p> <p>The life of greenwaste and recycling assets is estimated at 25 years. Achieving a cleaner environment benefits future generations through not leaving a legacy of waste.</p> <p>Illegal dumping and littering requires cleaning up which increases costs. Offenders often cannot be identified.</p> <p>We have a responsibility to ensure that remediation and monitoring of closed landfills continues.</p>	<p><b>Capital expenditure excluding renewals</b></p> <p>Paid for by loans initially and serviced from solid waste targeted rates (uniform annual charges) over the applicable area of benefit (currently Eastern and Western and Omokoroa).</p> <p>Waste minimisation levy to fund waste minimisation activities.</p> <p><b>Operational, maintenance and renewals expenditure</b></p> <p>Provided from:</p> <ul style="list-style-type: none"> <li>▶ Environmental protection rate to fund District-wide operational expenditure</li> <li>▶ Area of benefit targeted rates uniform annual charges (Eastern and Western) and user fees to fund renewals and all operating, maintenance and financing costs of closed landfills, green waste and recycling centres.</li> <li>▶ Waste Minimisation levy to fund waste minimisation activities</li> <li>▶ User fees, area of benefit targeted rates to fund renewals of capital and all operational, maintenance and financing costs of Omokoroa greenwaste facility</li> </ul>

## SUPPORTING OUR ECONOMY

### ECONOMIC

#### Community outcome

Economic activity within the sub-region is supported and promoted

#### Goals

- ▶ Support external organisations tasked with stimulating economic activity in our District
- ▶ Support and promote our town centres
- ▶ Plan for sustainable economic growth our District

#### Discussion/rationale

##### Economic development

The public benefits from a strong and sustainable local economy, increased prosperity and the availability of a wide range of employment opportunities provide third party benefits to the public.

The promotion of the region as a desirable place to work and do business and the facilitation of investment and training opportunities in the District also provide benefits to the whole District.

The marketing, development and management of the region as a tourism destination benefits both the tourism industry and other businesses in our District. The community may receive third party benefits because, if tourism is growing, facilities can be developed to cater for visitors that are also enjoyed by residents of the region.

In considering the practicality of charging businesses a targeted rate for economic development, it was noted that it would be technically difficult to identify 'businesses' located on land zoned rural or residential. In addition, horticultural and agricultural businesses also benefitted from economic development expenditure as they are also businesses.

##### Town centre promotion

Council support for town centre promotion programmes benefits the respective communities. Individuals cannot be excluded from receiving the benefit. The town centre business community derives a greater benefit from town centre promotion than the community as a whole.

##### Visitor information

This service is provided in anticipation of visitors' needs for information. There are public benefits from the existence of the service and from the option of using it when they need it. Some individuals benefitting from the visitor information service can be identified and charged. Some commercial tourism operators may benefit from referrals by the service.

It is not our policy to charge users for the provision of visitor information. Volunteers provide some of this service.

#### Funding approach

##### Funding is provided from:

General rates (Uniform Annual General Charge):

- ▶ economic development
- ▶ tourism support

General rates on capital value:

- ▶ visitor information services

Uniform annual charges on Community Board areas of growth centres:

- ▶ town centre plan implementation
- ▶ economic and community development projects

Ward uniform annual charges (UACs) for:

- ▶ town centre promotion
- ▶ service delivery contracts

Uniform annual charges on commercial and industrial zoned and post harvest zoned properties:

- ▶ town centre promotion
- ▶ service delivery contracts

Uniform annual general charge (UAGC) for:

- ▶ town centre development projects across our District

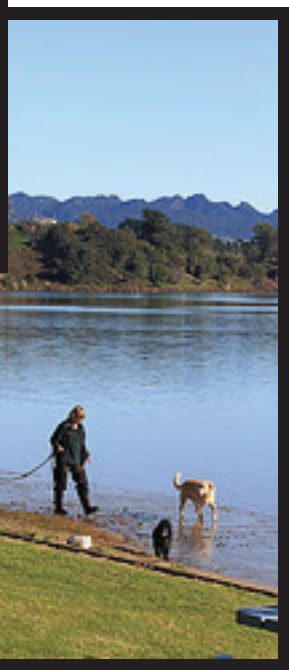
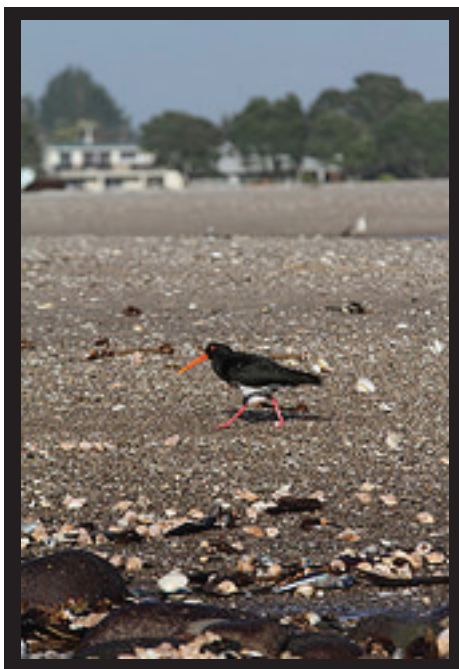
Targeted rates for community infrastructure support for:

- ▶ Waihi Drainage District Society Incorporated
- ▶ Gibraltar Water Supply Company Limited

<b>ECONOMIC</b>	
<b>Discussion/rationale</b>	<b>Funding approach</b>
<p><b>Community infrastructure support</b></p> <p>The properties serviced by the drainage and water supply companies (Waihi Drainage District Society Incorporated and Gibraltar Water Supply Company Limited respectively) can be identified and charged for the service.</p>	
<b>SUPPORT SERVICES</b>	
<b>Discussion/rationale</b>	<b>Funding approach</b>
<p><b>Internal services</b></p> <p>The users of this activity are other Council functions or departments. As a result there are no public benefits identified.</p> <p>The users of these services are identifiable. Where particular costs can be allocated to specific departments on a user-pays basis they can be charged through internal recovery of direct costs.</p> <p>Where it is not possible to identify specific departments costs can be allocated to departments and functions in a fair and consistent manner through the overhead allocation process.</p> <p>When overheads are allocated to activities that are funded by fees or targeted rates there may be a consequential increase or decrease in fees required to fund that activity.</p> <p>Land has an infinite life and the life or remaining corporate assets will depend on their composition and purposes. This could range from 10 to 75 years.</p>	<p><b>Internal services</b></p> <p>All costs are recovered on a user-pays basis, through overhead allocation and allocation of the General rate.</p>

## SPECIFIC RATES POLICIES

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## SPECIFIC RATES POLICIES

In addition to Council's overall rating policies, specific policies have also been established over time to accommodate individual ratepayer circumstances that have been identified as requiring a specific approach. By having these specific policies available Council considers it provides a more equitable and fair rating system.

### Early payment of rates in current financial year

#### 1. Policy objective

Council has Treasury risks arising from debt raising, investments and associated interest rate management activity.

#### 2. General approach

Council recognises the cash flow advantage which results from early payment of rates and offers a discount to encourage this outcome. This discount is to be set each year through the annual planning process.

#### 3. Criteria

**3.1** Current year rates must be paid by the discount date specified in the rates assessment resolution of Council.

#### 4. Procedures

**4.1** To qualify for the discount provisions all prior year rates must have been paid.

### Early payment of rates for subsequent financial year (discount for future years' rates)

#### 1. Policy objective

To provide ratepayers with the option of paying for rates for capital projects either now or in the future.

#### 2. General approach

Council recognises that some ratepayers prefer to pay a lump sum for capital projects rather than pay increased rates and that the early payment of rates benefits Council in terms of cash flow and the reduction in total debt.

To achieve equity and fairness Council will apply this policy only for a period for which interest rates have certainty for that period.

#### 3. Criteria

**3.1** The early payment discount will only apply for:

**3.1.1** capital rates;

**3.1.2** for a period set in the Annual Plan or Long Term Plan.

**3.2** The rates must be paid by a date specified in the Annual Plan.

**3.3** Council reserves the right where additional rates are required during the period to reassess that rate due.

**3.4** The discount amount will equal Council's estimated weighted cost of interest over the period.

#### 4. Procedures

The ratepayer must notify the Council on the application form prior to 1 July of the year the capital rate is due.

## Rates remission on land covenanted for the protection of natural environments

### 1. Policy objective

To encourage the conservation of natural environments

### 2. Criteria

Ratepayers who own rating units and qualify either under criteria 2.1 or 2.2 may receive remission of rates on that portion of their property covenanted or designated as a protection lot.

- 2.1** Rating units with a Queen Elizabeth II Trust covenant:  
The area of the property used for the purposes of the Queen Elizabeth II Trust covenant is defined as that portion of the property set aside and protected. This area excludes any curtilage and any area not used for environmental protection purposes.
- 2.2** Rating units with protection lots defined by the subdivision rules of Council's District Plan.

### 3. Procedures

- 3.1** Ratepayers may apply on completion of a covenant with the Queen Elizabeth II Trust and thereafter remission will be automatic.
- 3.2** Rating units with protection lots will automatically receive rates remission on the protected lot.

## Remission of rates penalties

### 1. Policy objective

To fairly and reasonably apply penalties to rates received after the due penalty date resulting from circumstances outside the ratepayer's control.

### 2. Criteria and conditions

#### 2.1 Criteria

- 2.1.1** Remission of one penalty will be considered in any one rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness or accident of a family member, within 60 days of the due date.
- 2.1.2** Excellent payment history, with no penalties incurred within the previous five years.
- 2.1.3** Remission of penalties will be on the basis of good economics.
- 2.1.4** Remission of the penalty will 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.

#### 2.2 Conditions

- 2.2.1** Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

### 3. Procedures

Decisions on remission of penalties will be delegated to officers by separate resolution of Council.



## Rates relief and postponement on Māori freehold land

### 1. Policy objective

In consideration of those matters under Section 108(4) of the Local Government Act 2002 (LGA) Council's policy objective is to recognise the special issues associated with the ownership of Māori freehold land by providing for rates relief and postponement subject to the criteria and conditions of this policy. Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court.

### 2. General approach

The above objective has been considered and Council's policy response is provided for in the following sections. Only land that is:

- (a) defined as Māori freehold land (LGA); or
- (b) by Council agreement, former Māori freehold land whose status was changed to general land by the 1967 Status Declaration legislation may qualify for remission under this policy.

### 3. Criteria and conditions

**3.1** Rates arrears may be remitted or postponed on satisfaction of the following criteria:

**3.1.1** Māori freehold land under the Local Government (Rating) Act 2002.

**3.1.2** An identified owner or agent of owner to be recorded on the rating records pursuant to section 92 Local Government (Rating) Act 2002.

**3.1.3** Presentation of annual accounts and cash flow statements prepared by qualified persons where required.

**3.1.4** By negotiating:

- (a) appropriate remission of penalties;
- (b) postponing and progressively writing off arrears over a maximum of five years, where the block can only meet current rates.

#### 3.2 Economic development

For the purpose of economic development negotiations may be entered into with trustees on the following basis to encourage development because of the lack of the ability to borrow.

**3.2.1** The maximum rates to be written off are:

- Year 1 - Not more than 80% written off in year one.
- Year 2 - Not more than 60% written off in year two.
- Year 3 - Not more than 40% written off in year three.
- Year 4 - Not more than 20% written off in year four.
- Year 5 - Full rates payable in year five.

**3.2.2** All economic development applications to provide the following evidence:

- (a) a 5-year projected cash flow prepared by a suitably qualified person;
- (b) the projected cash flow to show an increase in the annual cash surplus over the period;
- (c) an agreement by the Māori Rates Working Party that the projected cash flow is realistic plus can be achieved

**3.2.3** Rates to be remitted on an annual basis, subject to the following information being provided annually:

- (a) annual accounts, prepared by a qualified person;
- (b) cash flow for remaining years of write-off proposal;
- (c) report from owners/trustees.

#### 3.3 Avoiding alienation of Māori land — specifically small, unproductive and unoccupied blocks

**3.3.1** Where blocks are small, unproductive and unoccupied, lists of owners, trustees and title details shall be obtained from the Māori Land Court and inspected to confirm:

- ▶ the land is currently idle;
- ▶ there is no immediate possibility of development.

Contact shall be established with owners or trustees to discuss and negotiate options for the payment and remission of rates.

**3.3.2** Blocks considered to be too small to be productive and unoccupied as determined by the Māori Rates Working Party, shall be placed on the Annual Remission List (see 4 below).

**3.4 To support the traditional use of dwellings on part of multiple-owned Māori land and to recognise the level of community services provided**

**3.4.1** Where there is more than one dwelling on the land apportionments may be created for the occupiers based on the area occupied and with the written consent of the trustee or occupier.

**3.4.2** Rates may be negotiated as follows:

- ▶ Where there can be no further dwellings then all rates shall be apportioned equally between the occupiers of the land.
- ▶ Where the land is not built out and such apportioning is not appropriate, then a separate apportionment shall be created for the residue.
- ▶ Where such residue is deemed to be uneconomical it shall be placed on the Annual Remission List, (see 4 below) until such time as the whole of the land becomes fully utilised.

**3.4.3** Rate remission may be negotiated as follows:

- ▶ Postpone the debt, subject to the payment of current rates.
- ▶ All penalties on the postponed amount shall be waived.
- ▶ The debtor's instalments must, at minimum meet current rates.
- ▶ Should payments meet requirements for a period of three years, all arrears may be remitted.

### **3.5 Relationship of Māori with their culture, traditions and ancestral lands**

**3.5.1** Where blocks are situated wholly or partially on multiple-owned Māori land they may be placed on an Annual Remission List subject to one or more of the following criteria being met:

- ▶ Unoccupied.
- ▶ Contains indigenous forest of high ecological value.
- ▶ A traditional and important food source for tangata whenua.
- ▶ A traditional and important source for cultural, medicinal and spiritual needs of tangata whenua.
- ▶ Strong spiritual and symbolic significance to iwi/hapu/whanau.
- ▶ Important source of cultural materials and medicines.
- ▶ Includes important tribal landmarks significant to tangata whenua.
- ▶ Important water catchment system to tangata whenua for sustaining physical and spiritual values

**3.5.2** Where part of the land is deemed to be in bush the following will apply:

- (a) Identification, as provided above and below, and calculation of the affected area shall be carried out.
- (b) Rates payable on the balance portions shall be current or comply with other provisions of the policy.

**3.5.3** Council will also take into consideration whether the land:

- (a) Has road access and/or access to other services.
- (b) Is contiguous with forest reserves.
- (c) Is complementary to Marae reserve areas.
- (d) Is high land or dispersed blocks of bush land.
- (e) Offers protection of low land development and investment in roads.
- (f) Complements water catchment areas.
- (g) Enhances wildlife areas

**3.5.4** Each block shall meet a robust identification process which will include photographs and valuation data.

**3.5.5** Each block shall be checked every four years to verify the land use has remained the same and a Bush Lots Register shall be maintained for the purposes of the policy.

## **4. Procedures**

**4.1** Annual Remission Lists shall be submitted to Council at the end of each rating year.

**4.2** Blocks shall be researched to confirm that they meet the following criteria before being placed on the Annual Remission List:

- (a) unoccupied and too small for economic development;
- (b) multiple owners with no trust in place to administer such land and whereabouts of such owners may be unknown;
- (c) no ability to raise finance to develop such land for residential/papakainga purposes.

### **4.3 Delegated authority**

**4.3.1** Chief Executive.

**4.3.2** Māori Rates Working Party.

**4.4 Māori Rates Working Party** shall be a sub committee of Council and comprise:

- ▶ three elected members nominated after triennial elections;
- ▶ two staff appointed by the Chief Executive Officer; who have the following roles:
  - (a) to review that the financial information presented to the Working Party is realistic and to ensure that proposals are in Council's financial interest;
  - (b) to act as an advocate for the iwi.

**4.5 A staff group shall be available to support the operation of the Māori Rates Working Party**

The Māori Rates Working Party shall have delegated authority to remit or postpone rates on:

- ▶ Māori freehold land;
- ▶ former Māori freehold land whose status was changed to general land by the 1967 Status Declaration legislation:
  - (a) where, in their opinion land utilisation and viability can be improved or Council's rate equity in the property improved; or
  - (b) where land is being developed by the owners through a properly constituted trust or similar body whose function is to develop the land.

It shall approve new properties for inclusion on any annual remission list.

**4.6 Delegation to staff**

Delegations to staff will be made by separate resolution of Council.

## Rates Postponement policy

### 1. Policy objective

To provide relief to ratepayers experiencing hardship from extreme financial circumstances affecting their ability to pay rates.

### 2. General approach

Only rating units defined as residential and used solely for residential purposes (as defined by Council) will be eligible for consideration of rates postponement under the conditions and criteria of this policy.

### 3. Criteria and conditions

#### 3.1 Criteria

- 3.1.1** When considering whether extreme financial circumstances exist all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.
- 3.1.2** Only the person entered as the ratepayer, or their authorised agent may make an application for rates postponement on the basis of extreme financial circumstances. The ratepayer must be the current owner of and have owned for not less than five years, the rating unit which is the subject of the application.
- 3.1.3** The person entered on Council's rating information database as the "ratepayer" must not own any other rating units or investment properties (whether in the District or in another district).
- 3.1.4** Consideration will also be given to postponing additional rate penalties for a period of up to 5 years to enable the ratepayer to clear rating debt, at the discretion of Council.

#### 3.2 Conditions

- 3.2.1** The applicant must have sufficient equity in the property to protect Council's projected rating interest in that property.

- 3.2.2** Before approving an application Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day-to-day living expenses.

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 his/her residence; or
- (d) until a date specified by Council.

Council may 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.

Even if rates are postponed, as a general rule the ratepayer will be required to pay the first \$500 of the rate account.

The policy will apply from the beginning of the rating year in which the application is made, although Council may consider backdating past the rating year in which the application is made depending on the circumstances.

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 may be registered as a statutory land charge on the rating unit title. This means Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

## 4. Procedures

- 4.1** Applications must be on the required form.
- 4.2** Council will consider, on a case by case basis all applications received that meet the criteria set out under part 3 of this policy.
- 4.3** Council may delegate authority to approve applications for rates postponement to particular officers.

## Rates Postponement Conversion Policy

### 1. Policy 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.

### 2. General approach

Only rating units defined as residential and used for personal residential purposes by the applicant(s) 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. In other cases, current and all future rates may be postponed to a date not more than 15 years from 30 June in the rating year in which application is made.

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.

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. Criteria and conditions

#### 3.1 Criteria

##### 3.1.1 Eligibility

Any ratepayer is eligible for postponement provided that the rating unit is used by the ratepayer for personal residential purposes (which includes, in the case of a family trust owned property, use by a named individual or couple).

**3.1.2 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 an actuary has been engaged to develop a model that will forecast expected equity when repayment falls due.

**3.1.3 Insurance**

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

**3.2 Conditions**

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

- (a) the death of the ratepayer(s) or named individual or couple; or
- (b) until the ratepayer(s) 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
- (c) until 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 and a reserve fund levy of 0.25% p.a. and a contribution to cover the cost of counselling).

To protect Council against any suggestion of undue influence applicants will be asked to obtain advice from an appropriately qualified and trained counsellor. A counsellor's certificate confirming this will be required before postponement is granted.

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 or suspension of policy**

The 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. This includes suspension with the ratepayers having to pay future rates but not previously postponed rates, until the ratepayer is required under 3.2 to make payment.

Council reserves the right not to postpone any further rates once the total of postponed rates and accrued charges exceeds 80% of the rateable value of the property as recorded in Council's rating information database.

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

**5. Procedures**

- 5.1** Applications must be on the required form which will be available from any Council office.
- 5.2** The policy will apply from the beginning of the rating year in which the application is made although Council may consider backdating past the rating year in which the application is made depending on the circumstances.
- 5.3** Council notes that recipients may also benefit from other schemes.

## Rates remission on rating units re-zoned at the instance of Council

### 1. Policy objective

To ensure that owners of rating units that Council has rezoned can maintain their existing rating category of Residential, Rural, Commercial or Industrial until the property in question is on-sold or otherwise alienated.

### 2. Criteria and conditions

#### 2.1 Criteria

To qualify for remission under this part of the policy the rating unit must:

- 2.1.1 be situated within an area of land that has been rezoned at the instance of Council for a use that would require the owner of the property to pay more rates.

#### 2.2 Conditions

- 2.2.1 The application for rate 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.

### 3. Procedures

The remission will take the form of a special rateable value, based on the actual usage of the property, as opposed to its zoned usage.

- 3.1 Applications must be made on the required form.
- 3.2 If an application is approved the Council will direct its valuation service provider to inspect the rating unit and prepare a special rating valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the District. The ratepayer may be asked to contribute to the cost of this valuation. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal for valuations done in this way.

## Rates remission of Uniform Annual Charges

### 1. Policy objective

To apply rating policy with respect to Uniform Annual Charges on a fair and equitable basis to ratepayers.

### 2. General approach

Rating units that meet the criteria under this policy may qualify for a remission of Uniform Annual General Charges and any targeted rate set on the basis of a fixed dollar charge per rating unit.

### 3. Criteria and conditions

#### 3.1 Criteria

- 3.1.1 Units must be on land which is contiguous and used as a single entity.

The rating units must be owned, or leased (for a term of not less than five years) by the same ratepayer.

- 3.1.2 No remission will be granted on targeted rates for water supply, sewage disposal or refuse collection.

- 3.1.3 Both lessee and owner of contiguous properties need to confirm that the lessee will be paying the rates for the term of the lease.

#### 3.2 Conditions

- 3.2.1 The ratepayer will remain liable for at least one set of each type of uniform charge.

- 3.2.2 The rates database will be amended to reflect the lease situation in the rating year following the application for contiguity.

**4. Procedures**

- 4.1** Applications must be made in writing.
- 4.2** Council will delegate authority to consider and approve applications to Council officers.

**Notes**

- (i) A rating unit must be used for the purposes for which the other (contiguous owned) property is used. This usage would have to be a usage that falls within the same category used by Council to assess rates on the other property.
- (ii) For the purpose of this remission policy developers owning subdivided property are specifically excluded.

**Rates Remission Policy for land owned and used by a society or association of persons for games or sports (except galloping races, harness races or greyhound races).****1. Policy objective**

To allow sports clubs (and other similar organisations) the ability to claim a 50% discount on rates payable (excludes targeted rates).

**2. General approach**

Council recognises that sports clubs provide social and health benefits to their community and is therefore prepared to assist them with payment of rates.

**3. Criteria and conditions**

- 3.1** The land is owned and used by a society or association of persons for games or sports.
- 3.2** The land is not used for galloping races, harness races or greyhound races.
- 3.3** Where a club licence under the Sale of Liquor Act 1989 is in force Council will be entitled to separately value that portion of the property and charge full rates on it.

**4. Procedures**

- 4.1** The ratepayer must notify Council in writing of its status prior to the commencement of the rating year.

**Rates remission of wastewater charges****1. Policy objective**

- 1.1** To allow certain properties classified non-rateable under the Local Government (Rating) Act 2002, Schedule 1, Part 1, the ability to claim a 25% discount on wastewater targeted rates payable.

**2. General approach**

- 2.1** Council recognises that certain types of property offer social and health benefits to their community and is therefore prepared to assist them with payment of rates.

**3. Policy criteria and conditions**

- 3.1** To qualify for a remission under this policy the rating unit must be:
- ▶ used for purpose of religious worship or for the purposes of a Māori meeting house (marae); and
  - ▶ situated in one of the sewered areas of the Western Bay of Plenty District
- 3.2** Places of worship or Marae must make an application for the rate remission prior to the commencement of a rating year.
- 3.3** Applications received during the rating year will be applicable from the commencement of the following rating year.
- 3.3** Applications will not be backdated.

**4. Policy procedures**

- 4.1** The remission will take the form of 25% discount on the wastewater charges applicable for the coming rating year.
- 4.2** Council will delegate authority to consider and approve applications to Council officers.

**5. Associated Policies**

- 5.1** Various rates remissions policies.



## Rates remissions - natural disasters and emergencies

### 1. Policy objective

- 1.1** This policy is to provide for the possibility of rates remission where a form of natural or other type of disaster or emergency affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time.

### 2. General approach

- 2.1** To apply rating policy on a fair and equitable basis.

### 3. Policy criteria and conditions

- 3.1** The Council may, on written application from the ratepayer of rating units affected by a natural disaster or emergency, remit up to 100% of annual rates levied.
- 3.2** The Council may consider voiding the need for an application and grant remission for any rating unit or group of rating units collectively affected by a natural disaster or emergency.
- 3.3** Each application will be considered on its merits and remission up to 100% may be granted where it is considered just and equitable to do so.
- 3.4** Applications may be declined if there is evidence to suggest the applicant's actions or inactions contributed to the circumstances under which the application is being made.
- 3.5** Applications for rates remission under this policy will be considered and approved or rejected by a full meeting of Council.

### 4. Policy procedures

- 4.1** Applications must be made in writing by 30 June each year to be considered for remission for the following year's rates.
- 4.2** Where an application is approved by Council, the rating unit concerned will become non-rateable for the specific rating year.





## SIGNIFICANT ACCOUNTING POLICIES

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## Reporting entity

Western Bay of Plenty District Council (Western Bay) is a territorial local authority which is governed by the Local Government Act 2002. The primary objective of Western Bay is to provide goods or services for community or social benefit rather than making a financial return or profit. Accordingly Western Bay has designated itself a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS').

## Basis of preparation

The Council authorised the prospective financial statements on 22 March 2012. The Council, which is authorised to do so and believes that the assumptions underlying these prospective financial statements are appropriate, approved the draft Long Term Plan (statement of proposal) for public consultation. The Council and management of Western Bay of Plenty District Council accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. No actual financial results have been incorporated within the prospective financial statements.

The final prospective financial statements were updated and presented to the Council for adoption on 28 June 2012. The financial information contained within this Long Term Plan may not be appropriate for purposes other than those described.

## Statement of compliance

Our prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, in particular sections 93 and 111, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They also comply with NZ IFRS, in particular FRS 42: Prospective Financial Statements and other applicable financial reporting standards, as appropriate for public benefit entities.

## Measurement base

The prospective financial statements have been prepared on an historical cost basis, modified by the revaluation of certain infrastructure assets, investment property, biological assets and certain financial instruments (including derivative instruments).

These prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

## Changes in accounting policies

NZ IFRS 9: Financial Instruments is being phased in over three steps: classification and measurement; impairment methodology; and hedge accounting. Phase One on classification

and impairment has been applied to the financial forecasts. However Phases Two and Three regarding impairment and hedge accounting are not required to be adopted before 30 June 2014. Council has not yet assessed the effects of these changes to the standard and they are not reflected in these prospective financial statements.

## Significant accounting policies

### Associate entities

Council has a 50% shareholding in the Western Bay of Plenty Moana Rural Fire Authority, an 8% shareholding in the New Zealand Local Government Funding Agency Limited (LGFA) and a 1/9<sup>th</sup> share in Bay of Plenty Local Authority Shared Services Limited (BOPLASS). The Council also has a 50% shareholding in the Western Bay of Plenty Tourism and Visitors Trust. The impact of transactions with these associate entities on the Council's financial position is minimal. For the purposes of this Long Term Plan only the operations of the parent entity Council have been presented in these financial forecasts.

Details of these Council Controlled Organisations (CCOs) BOPLASS, LGFA and Western Bay of Plenty Tourism and Visitors Trust are contained on page 430 of this plan. Western Bay Moana Rural Fire Authority is an exempted CCO under Section 7 of the Local Government Act 2002.

### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

### Rates revenue

Rates are set annually by a resolution of Council and relate to a financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates revenue is recognised when payable.

Rates are collected on behalf of the Bay of Plenty Regional Council but these are not recognised in our prospective financial statements, except to the extent that they are included in the prospective Statement of Cash flows, because Council is acting as an agent for the Bay of Plenty Regional Council.

Revenue from metered water charges is recognised on an accrual basis. Unbilled consumption, as a result of unread meters at year end is accrued on an average usage basis.

### Government grants

Council receives government grants from New Zealand Transport Agency (NZTA), which subsidise part of our costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

**Vested assets**

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income. Assets vested in Council are recognised as income when control over the assets is obtained.

**Interest income**

This is recognised using the effective interest method.

**Sale of goods**

This revenue is recognised when a product is sold to the customer.

**Financial contributions**

The Resource Management Act 1991 governs the legislation regarding the charging of financial contributions. Financial contributions are recognised as revenue when the Council provides, or is able to provide the service for which the contribution was charged. Otherwise financial contributions are transferred to liabilities until such time as Council provides or is able to provide the service.

**Other revenue****Construction contracts**

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to the balance date as a percentage of total estimated costs for each project.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with Council's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in the statement of comprehensive income.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under other liabilities.

**Dividends**

Dividends are recognised when the right to receive payment has been established.

**Traffic and parking infringements**

This revenue is recognised when infringement notices are issued.

**Expenditure****Grant expenditure**

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application has been received that meets the specified criteria for the grant.

Discretionary grants are those grants where we have no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

**Finance costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

The Council has not capitalised borrowing costs associated with funding capital works in progress, which represents a departure from the treatment required under NZ IAS 23: Borrowing Costs. However it is in line with the decision of the Accounting Standards Review Board to indefinitely defer the adoption of NZ IAS 23 for public benefit entities.

**Foreign currency transactions**

Foreign currency transactions, including those for which forward foreign exchange contracts are held are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transaction, and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

**Income tax**

Council does not pay income tax as Section CW39 of the Income Tax Act 2007 specifically exempts income derived by a local authority from income tax, unless that income is derived from a Council Controlled Organisation, a port-related commercial undertaking or as a trustee.

**Leases****Finance leases**

Council does not currently have any finance leases.

**Operating leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

**Assets****Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Prospective Statement of Financial Position.

**Debtors and other receivables**

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that Western Bay will be unable to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted using the effective interest method.

**Non-current assets held for sale**

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value, less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the Prospective Statement of Comprehensive Income. Any increases in fair value, less costs to sell, are recognised up to the level of any impairment losses that have been previously recognised. Non current assets are not depreciated or amortised while they are classified as held for sale.

**Derivative financial instruments**

Western Bay of Plenty District Council uses derivative financial instruments, known as interest rate swaps to hedge exposure to interest rate risks arising from financing activities. In accordance with our Treasury Policy Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. Council has elected not to hedge account for our derivative financial instruments. The associated gains or losses of these derivatives that are not hedge accounted, are recognised in the surplus or deficit.

**Financial assets**

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the Prospective Statement of Comprehensive Income.

Purchases and sales of financial assets are recognised on trade-date, the date on which Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

We classify our financial assets into the following four categories: fair value through surplus or deficit; loans and receivables; held-to maturity investments and fair value through other comprehensive income. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

**Financial assets at fair value through surplus or deficit**

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if it was acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets. Financial assets at fair value through surplus or deficit include derivatives that are not designated as hedges, which are interest rate swaps.

After initial recognition they are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Our loans and receivables comprise cash and cash equivalents, debtors and other receivables, term deposits and related party loans.

After initial recognition they are measured at amortised cost using the effective interest

method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the Prospective Statement of Comprehensive Income.

### **Held to maturity investments**

Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that we have the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the Prospective Statement of Comprehensive Income.

### **Fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date.

This category encompasses:

- ▶ investments that Council intends to hold long-term but which may be realised before maturity; and
- ▶ shareholdings that Council holds for strategic purposes.

Council's investments in its associates are not included in this category as they are held at cost (as allowed by NZ IAS 28: Investments in Associates) whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value, with gains and losses recognised in other comprehensive income, except for impairment losses, which are recognised in the surplus or deficit. On derecognition the cumulative gain or loss previously recognised in equity is recognised in the Prospective Statement of Comprehensive Income.

Investments in this category include shares held in New Zealand Local Government Insurance Corporation.

### **Fair value**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. The quoted market price is the current bid price.

The fair values of financial instruments that are not traded in an active market are determined using valuation techniques. We use a variety of methods and make assumptions that are

based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques such as discounted expected cash flows are used to determine fair value for the remaining financial instruments.

### **Impairment of financial assets**

At each balance sheet date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

### **Loans and other receivables and held to maturity investments**

Impairment is established when there is objective evidence that Council will be unable to collect amounts due according to the original terms. Significant financial difficulties of the debtor or issuer, the probability that the debtor or issuer, will enter into bankruptcy and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the asset's carrying amount is reduced through the use of an allowance account and the amount of the loss is recognised in the Prospective Statement of Comprehensive Income. When the receivable is uncollectible it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For local authority stock and government stock impairment, losses are recognised directly against the instrument's carrying amount.

### **Financial assets at fair value through other comprehensive income**

For equity investments a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. For debt investments significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are considered objective indicators that the asset is impaired.

If such evidence exists for investments at fair value through other comprehensive income, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive income is reclassified from equity to the surplus or deficit. Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If, in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.



**Investment properties**

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition we measure all investment property at fair value as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of investment property are recognised in the Prospective Statement of Comprehensive Income. There is no depreciation on investment properties.

**Intangible assets****Software acquisition and development**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for our internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Staff training costs are recognised as an expense when incurred.

**Emission Trading Scheme New Zealand Units (NZUs)**

Council has been allocated and holds NZU's in respect of its forestry stands in the District. NZUs are initially recorded at cost and are subsequently measured at fair value each balance date. Any movement in fair value is recognised in the surplus or deficit.

Costs associated with maintaining NZUs are recognised as an expense when incurred.

**Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight-line or diminishing value basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The amortisation charge for each period is recognised in the prospective statement of comprehensive income. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- ▶ Computer software licences are capitalised at historic cost and are amortised over their estimated useful lives on a straight line or diminishing value basis
- ▶ Subdivision rights in relation to the joint purchase of land at Te Tumu, Papamoa by Tauranga City Council and Western Bay of Plenty District Council. This land was purchased with the condition of providing the vendor the option to acquire it sometime in the period from December 2016 to December 2026. This is amortised on a straight line basis over the 10 years. Neither Council has any intention to develop this land or retain ownership long term
- ▶ Resource consents which are not attributed to a specific asset are capitalised at historic cost and amortised on a straight-line basis over their estimated useful lives (usually 20 years)

**Property, plant and equipment**

Property, plant and equipment consist of:

**(a) Infrastructure assets**

Infrastructure assets are the fixed utility systems that we own. Each asset class includes all items that are required for the network to function, for example sewer reticulation includes reticulation piping and sewer pump stations.

**(b) Restricted assets**

Restricted assets are parks and reserves we own which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

**(c) Operational assets**

Operational assets include land, buildings, post-closure landfill sites, library books, plant and equipment and motor vehicles.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

In most instances, an item of property, plant or equipment is recognised at its cost. Where an asset is acquired at no cost or at a nominal value it is recognised at fair value as at the date of acquisition.

**Revaluation**

Council accounts for revaluations of property, plant and equipment on a class-of-asset basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Prospective Statement of Comprehensive Income.

Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Prospective Statement of Comprehensive Income will be recognised first in the statement of comprehensive income up to the amount previously expensed and then credited to the revaluation reserve for that class of asset.

Those asset classes that are revalued are valued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least on a three-yearly valuation cycle. The carrying values of revalued assets are reviewed at each balance date to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are re-valued.

Transportation assets including roads, bridges and footpaths were revalued at depreciated replacement cost at 1 July 2010 and certified by Opus International Consultants Limited.

Water, wastewater and stormwater assets including reticulation, treatment plants, reservoirs and bores were revalued at depreciated replacement cost at 1 July 2011 and certified by Aecom New Zealand Limited.

Land and buildings, excluding land under roads, were revalued at fair value at 1 July 2011 by Landmass Technology Limited. Land under roads was revalued at 30 June 2011 by Landmass Technology Ltd.

Reserves and facilities were revalued at fair value on depreciated cost basis at 1 July 2011 by Landmass Technology Ltd.

Sub-regional reserves (TECT All Terrain Park and Huharua Harbour Park) were revalued at fair value on depreciated cost basis at 1 July 2011 by Landmass Technology Limited.

Our library collections were revalued at depreciated replacement cost at 1 July 2011 by Aecom New Zealand Limited.

All other asset classes are carried at depreciated historical cost.

**Additions**

The cost of an item of property, plant and equipment is recognised as an asset if and, only if, it is probable that future economic benefits or service potential associated with the item will flow to the Western Bay of Plenty District Council and the cost of the item can be measured reliably.

**Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the asset's carrying amount. Gains and losses on disposals are reported net in the Prospective Statement of Comprehensive Income. When revalued assets are sold the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

**Depreciation**

Depreciation is provided on a straight-line basis on all buildings, bridges and other structures and diminishing value for motor vehicles, plant and equipment, office equipment and furnishings. Land and drains are non-depreciable. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

<b>Buildings</b>		
▶ Concrete	100 years	Straight line
▶ Wooden	40 years	Straight line
▶ Improvements	10 years	Straight line
<b>Land</b>		Not depreciated
<b>Other plant and equipment</b>	10 years	Diminishing value
<b>Office equipment and furnishings</b>	10 years	Diminishing value
<b>Computer systems</b>	5 years	Diminishing value
<b>Motor vehicles</b>	5 years	Diminishing value
<b>Library books</b>	10-15 years	Straight line
<b>Infrastructural assets</b>		
Roading network		
▶ Pavements (base course)	25 to 75 years	Straight line
▶ Seal	12 years	Straight line
▶ Unsealed	3 to 5 years	Straight line
▶ Other	5 to 70 years	Straight line
▶ Formation		Not depreciated
<b>Bridges</b>		
▶ Concrete	100 years	Straight line
▶ Steel	50 years	Straight line
<b>Reticulation</b>		
▶ Water	20 to 60 years	Straight line
▶ Sewerage	60 to 100 years	Straight line
▶ Stormwater	80 to 120 years	Straight line
▶ Treatment plant and equipment	25 to 50 years	Straight line
<b>Other structures</b>		
▶ Wooden reservoirs	80 years	Straight line
▶ Concrete reservoirs	100 years	Straight line
▶ Dams	100 years	Straight line
▶ Bores	100 years	Straight line

The residual value and useful life of an asset is reviewed and adjusted if applicable, at each financial year end.

**Impairment of property, plant and equipment and intangible assets**

Non-financial assets that have an indefinite useful life, or are not yet available for use are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date.

When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on



the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets and cash generating units is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Prospective Statement of Comprehensive Income.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Prospective Statement of Comprehensive Income.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the Statement of Comprehensive Income, a reversal of the impairment loss is also recognised in the Prospective Statement of Comprehensive Income.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the Prospective Statement of Comprehensive Income.

### **Forestry assets**

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

### **Liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and equity instruments. An equity instrument is any contract that evidences a residual interest in Council's assets after deducting all of its liabilities.

### **Creditors and other payables**

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

### **Borrowings**

Interest-bearing bank loans and overdrafts are initially measured at their fair value net of transaction costs incurred and are subsequently measured at amortised cost using the effective interest method.

Finance charges, premiums payable on settlement or redemption and direct costs are accounted for on an accrual basis in the Prospective Statement of Comprehensive Income using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Borrowings are classified as current liabilities unless we have an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

### **Employee entitlements**

#### **Short-term employee entitlements**

Employee benefits that we expect to be settled within 12 months of the balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retiring and long-service leave entitlements expected to be settled within 12 months.

We recognise a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

#### **Long-term employee entitlements**

Entitlements that are payable beyond 12 months, such as long-service leave and retiring leave have been calculated on an actuarial basis. The calculations are based on:

- ▶ likely future entitlements accruing to staff, based on years of service, years to entitlement;
- ▶ the likelihood that staff will reach the point of entitlement and contractual entitlement information; and
- ▶ the present value of the estimated future cash flows.

Expected future payments are discounted based on the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

## Provisions

We recognise a provision for future expenditure of uncertain amount or timing when there is a present obligation, either legal or constructive, as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'.

### Landfill post-closure provision

We, as operator of the Te Puke and Athenree landfills, have a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill sites after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements and known improvements in technology. The provision includes all costs associated with landfills post-closure.

### Performance based contract provision

The Performance Based Contract (PBC) is a roading contract between Opus International Consultants Limited and the Western Bay of Plenty District Council for a fixed value (plus cost variations) over a ten year period in return for the network being maintained to the required standard, which is measured by a number of key performance indicators and operational performance measures.

In instances where the contractor has over-performed against key performance indicators a provision is recognised, being the present value of future cash outflows expected to be incurred relating to capital works done in advance.

### Financial guarantee contracts

A financial guarantee contract is a contract that requires us to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to meet a payment when due.

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a financial guarantee contract was issued as a stand-alone, arms length transaction to an unrelated party its fair value at inception is equal to the consideration received. When no consideration is received liability is recognised based on the probability that we will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised prior to discounting to fair value is disclosed as a contingent liability.

Financial guarantees are subsequently measured at fair value. Any changes in fair value are taken through surplus and deficit. However, if it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

### Equity

Equity is the community's financial interest in the Western Bay of Plenty District Council as measured by the value of total assets less total liabilities. Equity is disaggregated and classified into a number of reserves to enable clearer identification of the use we make of the accumulated surpluses. The components of equity are:

- ▶ retained earnings
- ▶ restricted reserves
- ▶ council created reserves
- ▶ asset revaluation reserves
- ▶ fair value through other comprehensive income reserves

For more detailed information on the nature of Council's specific reserves refer to page 323 of this Plan.

### Restricted and council-created reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers to and from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. We may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at Council's discretion.

### Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except for debtors and other receivables and creditors and other payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Prospective Statement of Financial Position.

The net GST paid to or received from the IRD, including the GST relating to investing and

financing activities, is classified as an operating cash flow in the Prospective Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Cost of service statements**

Council has derived the projected cost of service for each significant activity of the Western Bay of Plenty District Council using the cost allocation system set out below:

#### **Direct costs**

These are those costs directly attributable to a significant activity. Indirect costs are those costs which can be identified in an economically feasible manner within a specific significant activity. Direct costs are charged directly to the relevant significant activities.

#### **Indirect costs**

These are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

### **Financial forecasts**

The financial forecasts are those adopted by the Council on 28 June 2012. These forecasts have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those we have adopted for the preparation of the prospective financial statements.

### **Critical accounting estimates and assumptions**

In preparing these prospective financial statements we have made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the ten year forecasts are discussed below.

#### **Infrastructural assets**

There are a number of assumptions and estimates used when performing depreciated replacement cost valuations over infrastructural assets. These include:

- ▶ the physical deterioration and condition of an asset, for example we could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example, stormwater, wastewater and water supply pipes which are underground.

This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;

- ▶ estimating any obsolescence or surplus capacity of an asset; and
- ▶ estimates being made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the assets then we could be over or under estimating the annual depreciation charge recognised as an expense in the Prospective Statement of Comprehensive Income. To minimise this risk our infrastructural assets useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines, published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of our asset management planning activities, which gives us further assurance over its useful life estimates.

Experienced independent valuers perform our Council's infrastructural asset revaluations.

In addition detailed assumptions have been made concerning the rate of growth across the District as well as interest rates and economic conditions for the period of these financial forecasts.

Please refer to page 24 of this Plan (key risks and growth assumptions) for a full discussion of these financial assumptions, as well as significant non-financial influencers.



# SUMMARY OF FINANCIAL CONTRIBUTIONS POLICY

## Background

Council is required under sections 102(4) (d) and 106 of the Local Government Act 2002 (LGA) to have either a Development Contribution Policy under the LGA 2002 or a Financial Contribution Policy under section 108(9) of the Resource Management Act 1991 (RMA).

### 1. General position statement

Council's Financial Contributions Policy has been operative since 1991. The full policy is contained in the Western Bay of Plenty District Council District Plan.

Between 2007/09 Council considered whether to retain a Financial Contributions Policy under the Resource Management Act 1991 or move to a Development Contributions Policy under the Local Government Act 2002. Council resolved to retain a Financial Contributions Policy.

#### 1.1 Criteria

Protection of the natural and physical environment and social, economic, cultural and environmental wellbeing of the people and communities from the potential adverse effects of new or intensified development.

- ▶ The provision of adequate funding for and efficient utilisation of, the District's infrastructure
- ▶ A financial contributions strategy which ensures that financial contributions are charged on the basis of covering the community's costs of providing infrastructure
- ▶ A financial contributions strategy which is responsive to the social, environmental, cultural and economic needs of the community
- ▶ Timing of development commensurate with the ability to make appropriate provision for infrastructure

### 2. Summary of Financial Contributions Policy

#### 2.1 Introduction

Growth in the District places significant pressure on Council to provide infrastructure at the appropriate levels of service. If growth is not managed in an integrated manner along with the provision of infrastructure, then the levels of service will fall short of the demands of growth and/or Council could be forced to develop infrastructure in an unplanned, ad hoc and inefficient manner.

Integration of the Council's funding strategy with growth management is critical to ensure that funds are spent in the most effective manner possible. Part of the funding strategy

is to also ensure that those who require the expenditure pay accordingly. Financial contributions from development are seen as a key part of that strategy to make sure that new development is not subsidised by existing ratepayers.

While it is acknowledged that development in the District has positive effects, it also has the potential to adversely affect the environment, including people and communities, in a range of ways. Some of these effects cannot be adequately avoided or mitigated on a site-by-site basis. Rather, they can best be addressed through the provision of new or improved infrastructure. In some parts of the District the community has already provided infrastructure ahead of development and measures to avoid or mitigate future effects are thus already in place.

The types of adverse effects on the environment associated with new development that are best addressed through integrated provision of infrastructure include:

#### **Wastewater**

Effects on the environment including property, people and their health, amenity, social and cultural values through pollution of soil, ground and surface water, the coastal area including beaches and seafood and through odour.

#### **Stormwater**

Effects on property, human life and health and amenity and cultural values through flooding, siltation, erosion and pollution of waterways and coastal waters.

#### **Water supply**

Effects on health, fire safety, amenity, economic and cultural wellbeing through adequacy and quality of supply.

#### **Transportation and Rooding**

Effects on access, mobility and safety, social, cultural and economic wellbeing through inadequate standards for the level of use.

#### **Recreation and Leisure**

Effects on wellbeing of people and communities and cultural and amenity values through inadequate or inappropriate provision of open space and facilities.

New development may also have adverse effects on indigenous vegetation and habitats of indigenous fauna through inadequate protection of and, provision for, biodiversity. Alternative means of funding the necessary additional infrastructure, such as by rates levied on existing properties and/or loans taken out by the Council can place a disproportionate burden on the existing community, which is, in effect, being asked

to subsidise growth and change. This may adversely affect the economic well-being of the existing community and may be unsustainable. Conversely new development should not subsidise activities that primarily benefit existing users. There needs to be an equitable sharing of costs between existing residents and new development.

## 2.2 Integrated growth management (Statutory Context)

While the Council's financial contributions policy is determined as part of the District Plan process, the schedules of works and consequent amounts payable can be updated each year through the Long Term Plan or Annual Plan process. This is to ensure that amounts charged reflect up to date costs, including actual expenditure and any necessary changes in timing or patterns of growth. Financial contributions can also be reviewed through a plan change through the RMA process. Implementation and monitoring are carried out through separate processes such as the Annual Plan and Annual Report.

## 2.3 General approach to calculating financial contributions

Financial contributions in the District Plan are based on a buy-in to the surplus capacity of existing infrastructure and/or the payment of a contribution to development programmes involving the upgrading of existing infrastructure or the provision of new infrastructure, both of which allow for future development.

Infrastructure financial contributions are calculated in accordance with formulae set out in the District Plan and are based on approved development programmes. Some of these programmes will be established through urban growth structure plans (water, wastewater, stormwater and urban roading) which include schedules of works to be undertaken, timing and funding (particularly the split between developer and Council funding). For areas not covered by structure plans, e.g. rural areas, geographic spread and the unpredictability of the location of growth makes it difficult to implement planned infrastructure development programmes. Rather than restrict growth, Council wishes to provide for it in a responsive manner. Development in the rural area will be subject to financial contributions that have been developed on a broader catchment or District-wide basis.

Infrastructure provision or upgrades will be implemented through approved infrastructure development programmes that are based on criteria that are triggered by actual growth.

The level of financial contribution is generally calculated by projecting growth for various parts of the District, establishing the need for and, capital costs of, a service or facility for the planning period (including costs which have already been incurred in anticipation of growth) to service that growth and then determining an equitable contribution.

Specifically, financial contributions for recreation, transportation and ecological protection are based on future capital expenditure requirements. Financial contributions

for water, wastewater and stormwater are based on recovery of the value of existing surplus capacity, plus the value of additional capacity for future dwellings.

The financial contributions for ecological protection are figures which can only be reviewed through a change to the District Plan.

Subdivision is generally a precursor to further development and intensification of the use of land, so financial contributions are generally assessed at the time that a resource consent for a subdivision, development or new activity is granted and are paid directly to Council as the relevant condition of consent provides.

Financial contributions may also apply to land use changes where the new activity has a potential future impact on infrastructure.

As part of its Annual Plan process, Council may resolve to reduce or waive any particular financial contribution that would normally be charged during that year.

Such resolution will be recorded in the Annual Plan. This will be done only where it is shown that wider community detriment would be likely to occur if full financial contributions were charged. Such a community subsidy is intended to be applied only where a clear net disbenefit to the community concerned would otherwise occur.

The following tables summarise the projected capital expenditure requirements over the 10 years of the Long Term Plan (2009-2019) which are attributable to growth and the funding provided by way of financial contributions for this capital expenditure.

The balance of the capital expenditure costs, apart from a small component for strategic roading capital expenditure, is recovered from financial contributions received in subsequent years to the Long Term Plan 2012-22. Strategic roading comprises key roads that benefit the whole roading network and includes projects such as Omokoroa Road and roundabouts at Te Puna and Te Puke. Strategic roading is funded by a mix of district wide financial contributions, specific financial contributions, developers, subsidies from New Zealand Transport Agency and roading rates.

**Projected capital expenditure for growth**

	Forecast \$'000									
<b>Council activity</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Transportation	2,136	309	3,186	3,714	2,858	8,050	-	3,314	3,363	1,335
Water supply	360	269	-	1,051	-	12	-	57	-	-
Communities	635	309	54	49	74	57	60	88	4,439	68
Recreation and leisure	981	1,139	1,572	1,907	3,752	2,702	2,696	1,755	1,557	2,352
Wastewater	-	1,043	376	223	80	-	-	19	-	195
Stormwater	-	-	756	1,298	-	507	-	1,178	-	-
Economic	264	273	282	623	1,329	728	511	718	355	194

**Financial contributions sought**

	Forecast \$'000									
<b>Council activity</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Transportation	1,906	1,822	1,772	1,842	3,051	3,166	3,315	3,869	3,985	4,142
Water supply	540	695	724	756	1,335	1,386	1,448	1,878	1,949	2,035
Recreation and leisure	1,605	1,755	1,806	1,861	3,203	3,291	3,384	3,876	4,003	4,133
Wastewater	808	1,193	1,271	1,333	2,283	2,392	2,488	3,572	3,701	3,871
Stormwater	563	658	671	701	1,306	1,357	1,449	1,870	1,940	2,026
Natural environment	98	112	115	122	205	217	232	271	285	303
Planning for the future	-	31	64	33	34	-	37	75	39	40
<b>Totals</b>	<b>5,550</b>	<b>6,296</b>	<b>6,478</b>	<b>6,679</b>	<b>11,471</b>	<b>11,867</b>	<b>12,412</b>	<b>15,500</b>	<b>15,967</b>	<b>16,619</b>



# TREASURY POLICY

## 1. Policy objective

Council has Treasury risks arising from debt raising, investments and associated interest rate management activity.

### Treasury activities are:

- ▶ Compliance with the Local Government Act 2002
- ▶ Develop and maintain professional relationships with the financial markets
- ▶ Invest surplus cash in liquid and creditworthy investments
- ▶ Raise appropriate finance, in terms of both maturity and interest rate
- ▶ Manage the overall cash position of Council's operations

## 2. General approach

- 2.1** Council is a risk-averse entity and does not wish to seek risk from its Treasury activities.
- 2.2** Activity which may be construed as speculative in nature is expressly forbidden.
- 2.3** Council manages both liabilities and cash investments through an internal Treasury activity. Funds are advanced by the Treasury activity for a specific period. Loans are repaid to the Treasury activity based on standard loan lives, depending on the useful lives of the assets.
- 2.3.1** Interest for loans is based on Council's weighted cost of funds.
- 2.3.2** Interest is credited to activities based on investment rates.

## 3. Liability management policy

- 3.1** Council approves borrowing by resolution during the Annual Planning process.
- 3.2** Council raises borrowing for the following primary purposes:
- 3.2.1** General debt to fund Council's Balance Sheet.
- 3.2.2** Specific debt associated with "special one-off" projects and capital expenditure.
- 3.2.3** To fund assets with inter-generational qualities.

## 3.3 Specific borrowing limits

In managing borrowing, Council will adhere to the following limits:

- ▶ The net interest expense of all external borrowings will not exceed 20% of total revenues
- ▶ The net interest expense of all external borrowings will not exceed 25% of annual rates revenue
- ▶ Liquid ratio of  $\geq 1:1$
- ▶ Current ratio  $\geq 1.25$
- ▶ Liquidity ratio (term debt plus committed loan facilities less liquid investments divided by current external debt) to be greater than 110%
- ▶ The percentage of net external debt to total revenue to be less than 220%

'Revenue' is defined as earnings from rates, government grants and subsidies, user charges, interest and other revenue.

'Rates' is defined as all income under the Local Government (Rating) Act 2002, excluding rates collected on behalf of the Bay of Plenty Regional Council.

'Total revenue' for the purposes of this policy includes: earnings from rates revenue; grants and subsidies; user charges; interest and other operating revenue (excluding vested assets and financial contributions).

## 3.4 Liquidity and credit risk management

- 3.4.1** Council's ability to readily attract cost-effective borrowing is largely driven by its ability to maintain a strong balance sheet, as well as its ability to rate, manage its image in the market and its relationships with bankers. Where possible, Council seeks a diversified pool of stock and bank borrowing and ensures that bank borrowings are only sought from the approved list of registered banks.
- 3.4.2** To minimise the risk of large concentrations of debt maturing or being reissued in periods where credit margins are high for reasons within or beyond Council's control, Council ensures debt maturity is spread widely over a band of maturities. Council manages this specifically by ensuring that:
- ▶ no more than 35% of total borrowing is subject to refinancing in any financial year. Total borrowing includes any forecast borrowing



### 3.4.3 New Zealand Local Government Funding Agency Limited investment

The Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- (a) contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- (b) provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- (c) commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- (d) subscribe for shares and uncalled capital in the LGFA; and
- (e) secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

### 3.5 Risk recognition

- ▶ Local government risk is priced to a higher fee and margin level
- ▶ The Council's own credit standing, or financial strength as a borrower, deteriorates due to financial, regulatory or other reasons
- ▶ A large individual lender to the Council experiences its own financial/exposure difficulties, resulting in the Council not being able to manage their debt portfolio as optimally as desired
- ▶ New Zealand investment community experiences a substantial "over supply" of Council investment assets

A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time. This is so that if any of the above events occur, the overall borrowing cost is not unnecessarily increased and the desired maturity profile is not compromised due to market conditions.

### 3.6 Liquidity/funding risk control limits (borrowings)

**3.6.1** Term debt and committed debt facilities must be maintained at an amount that averages 115% of projected peak net debt levels over the next year (per long term cash and debt forecasts).

**3.6.2** Disaster recovery requirements are met through the liquidity ratio.

**3.6.3** The maturity profile of the total committed funding in respect to all loans and committed facilities is to be controlled by the following system:

Period	Minimum	Maximum
0 to 3 years	15%	60%
3 to 5 years	15%	60%
5 years plus	10%	40%

A maturity schedule outside these limits requires specific Council approval. A 12-month phase-in, non-compliance period is permitted.

### 3.7 Interest rate risk management

Council's borrowing gives rise to direct exposure to interest rate movements. Generally, given the long-term nature of Council's assets, projects and inter-generational factors and Council's preference to avoid an adverse impact on rates, there is a general tendency to have a high percentage of long-term fixed rate or hedged borrowing.

### 3.8 Approved financial instruments

Dealing in interest rate products must be limited to financial instruments approved by the Council. Any other financial instrument must be specifically approved by Council on a case-by-case basis and only be applied to the one singular transaction being approved.

Category	Instrument
Cash management and borrowing	Bank overdraft Committed cash advance and bank accepted bill facilities (term facilities)
Interest rate risk Management	Uncommitted money market facilities Stock/Bonds issuance Forward rate agreements ('FRAs') on: <ul style="list-style-type: none"> <li>▶ Bank bills</li> <li>▶ Government bonds</li> </ul>
	Interest rate swaps including: <ul style="list-style-type: none"> <li>▶ Forward start swaps (start date &lt;24 months)</li> <li>▶ Amortising swaps (whereby notional principal amount reduces)</li> </ul>
	Interest rate options on: <ul style="list-style-type: none"> <li>▶ Bank bills (purchased caps and one for one collars)</li> <li>▶ Government bonds</li> </ul>
	▶ Interest rate swaps (purchased only)

### 3.9 Interest rate risk control limits

#### 3.9.1 Debt/borrowings

Council debt/borrowings/financial risk management instruments must be within the following fixed/floating interest rate risk control limit:

Master fixed/Floating risk control limit	
Minimum fixed rate	Maximum fixed rate
50%	95%

**3.9.2** 'Fixed Rate' is defined as an interest rate repricing date beyond 12 months forward on a continuous rolling basis.

**3.9.3** 'Floating Rate' is defined as an interest rate repricing within 12 months.

**3.9.4** The fixed rate amount at any point in time must be within the following maturity bands:

Fixed rate maturity profile limited		
Period	Minimum cover	Maximum cover
0 to 3 years	15%	60%
3 to 5 years	15%	60%
5 years plus	0%	60%

**3.9.5** The percentages are calculated on rolling 12-month projected net debt plus percentage of specific projects as approved by the Risk and Assurance Sub Committee.

#### 3.10 Loan payments

External loans are repaid on due date. The lengths of external loans are based on projected internal loans and cash requirements.

## 4. Investment policy

### 4.1 Council maintains investments in the following financial assets:

- ▶ Equity investments including shareholdings and loan advances to trading and service enterprises, charitable trusts and incorporated societies; for example sporting and community organisations
- ▶ Property investments, including land and buildings
- ▶ Treasury instruments incorporating longer term and liquidity investments

### 4.2 Equity investments and loan advances

Investments include shareholdings in trading and service enterprises and loan advances to charitable trusts, incorporated societies, residential and rural housing which are consistent with Council's Long Term Plan. Council operates an internal borrowing system for funding infrastructural improvements as well as funding current accounts. This information is reported to the Risk and Assurance Sub Committee on a quarterly basis.

Advances and loans are only provided to organisations where Council has significant interest. In default, the assets of the organisation may not revert to Council, however personal guarantees are obtained from the principals of the organisation.

#### **4.2(a) New Zealand Local Government Funding Agency Limited Investment:**

- ▶ The Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA) and may borrow to fund that investment
- ▶ The Council's objective in making any such investment will be to:
  - (a) obtain a return on the investment; and
  - (b) ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.
- ▶ Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

#### **4.3 Property investments**

Council's overall objective is to only own property that is necessary to achieve its outcomes.

Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements which could deliver the same results.

However, from time to time Council may own property solely for investment purposes.

#### **4.4 Treasury investments**

Council maintains treasury investments for the following primary reasons:

- ▶ Provide ready cash in the event of a natural disaster. This cash is intended to bridge the gap between the disaster and the reinstatement of normal income streams and assets
- ▶ Invest amounts allocated to accumulated surplus, Council created and restricted reserves, sinking funds and general reserves
- ▶ Invest funds allocated for approved future expenditure, to implement strategic initiatives or to support inter-generational allocations
- ▶ Invest proceeds from the sale of assets
- ▶ Invest surplus cash and working capital funds

#### **4.4.1 Treasury investment objectives**

Council's primary objective when investing is the protection of its investment. Accordingly, only creditworthy counterparties are acceptable.

Council also seeks to:

- ▶ Maximise investment return
- ▶ Ensure investments are liquid
- ▶ Manage potential capital losses due to interest rate movements if investments need to be liquidated before maturity

**4.4.2** Credit risk is minimised by limiting investments to registered banks, strongly rated State Owned Enterprises (SOE) and corporates within prescribed limits.

**4.4.3** Liquidity risk is minimised by ensuring that all investments must be capable of being liquidated in a readily available secondary market. Where practical, Council maintains \$1 million of its investments with a maturity less than one year.

#### **4.5 Interest rate risk management**

Council's investments give rise to a direct exposure to a change in interest rates, impacting the return and capital value of its fixed rate investments.

Interest rate risk will be managed by reviewing rolling cashflow forecasts and using risk management instruments to protect investment returns and/or to change interest rate and maturity profile.

#### **4.6 Sinking funds**

Under the Local Government Act 2002, Council is not required to use specific borrowing mechanisms and therefore uses its discretion in determining whether a sinking fund mechanism is appropriate. Given that Council will be a net borrower for the remaining life of the existing sinking funds, the sinking funds may, at the Council's discretion, be used for internal borrowing purposes.

#### **4.7 Acquisition and disposal of assets**

Any disposal of assets requires the approval of Council except those assets within delegated authority.

#### 4.8 Counterparty credit risk

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where Council is a party.

The credit risk to Council in a default event will be weighted differently depending on the type of instrument entered into.

Council will regularly review credit risk. Treasury related transactions would only be entered into with organisations specifically approved by Council.

Counterparties and limits can only be approved on the basis of long term credit ratings (Standard and Poor's or Moody's) being A- and above.

Council is not a long-term investor in Treasury investments.

The following matrix guide below will determine limits:

Counterparty	Minimum long term credit rating - stated and possible	Investments maximum per counterparty (\$1m)	Interest rate risk management instrument maximum per counterparty (\$1m)	Total maximum per counterparty (\$1m)
New Zealand Government	A-	Unlimited	None	Unlimited
Local Government Funding Agency Limited	A-	Unlimited	None	Unlimited
State-owned enterprises (SOE)	A-	5.0	None	5.0
New Zealand registered banks	A-	10.0	10.0	15.0
Corporate bonds	A-	2.0	None	2.0
Local Government Stock	A- (if rated) Unrated	2.0 0.5	None None	2.0 0.5

#### 4.9 Security

Generally, Council does not offer assets or deemed rates as security for general borrowing programmes.

In some circumstances, with prior Council approval, security may be offered:

- ▶ On borrowings by granting a rates charge under the Council's Debenture Trust Deed
- ▶ By providing a charge over one or more of the Council's assets

#### 4.10 Repayment

The Council repays borrowings from the specific sinking fund allocated to that borrowing or from general funds.

#### 4.11 Contingent liabilities

Council from time to time provides financial guarantees to recreation and service organisations. Where possible Council shall obtain cross guarantees. Management ensures that the business plan of the guaranteed party furthers the strategic objectives of Council and that financial statements are received on a regular basis. Should the guarantee be called up, Council will take immediate steps to recover the money.

## 5. Foreign Exchange Policy

Council has foreign exchange exposure through the occasional purchase of foreign exchange denominated plant, equipment and services.

Generally, all significant commitments for foreign exchange are hedged using foreign exchange contracts, once expenditure is approved. Council uses both spot and forward foreign exchange contracts. All commitments for foreign exchange over \$10,000 are to be hedged.

The use of other foreign exchange risk management products is not permitted.

## POLICY ON SIGNIFICANCE

### 1. Policy objective

To ensure the District's community has the opportunity to effectively participate in those decisions which significantly affect their lives or future.

### 2. General approach

The Council will consider each proposal or decision on a case-by-case basis to determine whether the decision or proposal is significant. In doing so Council will have due regard to the statutory definition of significance and apply the criteria, thresholds and procedures set out in this policy.

Council will not make a decision on a matter it considers significant unless sections 76, 77, 78, 79, 80, 81, 82 and 97 of the Local Government Act 2002 have been appropriately observed.

Prior to delegating a decision on any specific matter to Council officers or committees, Council as a whole will consider the significance of the matter being delegated.

### 3. Criteria and thresholds

When undertaking a process to determine the extent to which issues, proposals, decisions or other matters are significant, Council will use the following thresholds and criteria:

#### 3.1 Criteria

If a decision or proposal satisfies one or more of the following criteria, the matter is likely to have a high degree of significance and will constitute a significant decision:

- 3.1.1** The decision or proposal affects all or a large portion of the District in a way that is not inconsequential.
- 3.1.2** The decision or proposal relates to the acquisition or transfer of ownership or control of a strategic asset under Section 97 (1) (b) and (c) of the Local Government Act 2002 as listed under Clause 5.1 of this Policy.
- 3.1.3** Residents and ratepayers have mandated Council's strategy with respect to the acquisition of reserves and decisions to purchase land holdings for the future recreational use of the public are not deemed to be significant under the criteria of this Policy on Significance. Council notes that the commercial nature and timing of such acquisitions precludes further consultation prior to decision-making.

### 3.2 Thresholds

Proposals or decisions which are likely to have financial implications in excess of the following thresholds will be treated as significant:

- 3.2.1** Decisions or proposals in excess of \$8 million or which would result in a 5% or more increase in the annual District Rates. (District Rates refer to the rates that are charged to all properties in the District and includes the General Rate, Uniform Annual General Charge, Roading Rate, Environmental Protection Rate, Library Rate and District Town Centre Development Rate).
- 3.2.2** Decisions or proposals which would result in a new or increased targeted rate of more than 10% of existing rates per property.
- 3.2.3** Decisions or proposals relating to capital expenditure in excess of \$6 million (total project cost) which has not been provided for in the three-year term of the current Long Term Plan.

### 4. Procedures

- 4.1.** Every report to Council must include a statement indicating that the issue of significance has been considered, with a recommendation to Council assessing the significance of the proposal or decision in accordance with this Policy on Significance and sections 76, 77, 78, 79, 80, 81, 82 and 97 of the Local Government Act 2002.
- 4.2.** Where a decision to initiate, process and/or adopt a change to the District Plan is considered significant in accordance with Council's Policy on Significance, the decision-making processes specified in Schedule 1 of the Resource Management Act 1991 are considered sufficient to comply with the decision-making requirements in the Local Government Act 2002.

## 5. Strategic assets

**5.1** For the purpose of Section 90(2) of the Local Government Act 2002, Council considers the following assets to be strategic assets:

**5.1.1** The roading network as a whole.

**5.1.2** Reserves listed and managed under the Reserves Act 1997 excluding:

- (a) Reserves identified for investigation for disposal in an adopted Reserve Management Plan.
- (b) Local Purpose Reserves.

**5.1.3** Water reticulation network as a whole.

**5.1.4** Wastewater plant and network as a whole.

**5.1.5** Stormwater reticulation network as a whole.

**Please note: Significant** and **Significance** in other contexts.

The Local Government Act 2002 uses the terms significant and significance in a number of contexts. Unless it is inappropriate in the context, the criteria set out in this policy and in the statutory definitions will apply.



## STATEMENT ON COUNCIL-CONTROLLED ORGANISATIONS

Council-Controlled Organisations (CCOs) are companies, trusts or other types of organisations in which a local authority holds 50% or more of the voting rights or has the power to appoint 50% or more of the directors. CCOs that operate for the purpose of making a profit are known as Council-Controlled Trading Organisations (CCTOs).

Western Bay of Plenty District Council is a member of the following Council-Controlled Organisations (CCOs):

- ▶ New Zealand Local Government Funding Agency (LGFA) – a CCTO
- ▶ Bay of Plenty Local Authority Shared Services Limited (BOPLASS)
- ▶ Western Bay of Plenty Tourism and Visitors Trust (Tourism Bay of Plenty)
- ▶ Western Bay Moana Rural Fire Authority (exempted)

These organisations, apart from Western Bay Moana Rural Fire Authority (which has been exempted from CCO reporting requirements under Section 7 of the Local Government Act 2002), have signed a Statement of Intent that is agreed with us and the other member councils. The Statement of Intent specifies:

- ▶ the objectives or purpose of the organisation; and
- ▶ the nature and scope of the activities to be delivered; and
- ▶ the performance targets and other measures by which the performance of the organisation may be judged in relation to its objectives.

The Statement of Intent is a public document that can be supplied on request.

The following table provides the information stated above:





Council-controlled organisation	Purpose
<p><b>New Zealand Local Government Funding Agency Limited, known as the 'LGFA'</b></p> <p>The principal shareholder councils of the LGFA are:</p> <ul style="list-style-type: none"> <li>▶ Auckland Council</li> <li>▶ Bay of Plenty Regional Council</li> <li>▶ Christchurch City Council</li> <li>▶ Wellington Regional Council</li> <li>▶ Hamilton City Council</li> <li>▶ Hastings District Council</li> <li>▶ Kapiti Coast District Council</li> <li>▶ Masterton District Council</li> <li>▶ New Plymouth District Council</li> <li>▶ Otorohanga District Council</li> <li>▶ Selwyn District Council</li> <li>▶ South Taranaki District Council</li> <li>▶ Tasman District Council</li> <li>▶ Taupo District Council</li> <li>▶ Tauranga City Council</li> <li>▶ Waipa District Council</li> <li>▶ Wellington City Council</li> <li>▶ <b>Western Bay of Plenty District Council</b></li> <li>▶ Whangarei District Council</li> </ul> <p>and</p> <ul style="list-style-type: none"> <li>▶ Her Majesty The Queen acting by and through the Minister of Local Government and the Minister of Finance</li> </ul>	<p>The LGFA raises debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provides debt funding to New Zealand local authorities in New Zealand dollars</p> <p>The LGFA only lends to local authorities that enter into all the relevant arrangements with it (participating Local Authorities) and comply with the LGFA's lending policies</p> <p><b>Activities/deliverables</b></p> <p><b>Primary objective</b></p> <p>The LGFA will operate with the primary objective of optimising the debt funding terms and conditions for participating Local Authorities. Among other things this includes:</p> <ul style="list-style-type: none"> <li>▶ Providing debt to participating Local Authorities at the lowest possible interest rates</li> <li>▶ Making longer-term borrowings available to participating Local Authorities commensurate with the relevant maturity</li> <li>▶ Enhancing the certainty of access to debt markets for participating Local Authorities, subject always to operating in accordance with sound business practice</li> </ul> <p><b>Additional objectives</b></p> <p>The LGFA has a number of additional objectives which complement the primary objective. These objectives are to:</p> <ul style="list-style-type: none"> <li>▶ Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated dividend policy</li> <li>▶ Become the primary source of debt funding for participating Local Authorities</li> <li>▶ Operate in a manner to ensure LGFA is successful and sustainable in the long-term</li> <li>▶ Educate and inform all Local Authorities (both participating and non-participating) on matters within the scope of LGFA's operations</li> <li>▶ Become a leading participant in the New Zealand capital markets</li> <li>▶ Provide excellent service to participating Local Authorities</li> <li>▶ Ensure excellent communication exists and be professional in its dealings with all its stakeholders</li> <li>▶ Ensure its products and services are delivered in a cost-effective manner</li> <li>▶ Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency</li> <li>▶ Achieve the financial forecasts set out in its Statement of Intent</li> <li>▶ Meet or exceed the agreed performance targets</li> </ul>

Council-controlled organisation	Performance targets and measures	
<p><b>New Zealand Local Government Funding Agency Limited, known as the 'LGFA'</b></p>	<p>The LGFA has the following performance targets:</p> <ul style="list-style-type: none"> <li>▶ LGFA's average cost of funds relative to the average cost of funds for New Zealand Government</li> </ul> <p>Securities for the period to:</p> <ul style="list-style-type: none"> <li>➔ 30 June 2013 will be less than 0.50% higher</li> <li>➔ 30 June 2014 will be less than 0.40% higher</li> <li>➔ The average margin above the LGFA's cost of funds charged to the highest rated participating Local Authorities will be no more than 0.40%</li> <li>➔ LGFA's annualised operating overheads will be less than \$3.1 million</li> </ul> <p>Total lending to participating Local Authorities at:</p> <ul style="list-style-type: none"> <li>➔ 30 June 2013 will be at least \$900 million</li> <li>➔ 30 June 2014 will be at least \$1,400 million</li> <li>➔ The total number of participating Local Authorities shareholders in the LGFA at 30 September 2012 will be at least 30</li> <li>➔ The total number of participating Local Authorities (i.e. shareholders and eligible borrowers) in the LGFA at 30 September 2012 will be at least 40</li> </ul>	
Council-controlled organisation	Purpose	
<p><b>Bay of Plenty Local Authority Shared Services Limited known as 'BOPLASS'</b></p> <p>The nine shareholding councils of BOPLASS are:</p> <ul style="list-style-type: none"> <li>▶ Bay of Plenty Regional Council</li> <li>▶ Gisborne District Council</li> <li>▶ Kawerau District Council</li> <li>▶ Opotiki District Council</li> <li>▶ Rotorua District Council</li> <li>▶ Taupo District Council</li> <li>▶ Tauranga City Council</li> <li>▶ Western Bay of Plenty District Council</li> <li>▶ Whakatane District Council</li> </ul>	<p>Enable the provision of shared services to any or all local authorities within the Bay of Plenty region. BOPLASS may also sell 'shared' processes and systems as set up under individual agreements to local authorities outside the region</p> <p>Pursue all opportunities to procure shared services that will benefit the community in the widest sense, through enhanced back office services and/or reduced costs for councils</p> <p>Explore all possible avenues to provide these services itself or contract them from outside parties, each depending on a rigorous business case and risk assessment</p> <p>BOPLASS will also act as a true regional vehicle to attract government and other funding, if or when it is made available</p> <th data-bbox="719 1142 2123 1177">Activities/deliverables</th> <p>Investigate, develop and deliver shared back office services and communications where and when that can be done more effectively for any combinations of some, or all of the councils</p>	Activities/deliverables

<b>Council-controlled organisation</b>	<b>Performance targets and measures</b>
<p><b>Bay of Plenty Local Authority Shared Services Limited known as 'BOPLASS'</b></p>	<p>Over the next three years, the targets are to:</p> <ul style="list-style-type: none"> <li>▶ Achieve effective operations of at least five shared services with each service contributing appropriately to the costs of the umbrella vehicle</li> <li>▶ Operate within agreed budgets</li> <li>▶ Maintain positive cash flow</li> <li>▶ Survey customers of active shared services at least annually to measure their satisfaction with the levels and quality of service</li> <li>▶ Survey the directors at least annually to gauge their satisfaction with the:                             <ul style="list-style-type: none"> <li>➔ extent and quality of new service investigation</li> <li>➔ business development</li> <li>➔ administrative and secretarial support/reporting</li> <li>➔ operations of Advisory Groups</li> <li>➔ governance and strategic role of the board</li> <li>➔ performance of the Executive Officer of BOPLASS</li> </ul> </li> </ul>
<b>Council-controlled organisation</b>	<b>Purpose</b>
<p><b>Western Bay of Plenty Tourism and Visitors Trust, trading as Tourism Bay of Plenty</b></p> <p>(This is a joint council-controlled Organisation of Western Bay of Plenty District Council and Tauranga City Council)</p>	<p>Destination marketing which promotes the existing destination 'product' and encourages more visitors to stay longer and spend more</p> <p>Destination management and development which addresses the 'whole community response' to improving the quality of the region as a destination 'product' and experience for visitors</p> <p>Good industry and community relations and communications</p> <p>Strategic direction and leadership</p> <p><b>Activities/deliverables</b></p> <p>Delivery of tourism-related activities</p> <p>Operate Tourism Bay of Plenty offices</p> <p><b>Performance targets and measures</b></p> <p>Work within the approved budget and business plan</p> <p>Planning and reporting requirements are met</p> <p>Strategic and business plan objectives and performance measures are met</p> <p>Performance targets in the service delivery contract are met including:</p> <ul style="list-style-type: none"> <li>▶ Office to be open minimum of 5 days excluding public holidays and weekends</li> <li>▶ At least two joint promotions organised excluding New Zealand Touring Route and Pacific Coast Highway</li> <li>▶ At least 40,000 visitor guides distributed annually</li> </ul>



# SUMMARY OF THE WESTERN BAY OF PLENTY DISTRICT ASSESSMENT OF WATER AND SANITARY SERVICES REVISED 2009

The Local Government Act 2002 (LGA) requires us from time to time to undertake an assessment of the following water and sanitary services in the District.

<b>Water services include:</b>	<b>Sanitary services include:</b>
Water supply (drinking water)	Cemeteries and Crematoria
Wastewater services	Public toilets
Stormwater	Solid waste

Please note: we have excluded solid waste from this assessment as it is adequately covered in the Joint Sub-Regional Waste Management and Minimisation Plan in accordance with section 128 of the Local Government Act 2002. (For more information see our website [www.westernbay.govt.nz/Publications/General/General-Publications/Drawws/](http://www.westernbay.govt.nz/Publications/General/General-Publications/Drawws/))

We approved our Draft (revised) Assessment of Water and Sanitary Services for the Western Bay of Plenty District Council in December 2008, for public consultation. The consultation process ran concurrently with consultation on the Long Term Plan 2009-2019. The Assessment of Water and Sanitary Services 2009 was adopted on 30 June 2009.

The purpose of the assessment is to determine whether adequate provision has been made to protect public health in our District through the current and future provision of water and sanitary services. The assessment extends to all water and public sanitary services available within our District, i.e. not simply Council-owned and operated facilities.

The next review is planned for 2012/2013 after the Long Term Plan process has been completed.

## Key findings - Assessment of Water and Sanitary Services 2008

### Water Supply

#### Council supply

The assessment noted:

- ▶ General compliance with all performance measures except for fire code compliance in some areas
- ▶ Significant increases in average and peak daily demand are anticipated, given future population projections

Areas of our water supply zones with inadequate future supply flow and pressure have been identified and proposals have been developed for augmentation of the network as demand increases. Investigations into demand management strategies, together with proposals for network renewals and augmentation have been included in our Long Term Plan.

#### Private supply

Our role has been very limited in dealing with issues of private supplies because enforcement is difficult where no alternative supplies are available. Nationwide some private water supplies are compliant with New Zealand Drinking Water Standards (NZDWS). The Health (Drinking Water) Amendment Act 2007 under Part 2A Section 69C stipulates the extended dates by which all practicable steps to comply must be taken for small community supplies to comply. This date has been extended to 2015. All private supplies are eligible for the Ministry of Health Technical Assistance Programme. The building code is a key document for dwellings not connected to the public supply. Water supplies serving less than 1,500 person days per year are exempt from compliance with the NZDWS. An ongoing and active education campaign is seen as the most useful way of supporting these communities. The Medical Officer of Health has expressed concern about the safety of private supplies. We will ensure that new developments within reticulated areas will be connected to its supply.

### Wastewater Services

#### Council systems

The assessment noted:

- ▶ Compliance with requirements for Council-operated wastewater treatment systems
- ▶ Existing capacity in wastewater treatment plants, with upgrades required for growth in Katikati and Te Puke scheduled after 2013
- ▶ Large quantities of sludge are being produced and trials for land disposal, storage and vermi-composting are being undertaken to assess the long term benefits

#### Private systems

General concern was raised about poorly maintained septic tanks.

- ▶ The Bay of Plenty Regional Council's On-site Effluent Treatment Plan identified problems caused by wastewater discharges in Maketu, Little Waihi, Ongare Point, Te Puna, Tanners Point and Omokoroa
- ▶ Omokoroa problems have been resolved by reticulation to Tauranga City Council's sewer system

- ▶ Maketu problems have been resolved by a dedicated wastewater treatment plant and reticulated network for properties at Maketu and Little Waihi
- ▶ Further investigations are underway in conjunction with the Regional Council for small coastal communities such as Tanners Point, Ongare Point and Plummers Point.

The full Assessment of Water and Sanitary Services 2009 is available on Council's website [www.westernbay.govt.nz/Publications/General-Publications/Drawws](http://www.westernbay.govt.nz/Publications/General-Publications/Drawws)

## Stormwater

### Council services

Our performance does not always meet agreed levels of service; this is most significantly related to flooding in low lying areas, where the existing stormwater drainage systems do not meet current Council development standards. The assessment noted scheduled upgrades in these areas.

### Private services

Council is not involved in private stormwater disposal outside it's own network other than through the building consent process which requires adequate disposal for new structures and alterations.

### Future demand

Additional future demand for stormwater services is to be met through the building consent process, new Council assets and extensions to existing Council assets. Where development is being intensified, the developer and/or Council (depending on whether the work addresses existing problems) will upgrade the downstream system prior to carrying out development.

### Cemeteries and crematoria

Our facilities have sufficient capacity to meet current and future demand. Council holds no information regarding existing capacity in urupa. No risks to public health are anticipated.

### Public toilets

It was noted that increases in visitor nights and the resident population will put pressure on existing public toilet services. Six out of seven long-drop style toilets have been upgraded to a vaulted system. The Medical Officer of Health has raised concerns regarding the provision of adequate hand washing and drying facilities. Where appropriate we have installed hand dryer units and, in remote locations without water supplies, we provide hand sanitiser lotion.

**There are no significant differences between the information contained in the Assessment of Water and Sanitary Services 2009 and the 2012/22 Long Term Plan.**



## SUMMARY OF THE WASTE MANAGEMENT PLAN FOR WESTERN BAY OF PLENTY DISTRICT COUNCIL AND TAURANGA CITY COUNCIL

We adopted a joint Sub-Regional Waste Management and Minimisation Plan for Western Bay of Plenty District Council and Tauranga City Council in September 2010 as required by the Waste Minimisation Act 2008. This was the first Waste Management and Minimisation Plan considered by the two councils under the provisions of the Act. We intend to review this Plan in 2016 after undertaking a waste assessment.

The Plan provides for the management of waste in our sub-region in line with the waste management hierarchy (reduction, reuse, recycling, recovery, treatment). In the context of the Plan waste is taken to mean any materials that are or have the potential to be disposed of in landfills.

The plan sets out visions and principles for waste management in the sub-region together with policies to guide waste management activities undertaken by the respective councils.

The waste management vision for the sub-region is:

***To promote efficient waste management practices that minimise environmental harm by working towards minimal waste.***

The following four principles guide how we will manage waste:

- ▶ Reduction is the first option
- ▶ Waste management programmes will be developed by co-operating and communicating with the community, councils and businesses
- ▶ In deciding between waste management option consideration will be given to economic, environmental and social costs and benefits
- ▶ Positive and proactive waste management practices will be encouraged and wasteful practices will be discouraged

The following policies are contained in the Waste Management and Minimisation Plan:

- ▶ Waste reduction policies relating to waste minimisation education, promotion of home composting and vermiculture and funding for waste reduction activities
- ▶ Reuse policies relating to waste exchange registers and funding for reuse activities
- ▶ Recycling policies relating to kerbside recycling, resource recovery facilities, community drop-off facilities, private recycling operations, recycling targets and funding for recycling activities
- ▶ Recovery policies relating to greenwaste recovery, processing and funding for recovery operations

- ▶ Waste collection and treatment policies promoting urban waste collections, litter collections, inorganic waste collections, licensing of waste collection operators, hazardous waste collection and treatment, provision of transfer stations for waste, licensing of transfer stations, funding for waste collection and treatment operations
- ▶ Policies relating to illegal dumping and funding disposal operations

**Council's Solid Waste Strategy, as outlined in the Long Term Plan 2012-2022 (page 264), details our commitment to the vision and policies contained in the Joint Sub-Regional Waste Management and Minimisation Plan.**

**There are no significant differences between the Joint Sub-Regional Waste Management and Minimisation Plan, our Solid Waste Strategy and the 2012-2022 Long Term Plan**





# ACTIVITY FUNDING IMPACT STATEMENTS



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## Funding impact statement

**Western Bay of Plenty District Council** All information from 2014-2022 includes an adjustment for inflation

For the years ended 30 June	Budget \$'000 2012	Forecast \$'000									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Sources of operating funding</b>											
General rates, uniform annual charges, rates penalties	14,228	17,688	17,937	18,270	18,699	18,673	18,606	18,467	19,312	19,842	20,282
Targeted rates (other than a targeted rate for water supply)	27,979	29,480	32,618	35,355	37,845	39,609	41,969	44,808	48,536	52,146	56,570
Subsidies and grants for operating purposes	7,074	4,637	4,601	5,174	5,234	6,308	6,360	5,240	6,252	5,722	5,974
Fees, charges and targeted rates for water supply	11,101	8,723	9,415	10,145	10,555	11,033	11,856	12,714	13,807	14,779	15,907
Interest and dividends from investments	45	55	57	59	61	63	65	67	69	72	74
Local authority fuel tax, fines, infringement fees and other receipts	3,096	3,305	3,473	3,623	3,750	3,907	4,112	4,290	4,572	4,802	5,040
<b>Total operating funding (A)</b>	<b>63,523</b>	<b>63,888</b>	<b>68,100</b>	<b>72,626</b>	<b>76,143</b>	<b>79,593</b>	<b>82,967</b>	<b>85,586</b>	<b>92,548</b>	<b>97,362</b>	<b>103,848</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	43,346	44,525	45,891	48,030	49,931	52,211	52,881	54,253	57,067	59,211	61,392
Finance costs	10,171	10,000	10,300	10,300	10,700	10,300	10,500	9,700	9,200	8,300	6,900
Other operating funding applications	67	25	189	29	28	265	20	31	243	22	34
<b>Total applications of operating funding (B)</b>	<b>53,583</b>	<b>54,550</b>	<b>56,380</b>	<b>58,359</b>	<b>60,659</b>	<b>62,776</b>	<b>63,401</b>	<b>63,984</b>	<b>66,509</b>	<b>67,533</b>	<b>68,326</b>
<b>Operating funding - surplus/(deficit) (A-B)</b>	<b>9,940</b>	<b>9,338</b>	<b>11,720</b>	<b>14,267</b>	<b>15,484</b>	<b>16,817</b>	<b>19,566</b>	<b>21,602</b>	<b>26,039</b>	<b>29,829</b>	<b>35,522</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	11,842	3,551	4,118	4,188	4,415	4,886	5,374	5,409	5,722	6,041	6,381
Financial contributions	3,038	5,550	6,296	6,478	6,679	11,471	11,867	12,412	15,500	15,967	16,619
Increase/(decrease) in debt	-	4,000	500	-	-	2,000	2,500	(12,500)	(7,000)	(13,000)	(18,000)
Gross proceeds from sale of assets	85	85	88	91	94	97	100	103	107	111	115
Lump sum contributions	-	-	156	2,531	-	-	-	1,177	-	-	-
<b>Total Sources of capital funding (C)</b>	<b>14,965</b>	<b>13,186</b>	<b>11,158</b>	<b>13,288</b>	<b>11,188</b>	<b>18,454</b>	<b>19,841</b>	<b>6,602</b>	<b>14,329</b>	<b>9,119</b>	<b>5,115</b>
<b>Applications of capital funding</b>											
Capital Expenditure											
• to meet additional demand	-	4,376	3,342	6,226	8,865	8,093	12,056	3,267	7,129	9,714	4,144
• to improve the level of service	25,035	3,788	4,348	7,230	6,824	6,712	6,777	5,841	11,831	11,774	5,599
• to replace existing assets	-	12,130	13,255	11,873	13,670	17,618	20,299	14,339	14,142	14,838	16,539
Increase/(decrease) in reserves	(130)	2,230	1,933	2,226	(2,687)	2,848	275	4,757	7,266	2,622	14,355
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>24,905</b>	<b>22,524</b>	<b>22,878</b>	<b>27,555</b>	<b>26,672</b>	<b>35,271</b>	<b>39,407</b>	<b>28,204</b>	<b>40,368</b>	<b>38,948</b>	<b>40,637</b>
<b>Capital Funding - surplus/(deficit) (C-D)</b>	<b>(9,940)</b>	<b>(9,338)</b>	<b>(11,720)</b>	<b>(14,267)</b>	<b>(15,484)</b>	<b>(16,817)</b>	<b>(19,566)</b>	<b>(21,602)</b>	<b>(26,039)</b>	<b>(29,829)</b>	<b>(35,522)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Funding impact statement

**Representation** All information from 2014-2022 includes an adjustment for inflation

For the years ended 30 June	Budget	Forecast									
	\$'000 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Sources of operating funding</b>											
General rates, uniform annual charges, rates penalties	2,240	2,524	2,514	2,415	2,408	2,718	2,543	2,617	2,906	2,772	2,863
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overhead costs recovered	385	489	469	482	492	503	519	529	543	560	574
Local authority fuel tax, fines, infringement fees and other receipts	29	55	58	61	64	68	72	76	80	84	89
<b>Total operating funding (A)</b>	<b>2,654</b>	<b>3,068</b>	<b>3,041</b>	<b>2,959</b>	<b>2,965</b>	<b>3,289</b>	<b>3,134</b>	<b>3,222</b>	<b>3,529</b>	<b>3,417</b>	<b>3,526</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	1,372	1,445	1,450	1,488	1,531	1,578	1,620	1,665	1,713	1,766	1,820
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overhead costs applied	1,052	1,542	1,343	1,376	1,335	1,368	1,409	1,434	1,473	1,519	1,552
Other operating funding applications	67	25	189	29	28	265	20	30	243	22	34
<b>Total applications of operating funding (B)</b>	<b>2,491</b>	<b>3,012</b>	<b>2,981</b>	<b>2,893</b>	<b>2,893</b>	<b>3,211</b>	<b>3,049</b>	<b>3,130</b>	<b>3,429</b>	<b>3,307</b>	<b>3,406</b>
<b>Operating funding - surplus/(deficit) (A-B)</b>	<b>164</b>	<b>56</b>	<b>60</b>	<b>66</b>	<b>72</b>	<b>78</b>	<b>85</b>	<b>92</b>	<b>100</b>	<b>110</b>	<b>120</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
• to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in reserves	164	56	60	66	72	78	85	92	100	110	120
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>164</b>	<b>56</b>	<b>60</b>	<b>66</b>	<b>72</b>	<b>78</b>	<b>85</b>	<b>92</b>	<b>100</b>	<b>110</b>	<b>120</b>
<b>Capital funding - surplus/(deficit) (C-D)</b>	<b>(164)</b>	<b>(56)</b>	<b>(60)</b>	<b>(66)</b>	<b>(72)</b>	<b>(78)</b>	<b>(85)</b>	<b>(92)</b>	<b>(100)</b>	<b>(110)</b>	<b>(120)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Funding impact statement

**Planning for the future** All information from 2014-2022 includes an adjustment for inflation

For the years ended 30 June	Budget \$'000 2012	Forecast \$'000									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Sources of operating funding</b>											
General rates, uniform annual charges, rates penalties	2,226	2,283	2,110	2,424	2,206	2,225	2,640	2,354	2,434	2,658	2,656
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overhead costs recovered	-	-	-	-	-	-	-	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	71	65	69	73	77	82	87	92	98	104	110
<b>Total operating funding (A)</b>	<b>2,298</b>	<b>2,348</b>	<b>2,179</b>	<b>2,497</b>	<b>2,283</b>	<b>2,307</b>	<b>2,727</b>	<b>2,446</b>	<b>2,532</b>	<b>2,761</b>	<b>2,766</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	1,534	1,519	1,370	1,690	1,448	1,456	1,801	1,548	1,648	1,802	1,790
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overhead costs applied	698	758	765	792	785	798	833	838	856	890	901
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,233</b>	<b>2,277</b>	<b>2,136</b>	<b>2,483</b>	<b>2,233</b>	<b>2,254</b>	<b>2,634</b>	<b>2,385</b>	<b>2,504</b>	<b>2,691</b>	<b>2,691</b>
<b>Operating funding - surplus/(deficit) (A-B)</b>	<b>65</b>	<b>71</b>	<b>43</b>	<b>15</b>	<b>50</b>	<b>53</b>	<b>93</b>	<b>61</b>	<b>28</b>	<b>70</b>	<b>75</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Financial contributions	-	-	31	64	33	34	-	37	75	39	40
Increase/(decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>31</b>	<b>64</b>	<b>33</b>	<b>34</b>	<b>-</b>	<b>37</b>	<b>75</b>	<b>39</b>	<b>40</b>
<b>Applications of capital funding</b>											
Capital expenditure											
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
• to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in reserves	65	71	74	78	83	87	93	98	103	109	115
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>65</b>	<b>71</b>	<b>74</b>	<b>78</b>	<b>83</b>	<b>87</b>	<b>93</b>	<b>98</b>	<b>103</b>	<b>109</b>	<b>115</b>
<b>Capital funding - surplus/(deficit) (C-D)</b>	<b>(65)</b>	<b>(71)</b>	<b>(43)</b>	<b>(15)</b>	<b>(50)</b>	<b>(53)</b>	<b>(93)</b>	<b>(61)</b>	<b>(28)</b>	<b>(70)</b>	<b>(75)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Funding impact statement

**Communities** All information from 2014-2022 includes an adjustment for inflation

For the years ended 30 June	Budget	Forecast									
	\$'000	\$'000									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Sources of operating funding</b>											
General rates, uniform annual charges, rates penalties	2,644	2,359	2,358	2,372	2,427	2,422	2,524	2,486	2,570	2,625	2,740
Targeted rates (other than a targeted rate for water supply)	880	1,411	1,904	1,688	1,614	1,633	1,852	1,867	1,930	2,052	2,189
Subsidies and grants for operating purposes	64	264	15	15	16	16	17	17	18	19	19
Fees and charges and targeted rates for water supply	70	72	74	77	83	85	88	91	94	98	101
Internal charges and overhead costs recovered	667	673	698	719	730	733	764	767	788	836	873
Local authority fuel tax, fines, infringement fees and other receipts	796	846	881	908	936	968	1,007	1,042	1,077	1,120	1,162
<b>Total operating funding (A)</b>	<b>5,121</b>	<b>5,625</b>	<b>5,930</b>	<b>5,779</b>	<b>5,806</b>	<b>5,857</b>	<b>6,252</b>	<b>6,270</b>	<b>6,477</b>	<b>6,750</b>	<b>7,084</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	2,733	2,853	2,896	3,040	3,045	3,067	3,310	3,304	3,441	3,512	3,649
Finance costs	39	32	32	31	31	31	30	30	29	113	203
Internal charges and overhead costs applied	1,777	1,988	2,070	2,136	2,119	2,133	2,220	2,230	2,271	2,355	2,379
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>4,549</b>	<b>4,873</b>	<b>4,998</b>	<b>5,207</b>	<b>5,195</b>	<b>5,231</b>	<b>5,560</b>	<b>5,564</b>	<b>5,741</b>	<b>5,980</b>	<b>6,232</b>
<b>Operating funding - surplus/(deficit) (A-B)</b>	<b>572</b>	<b>752</b>	<b>932</b>	<b>572</b>	<b>611</b>	<b>626</b>	<b>692</b>	<b>706</b>	<b>736</b>	<b>770</b>	<b>852</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Financial contributions	33	29	30	54	32	54	57	60	88	64	68
Increase/(decrease) in debt	15	(21)	(19)	(32)	(17)	(18)	(27)	(23)	(25)	2,583	(75)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>49</b>	<b>8</b>	<b>11</b>	<b>22</b>	<b>15</b>	<b>36</b>	<b>30</b>	<b>37</b>	<b>63</b>	<b>2,647</b>	<b>(7)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
• to meet additional demand	-	635	309	54	49	74	57	60	88	4,439	68
• to improve the level of service	359	250	-	-	-	-	-	-	-	-	-
• to replace existing assets	0	288	412	343	334	311	388	414	462	521	539
Increase/(decrease) in reserves	262	(413)	221	197	242	277	278	269	249	(1,544)	238
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>621</b>	<b>760</b>	<b>942</b>	<b>594</b>	<b>625</b>	<b>662</b>	<b>723</b>	<b>743</b>	<b>799</b>	<b>3,416</b>	<b>845</b>
<b>Capital funding - surplus/(deficit) (C-D)</b>	<b>(572)</b>	<b>(752)</b>	<b>(931)</b>	<b>(572)</b>	<b>(610)</b>	<b>(626)</b>	<b>(693)</b>	<b>(706)</b>	<b>(736)</b>	<b>(769)</b>	<b>(852)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Funding impact statement

**Recreation and Leisure** All information from 2014-2022 includes an adjustment for inflation

For the years ended 30 June	Budget \$'000 2012	Forecast \$'000									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Sources of operating funding</b>											
General rates, uniform annual charges, rates penalties	2,951	4,521	4,442	4,494	5,094	5,507	5,486	5,415	5,722	6,008	6,440
Targeted rates (other than a targeted rate for water supply)	142	66	68	70	72	74	76	78	81	83	86
Subsidies and grants for operating purposes	570	355	365	717	605	1,750	1,624	6	778	6	7
Fees and charges and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overhead costs recovered	1,376	884	902	927	939	960	989	1,007	1,029	1,062	1,085
Local authority fuel tax, fines, infringement fees and other receipts	627	658	703	753	747	758	799	808	903	921	933
<b>Total operating funding (A)</b>	<b>5,666</b>	<b>6,484</b>	<b>6,480</b>	<b>6,960</b>	<b>7,457</b>	<b>9,049</b>	<b>8,974</b>	<b>7,314</b>	<b>8,512</b>	<b>8,081</b>	<b>8,551</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	3,050	3,246	3,168	3,247	3,585	3,722	3,544	3,643	3,930	4,000	4,096
Finance costs	36	370	386	403	420	444	469	488	508	529	551
Internal charges and overhead costs applied	1,518	1,581	1,624	1,671	1,681	1,717	1,782	1,800	1,841	1,914	1,938
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>4,605</b>	<b>5,197</b>	<b>5,178</b>	<b>5,321</b>	<b>5,686</b>	<b>5,883</b>	<b>5,794</b>	<b>5,931</b>	<b>6,278</b>	<b>6,443</b>	<b>6,585</b>
<b>Operating funding - surplus/(deficit) (A-B)</b>	<b>1,061</b>	<b>1,287</b>	<b>1,302</b>	<b>1,639</b>	<b>1,771</b>	<b>3,166</b>	<b>3,180</b>	<b>1,383</b>	<b>2,234</b>	<b>1,638</b>	<b>1,966</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Financial contributions	856	1,605	1,755	1,806	1,861	3,203	3,291	3,384	3,876	4,003	4,133
Increase/(decrease) in debt	15	(59)	(49)	(71)	(72)	100	(97)	(106)	(116)	(128)	(141)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>871</b>	<b>1,546</b>	<b>1,706</b>	<b>1,735</b>	<b>1,789</b>	<b>3,303</b>	<b>3,194</b>	<b>3,278</b>	<b>3,760</b>	<b>3,875</b>	<b>3,993</b>
<b>Applications of capital funding</b>											
Capital expenditure											
• to meet additional demand	-	981	1,139	1,572	1,907	3,752	2,702	2,696	1,755	1,557	2,352
• to improve the level of service	1,319	76	126	64	65	68	69	71	88	76	78
• to replace existing assets	-	1,274	496	817	580	789	1,347	943	547	1,076	1,163
Increase/(decrease) in reserves	614	501	1,247	922	1,008	1,860	2,256	951	3,604	2,804	2,366
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,933</b>	<b>2,832</b>	<b>3,008</b>	<b>3,374</b>	<b>3,560</b>	<b>6,469</b>	<b>6,374</b>	<b>4,661</b>	<b>5,994</b>	<b>5,513</b>	<b>5,959</b>
<b>Capital funding - surplus/(deficit) (C-D)</b>	<b>(1,061)</b>	<b>(1,287)</b>	<b>(1,302)</b>	<b>(1,639)</b>	<b>(1,771)</b>	<b>(3,166)</b>	<b>(3,180)</b>	<b>(1,383)</b>	<b>(2,234)</b>	<b>(1,638)</b>	<b>(1,966)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Funding impact statement

**Regulatory** All information from 2014-2022 includes an adjustment for inflation

For the years ended 30 June	Budget \$'000 2012	Forecast \$'000									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Sources of operating funding</b>											
General rates, uniform annual charges, rates penalties	722	1,639	1,578	1,489	1,346	1,113	949	780	667	682	651
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges and targeted rates for water supply	3,541	2,959	3,176	3,410	3,661	4,016	4,343	4,670	5,039	5,206	5,454
Internal charges and overhead costs recovered	-	-	-	-	-	-	-	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	61	31	31	33	34	35	36	37	38	40	41
<b>Total operating funding (A)</b>	<b>4,324</b>	<b>4,629</b>	<b>4,786</b>	<b>4,932</b>	<b>5,041</b>	<b>5,164</b>	<b>5,327</b>	<b>5,487</b>	<b>5,744</b>	<b>5,927</b>	<b>6,146</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	2,816	3,010	3,096	3,184	3,281	3,383	3,167	3,222	3,318	3,424	3,532
Finance costs	-	(5)	(7)	(9)	(12)	(14)	(17)	(20)	(23)	(27)	(30)
Internal charges and overhead costs applied	1,424	1,421	1,499	1,549	1,549	1,563	1,629	1,635	1,669	1,745	1,773
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>4,240</b>	<b>4,426</b>	<b>4,587</b>	<b>4,724</b>	<b>4,818</b>	<b>4,932</b>	<b>4,779</b>	<b>4,837</b>	<b>4,964</b>	<b>5,142</b>	<b>5,275</b>
<b>Operating funding - surplus/(deficit) (A-B)</b>	<b>84</b>	<b>203</b>	<b>199</b>	<b>208</b>	<b>223</b>	<b>232</b>	<b>548</b>	<b>650</b>	<b>780</b>	<b>785</b>	<b>871</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
• to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in reserves	84	203	199	208	223	232	548	650	780	785	871
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>84</b>	<b>203</b>	<b>199</b>	<b>208</b>	<b>223</b>	<b>232</b>	<b>548</b>	<b>650</b>	<b>780</b>	<b>785</b>	<b>871</b>
<b>Capital funding - surplus/(deficit) (C-D)</b>	<b>(84)</b>	<b>(203)</b>	<b>(199)</b>	<b>(208)</b>	<b>(223)</b>	<b>(232)</b>	<b>(548)</b>	<b>(650)</b>	<b>(780)</b>	<b>(785)</b>	<b>(871)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Funding impact statement

**Transportation** All information from 2014-2022 includes an adjustment for inflation

For the years ended 30 June	Budget	Forecast										
	\$'000	\$'000										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Sources of operating funding</b>												
General rates, uniform annual charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	15,690	13,209	14,486	16,046	17,963	18,443	18,989	20,074	21,691	22,917	24,620	
Subsidies and grants for operating purposes	6,315	3,888	4,086	4,302	4,467	4,392	4,563	5,055	5,288	5,522	5,767	
Fees and charges and targeted rates for water supply	1	1	1	1	1	1	1	1	1	1	1	
Internal charges and overhead costs recovered	-	-	-	-	-	-	-	-	-	-	-	
Local authority fuel tax, fines, infringement fees and other receipts	110	111	116	122	127	132	138	145	152	159	167	
<b>Total operating funding (A)</b>	<b>22,116</b>	<b>17,209</b>	<b>18,689</b>	<b>20,471</b>	<b>22,559</b>	<b>22,968</b>	<b>23,691</b>	<b>25,275</b>	<b>27,133</b>	<b>28,599</b>	<b>30,555</b>	
<b>Applications of operating funding</b>												
Payments to staff and suppliers	10,988	10,494	11,167	11,750	12,305	12,857	13,493	14,180	14,930	15,692	16,488	
Finance costs	1,727	1,787	1,925	1,993	2,107	2,190	2,298	2,734	2,866	3,126	3,424	
Internal charges and overhead costs applied	1,388	1,339	1,390	1,434	1,393	1,421	1,528	1,503	1,536	1,657	1,633	
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-	
<b>Total applications of operating funding (B)</b>	<b>14,103</b>	<b>13,619</b>	<b>14,481</b>	<b>15,177</b>	<b>15,805</b>	<b>16,468</b>	<b>17,320</b>	<b>18,417</b>	<b>19,332</b>	<b>20,475</b>	<b>21,545</b>	
<b>Operating funding - surplus/(deficit) (A-B)</b>	<b>8,013</b>	<b>3,590</b>	<b>4,208</b>	<b>5,294</b>	<b>6,754</b>	<b>6,500</b>	<b>6,371</b>	<b>6,858</b>	<b>7,801</b>	<b>8,124</b>	<b>9,010</b>	
<b>Sources of capital funding</b>												
Subsidies and grants for capital expenditure	-	3,551	4,118	4,188	4,415	4,886	5,374	5,409	5,722	6,041	6,381	
Financial contributions	1,058	1,906	1,822	1,772	1,842	3,051	3,166	3,315	3,869	3,985	4,142	
Increase/(decrease) in debt	(109)	(295)	(324)	(358)	(393)	(297)	(133)	(27)	(30)	(33)	-	
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-	
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>949</b>	<b>5,162</b>	<b>5,615</b>	<b>5,602</b>	<b>5,864</b>	<b>7,640</b>	<b>8,407</b>	<b>8,697</b>	<b>9,561</b>	<b>9,993</b>	<b>10,523</b>	
<b>Applications of capital funding</b>												
Capital expenditure												
• to meet additional demand	-	2,136	309	3,186	3,714	2,858	8,050	-	3,314	3,363	1,335	
• to improve the level of service	13,984	2,171	2,775	2,887	3,154	3,348	3,343	3,490	4,135	4,295	4,230	
• to replace existing assets	-	6,519	8,005	7,512	8,185	8,129	8,844	9,413	9,862	10,312	10,786	
Increase/(decrease) in reserves	(5,022)	(2,074)	(1,266)	(2,689)	(2,435)	(194)	(5,460)	2,652	51	148	3,182	
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>8,962</b>	<b>8,752</b>	<b>9,823</b>	<b>10,896</b>	<b>12,618</b>	<b>14,141</b>	<b>14,777</b>	<b>15,555</b>	<b>17,362</b>	<b>18,118</b>	<b>19,533</b>	
<b>Capital funding - surplus/(deficit) (C-D)</b>	<b>(8,013)</b>	<b>(3,590)</b>	<b>(4,208)</b>	<b>(5,294)</b>	<b>(6,754)</b>	<b>(6,500)</b>	<b>(6,371)</b>	<b>(6,858)</b>	<b>(7,801)</b>	<b>(8,125)</b>	<b>(9,010)</b>	
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

## Funding impact statement

**Water supply** All information from 2014-2022 includes an adjustment for inflation

For the years ended 30 June	Budget	Forecast										
	\$'000	\$'000										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Sources of operating funding</b>												
General rates, uniform annual charges, rates penalties	20	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	-	2,323	2,555	2,801	3,103	3,380	3,640	3,911	4,201	4,534	4,913	
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-	
Fees and charges and targeted rates for water supply	7,407	5,626	6,095	6,585	6,733	6,854	7,376	7,951	8,739	9,609	10,552	
Internal charges and overhead costs recovered	-	-	-	-	-	-	-	-	-	-	-	
Local authority fuel tax, fines, infringement fees and other receipts	10	-	-	-	-	4	39	91	165	241	315	
<b>Total operating funding (A)</b>	<b>7,437</b>	<b>7,949</b>	<b>8,650</b>	<b>9,386</b>	<b>9,836</b>	<b>10,238</b>	<b>11,055</b>	<b>11,953</b>	<b>13,105</b>	<b>14,384</b>	<b>15,780</b>	
<b>Applications of operating funding</b>												
Payments to staff and suppliers	3,577	3,604	3,729	4,006	4,108	4,386	4,538	4,723	4,943	5,216	5,508	
Finance costs	1,958	1,643	1,747	1,831	1,890	2,002	2,126	2,210	2,326	2,553	2,722	
Internal charges and overhead costs applied	1,678	1,579	1,635	1,684	1,689	1,728	1,806	1,817	1,857	1,948	1,970	
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-	
<b>Total applications of operating funding (B)</b>	<b>7,212</b>	<b>6,825</b>	<b>7,111</b>	<b>7,521</b>	<b>7,686</b>	<b>8,115</b>	<b>8,470</b>	<b>8,750</b>	<b>9,126</b>	<b>9,717</b>	<b>10,200</b>	
<b>Operating funding - surplus/(deficit) (A-B)</b>	<b>225</b>	<b>1,124</b>	<b>1,539</b>	<b>1,865</b>	<b>2,150</b>	<b>2,123</b>	<b>2,585</b>	<b>3,203</b>	<b>3,979</b>	<b>4,667</b>	<b>5,580</b>	
<b>Sources of capital funding</b>												
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-	
Financial contributions	383	540	695	724	756	1,335	1,386	1,449	1,878	1,949	2,035	
Increase/(decrease) in debt	(325)	(38)	652	332	1,577	765	830	(590)	2,877	3,590	(556)	
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-	
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>58</b>	<b>502</b>	<b>1,347</b>	<b>1,056</b>	<b>2,333</b>	<b>2,100</b>	<b>2,216</b>	<b>859</b>	<b>4,755</b>	<b>5,539</b>	<b>1,479</b>	
<b>Applications of capital funding</b>												
Capital expenditure												
• to meet additional demand	-	360	269	-	1,051	-	12	-	57	-	-	
• to improve the level of service	1,367	342	651	663	799	1,376	1,251	248	3,801	6,424	1,047	
• to replace existing assets	-	1,429	1,948	1,525	2,513	2,009	2,319	1,328	1,469	1,104	912	
Increase/(decrease) in reserves	(1,085)	(506)	17	733	120	837	1,220	2,486	3,407	2,679	5,100	
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-	
<b>Total applications of capital funding (D)</b>	<b>282</b>	<b>1,626</b>	<b>2,885</b>	<b>2,921</b>	<b>4,483</b>	<b>4,222</b>	<b>4,801</b>	<b>4,062</b>	<b>8,734</b>	<b>10,207</b>	<b>7,059</b>	
<b>Capital funding - surplus/(deficit) (C-D)</b>	<b>(225)</b>	<b>(1,124)</b>	<b>(1,538)</b>	<b>(1,865)</b>	<b>(2,150)</b>	<b>(2,122)</b>	<b>(2,585)</b>	<b>(3,203)</b>	<b>(3,979)</b>	<b>(4,667)</b>	<b>(5,580)</b>	
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

## Funding impact statement

**Stormwater** All information from 2014-2022 includes an adjustment for inflation

For the years ended 30 June	Budget	Forecast									
	\$'000 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Sources of operating funding</b>											
General rates, uniform annual charges, rates penalties	142	148	159	171	184	198	212	228	246	266	287
Targeted rates (other than a targeted rate for water supply)	2,083	2,301	2,537	2,709	2,975	3,161	3,432	3,727	4,102	4,497	5,028
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overhead costs recovered	-	-	-	-	-	-	-	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	9	10	12	12	8	4	4	5	6	8
<b>Total operating funding (A)</b>	<b>2,224</b>	<b>2,458</b>	<b>2,706</b>	<b>2,891</b>	<b>3,171</b>	<b>3,367</b>	<b>3,647</b>	<b>3,959</b>	<b>4,353</b>	<b>4,769</b>	<b>5,323</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	533	536	525	548	574	601	628	655	1,106	722	764
Finance costs	1,742	1,620	1,736	1,830	2,055	2,274	2,396	2,493	2,608	2,797	2,828
Internal charges and overhead costs applied	628	586	603	620	623	639	668	673	691	718	726
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,903</b>	<b>2,742</b>	<b>2,864</b>	<b>2,999</b>	<b>3,252</b>	<b>3,514</b>	<b>3,692</b>	<b>3,821</b>	<b>4,405</b>	<b>4,237</b>	<b>4,318</b>
<b>Operating funding - surplus/(deficit) (A-B)</b>	<b>(679)</b>	<b>(284)</b>	<b>(158)</b>	<b>(108)</b>	<b>(81)</b>	<b>(148)</b>	<b>(45)</b>	<b>138</b>	<b>(52)</b>	<b>532</b>	<b>1,005</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Financial contributions	257	563	658	671	701	1,306	1,357	1,449	1,870	1,940	2,026
Increase/(decrease) in debt	610	65	(128)	585	1,962	358	1,185	(221)	2,274	(828)	(698)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>867</b>	<b>628</b>	<b>530</b>	<b>1,256</b>	<b>2,663</b>	<b>1,664</b>	<b>2,542</b>	<b>1,228</b>	<b>4,144</b>	<b>1,112</b>	<b>1,328</b>
<b>Applications of capital funding</b>											
Capital expenditure											
• to meet additional demand	-	-	-	756	1,298	-	507	-	1,178	-	-
• to improve the level of service	1,033	736	440	1,085	2,696	1,920	2,114	855	3,807	979	244
• to replace existing assets	0	139	78	81	111	58	52	69	59	60	405
Increase/(decrease) in reserves	(845)	(531)	(146)	(774)	(1,523)	(463)	(176)	442	(952)	605	1,684
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>188</b>	<b>344</b>	<b>372</b>	<b>1,148</b>	<b>2,582</b>	<b>1,515</b>	<b>2,497</b>	<b>1,366</b>	<b>4,092</b>	<b>1,644</b>	<b>2,333</b>
<b>Capital funding - surplus/(deficit) (C-D)</b>	<b>679</b>	<b>284</b>	<b>158</b>	<b>108</b>	<b>81</b>	<b>148</b>	<b>45</b>	<b>(138)</b>	<b>52</b>	<b>(532)</b>	<b>(1,005)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Funding impact statement

**Natural Environment** All information from 2014-2022 includes an adjustment for inflation

For the years ended 30 June	Budget	Forecast									
	\$'000 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Sources of operating funding</b>											
General rates, uniform annual charges, rates penalties	163	121	125	127	127	130	133	133	135	138	139
Targeted rates (other than a targeted rate for water supply)	15	15	15	16	17	17	18	18	19	20	20
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overhead costs recovered	-	-	-	-	-	-	-	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	25	45	48	51	54	57	60	64	68	72	77
<b>Total operating funding (A)</b>	<b>203</b>	<b>181</b>	<b>188</b>	<b>194</b>	<b>198</b>	<b>204</b>	<b>211</b>	<b>215</b>	<b>222</b>	<b>230</b>	<b>236</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	338	281	298	314	326	393	410	427	463	482	504
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overhead costs applied	32	32	34	35	35	36	38	38	39	41	41
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>370</b>	<b>313</b>	<b>332</b>	<b>349</b>	<b>361</b>	<b>429</b>	<b>448</b>	<b>465</b>	<b>502</b>	<b>523</b>	<b>545</b>
<b>Operating funding - surplus/(deficit) (A-B)</b>	<b>(167)</b>	<b>(132)</b>	<b>(144)</b>	<b>(155)</b>	<b>(163)</b>	<b>(225)</b>	<b>(237)</b>	<b>(250)</b>	<b>(280)</b>	<b>(293)</b>	<b>(309)</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Financial contributions	125	98	112	115	122	205	217	232	271	285	303
Increase/(decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>125</b>	<b>98</b>	<b>112</b>	<b>115</b>	<b>122</b>	<b>205</b>	<b>217</b>	<b>232</b>	<b>271</b>	<b>285</b>	<b>303</b>
<b>Applications of capital funding</b>											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
• to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in reserves	(42)	(34)	(32)	(40)	(41)	(20)	(20)	(18)	(9)	(8)	(6)
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(42)</b>	<b>(34)</b>	<b>(32)</b>	<b>(40)</b>	<b>(41)</b>	<b>(20)</b>	<b>(20)</b>	<b>(18)</b>	<b>(9)</b>	<b>(8)</b>	<b>(6)</b>
<b>Capital funding - surplus/(deficit) (C-D)</b>	<b>167</b>	<b>132</b>	<b>144</b>	<b>155</b>	<b>163</b>	<b>225</b>	<b>237</b>	<b>250</b>	<b>280</b>	<b>293</b>	<b>309</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Funding impact statement

**Wastewater** All information from 2014-2022 includes an adjustment for inflation

For the years ended 30 June	Budget	Forecast									
	\$'000	\$'000									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Sources of operating funding</b>											
General rates, uniform annual charges, rates penalties	295	315	346	380	396	411	448	487	534	587	645
Targeted rates (other than a targeted rate for water supply)	6,682	7,562	8,320	9,145	9,193	9,885	10,762	11,718	12,850	14,113	15,502
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges and targeted rates for water supply	-	2	2	2	2	2	3	3	3	3	3
Internal charges and overhead costs recovered	-	-	-	-	-	-	-	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	180	194	207	285	348	323	276	385	627	922
<b>Total operating funding (A)</b>	<b>6,978</b>	<b>8,059</b>	<b>8,862</b>	<b>9,734</b>	<b>9,877</b>	<b>10,646</b>	<b>11,536</b>	<b>12,484</b>	<b>13,772</b>	<b>15,330</b>	<b>17,072</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	2,947	2,798	2,913	3,112	3,954	4,195	3,678	3,868	4,071	4,289	4,523
Finance costs	4,108	4,098	4,307	4,474	4,760	4,967	5,248	5,420	5,510	5,638	5,776
Internal charges and overhead costs applied	1,473	1,392	1,454	1,496	1,503	1,539	1,612	1,613	1,645	1,732	1,739
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>8,528</b>	<b>8,288</b>	<b>8,674</b>	<b>9,082</b>	<b>10,217</b>	<b>10,701</b>	<b>10,538</b>	<b>10,901</b>	<b>11,226</b>	<b>11,659</b>	<b>12,038</b>
<b>Operating funding - surplus/(deficit) (A-B)</b>	<b>(1,550)</b>	<b>(229)</b>	<b>188</b>	<b>652</b>	<b>(340)</b>	<b>(55)</b>	<b>998</b>	<b>1,583</b>	<b>2,546</b>	<b>3,671</b>	<b>5,034</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	11,842	-	-	-	-	-	-	-	-	-	-
Financial contributions	325	808	1,193	1,271	1,333	2,283	2,392	2,488	3,572	3,701	3,871
Increase/(decrease) in debt	(704)	(706)	(272)	(772)	(427)	957	1,021	(1,142)	(1,454)	(1,625)	(1,619)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	156	2,531	-	-	-	1,177	-	-	-
<b>Total sources of capital funding (C)</b>	<b>11,463</b>	<b>102</b>	<b>1,077</b>	<b>3,030</b>	<b>906</b>	<b>3,240</b>	<b>3,413</b>	<b>2,523</b>	<b>2,118</b>	<b>2,075</b>	<b>2,252</b>
<b>Applications of capital funding</b>											
Capital expenditure											
• to meet additional demand	-	-	1,043	376	223	80	-	-	19	-	195
• to improve the level of service	5,079	213	356	2,531	-	-	-	1,177	-	-	-
• to replace existing assets	-	1,254	789	263	716	4,953	5,781	777	249	309	582
Increase/(decrease) in reserves	4,834	(1,595)	(923)	512	(373)	(1,848)	(1,370)	2,152	4,396	5,437	6,509
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>9,912</b>	<b>(128)</b>	<b>1,265</b>	<b>3,682</b>	<b>566</b>	<b>3,185</b>	<b>4,411</b>	<b>4,106</b>	<b>4,664</b>	<b>5,746</b>	<b>7,286</b>
<b>Capital funding - surplus/(deficit) (C-D)</b>	<b>1,550</b>	<b>229</b>	<b>(188)</b>	<b>(652)</b>	<b>340</b>	<b>55</b>	<b>(998)</b>	<b>(1,583)</b>	<b>(2,546)</b>	<b>(3,671)</b>	<b>(5,034)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Funding impact statement

**Solid Waste** All information from 2014-2022 includes an adjustment for inflation

For the years ended 30 June	Budget	Forecast									
	\$'000	\$'000									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Sources of operating funding</b>											
General rates, uniform annual charges, rates penalties	404	537	561	587	607	637	669	698	734	779	821
Targeted rates (other than a targeted rate for water supply)	743	843	926	1,015	1,039	1,078	1,164	1,257	1,363	1,480	1,608
Subsidies and grants for operating purposes	125	130	135	140	145	151	156	161	167	174	181
Fees and charges and targeted rates for water supply	82	63	67	70	75	79	84	89	96	103	110
Internal charges and overhead costs recovered	-	-	-	-	-	-	-	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	25	20	21	-	-	2	4	9	13	34	45
<b>Total operating funding (A)</b>	<b>1,379</b>	<b>1,593</b>	<b>1,710</b>	<b>1,812</b>	<b>1,866</b>	<b>1,947</b>	<b>2,077</b>	<b>2,214</b>	<b>2,373</b>	<b>2,570</b>	<b>2,765</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	860	987	1,031	1,056	1,179	1,309	1,367	1,427	1,495	1,568	1,647
Finance costs	86	88	85	77	66	59	58	57	54	56	60
Internal charges and overhead costs applied	457	452	465	478	483	494	514	520	530	552	561
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,402</b>	<b>1,527</b>	<b>1,581</b>	<b>1,611</b>	<b>1,728</b>	<b>1,862</b>	<b>1,939</b>	<b>2,004</b>	<b>2,079</b>	<b>2,176</b>	<b>2,268</b>
<b>Operating funding - surplus/(deficit) (A-B)</b>	<b>(23)</b>	<b>66</b>	<b>129</b>	<b>201</b>	<b>138</b>	<b>85</b>	<b>138</b>	<b>210</b>	<b>294</b>	<b>394</b>	<b>497</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	(11)	(4)	(13)	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(11)</b>	<b>(4)</b>	<b>(13)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	260	-	-	-	-	-	-	-	-	-	-
• to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in reserves	(294)	62	116	201	138	85	138	210	294	394	497
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(34)</b>	<b>62</b>	<b>116</b>	<b>201</b>	<b>138</b>	<b>85</b>	<b>138</b>	<b>210</b>	<b>294</b>	<b>394</b>	<b>497</b>
<b>Capital funding - surplus/(deficit) (C-D)</b>	<b>23</b>	<b>(66)</b>	<b>(129)</b>	<b>(201)</b>	<b>(138)</b>	<b>(85)</b>	<b>(138)</b>	<b>(210)</b>	<b>(294)</b>	<b>(394)</b>	<b>(497)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Funding impact statement

**Economic** All information from 2014-2022 includes an adjustment for inflation

For the years ended 30 June	Budget	Forecast									
	\$'000	\$'000									
2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Sources of operating funding</b>											
General rates, uniform annual charges, rates penalties	840	832	864	861	1,004	935	933	984	1,041	1,109	938
Targeted rates (other than a targeted rate for water supply)	487	495	511	528	486	503	520	537	555	575	595
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overhead costs recovered	-	-	-	-	-	-	-	-	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	8	18	19	50	46	40	75	61	46	29	24
<b>Total operating funding (A)</b>	<b>1,335</b>	<b>1,345</b>	<b>1,394</b>	<b>1,439</b>	<b>1,536</b>	<b>1,478</b>	<b>1,528</b>	<b>1,582</b>	<b>1,642</b>	<b>1,713</b>	<b>1,557</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	906	907	935	964	936	967	999	1,031	1,066	1,102	1,139
Finance costs	0	30	33	35	38	41	44	47	50	54	74
Internal charges and overhead costs applied	126	110	117	121	119	121	128	128	130	138	138
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,033</b>	<b>1,047</b>	<b>1,085</b>	<b>1,120</b>	<b>1,093</b>	<b>1,129</b>	<b>1,171</b>	<b>1,206</b>	<b>1,246</b>	<b>1,294</b>	<b>1,351</b>
<b>Operating funding - surplus/(deficit) (A-B)</b>	<b>302</b>	<b>298</b>	<b>309</b>	<b>319</b>	<b>443</b>	<b>349</b>	<b>357</b>	<b>376</b>	<b>396</b>	<b>419</b>	<b>206</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
• to meet additional demand	-	264	273	282	623	1,329	728	511	718	355	194
• to improve the level of service	276	-	-	-	110	-	-	-	-	-	-
• to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in reserves	26	34	36	37	(290)	(980)	(371)	(135)	(322)	64	12
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>302</b>	<b>298</b>	<b>309</b>	<b>319</b>	<b>443</b>	<b>349</b>	<b>357</b>	<b>376</b>	<b>396</b>	<b>419</b>	<b>206</b>
<b>Capital funding - surplus/(deficit) (C-D)</b>	<b>(302)</b>	<b>(298)</b>	<b>(309)</b>	<b>(319)</b>	<b>(443)</b>	<b>(349)</b>	<b>(357)</b>	<b>(376)</b>	<b>(396)</b>	<b>(419)</b>	<b>(206)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Funding impact statement

**Support Services** All information from 2014-2022 includes an adjustment for inflation

For the years ended 30 June	Budget	Forecast									
	\$'000	\$'000									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Sources of operating funding</b>											
General rates, uniform annual charges, rates penalties	1,581	2,409	2,880	2,948	2,900	2,378	2,069	2,284	2,323	2,218	2,103
Targeted rates (other than a targeted rate for water supply)	1,257	1,256	1,296	1,337	1,382	1,430	1,478	1,528	1,579	1,635	1,693
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overhead costs recovered	11,722	12,704	12,908	13,307	13,181	13,424	14,044	14,098	14,397	15,055	15,157
Local authority fuel tax, fines, infringement fees and other receipts	1,379	12,055	12,742	13,238	13,985	14,708	15,474	16,447	16,922	17,711	18,321
<b>Total operating funding (A)</b>	<b>15,939</b>	<b>28,424</b>	<b>29,826</b>	<b>30,830</b>	<b>31,448</b>	<b>31,940</b>	<b>33,065</b>	<b>34,357</b>	<b>35,221</b>	<b>36,619</b>	<b>37,274</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	11,954	12,928	13,402	13,720	13,755	14,393	14,427	14,663	15,051	15,748	16,046
Finance costs	475	11,069	11,419	11,459	11,902	11,546	11,790	11,035	10,583	9,736	8,391
Internal charges and overhead costs applied	1,636	1,887	1,891	1,952	1,934	1,967	2,047	2,068	2,110	2,191	2,220
<b>Total applications of operating funding (B)</b>	<b>14,065</b>	<b>25,884</b>	<b>26,712</b>	<b>27,131</b>	<b>27,591</b>	<b>27,906</b>	<b>28,264</b>	<b>27,766</b>	<b>27,744</b>	<b>27,675</b>	<b>26,657</b>
<b>Operating funding - surplus/(deficit) (A-B)</b>	<b>1,874</b>	<b>2,540</b>	<b>3,114</b>	<b>3,699</b>	<b>3,857</b>	<b>4,034</b>	<b>4,801</b>	<b>6,591</b>	<b>7,477</b>	<b>8,944</b>	<b>10,617</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	(35)	(85)	(92)	(102)	(111)	(122)	(133)	(145)	(160)	-	-
Gross proceeds from sale of assets	85	85	88	91	94	97	100	103	107	111	115
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding C</b>	<b>50</b>	<b>-</b>	<b>(4)</b>	<b>(11)</b>	<b>(17)</b>	<b>(25)</b>	<b>(33)</b>	<b>(42)</b>	<b>(53)</b>	<b>111</b>	<b>115</b>
<b>Applications of capital funding</b>											
Capital expenditure											
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	1,359	-	-	-	-	-	-	-	-	-	-
• to replace existing assets	-	1,227	1,527	1,332	1,231	1,369	1,568	1,395	1,494	1,456	2,152
Increase/(decrease) in reserves	566	1,313	1,583	2,356	2,609	2,640	3,200	5,154	5,930	7,599	8,580
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,925</b>	<b>2,540</b>	<b>3,110</b>	<b>3,688</b>	<b>3,840</b>	<b>4,009</b>	<b>4,768</b>	<b>6,549</b>	<b>7,424</b>	<b>9,055</b>	<b>10,732</b>
<b>Capital funding - surplus/(deficit) (C-D)</b>	<b>(1,874)</b>	<b>(2,540)</b>	<b>(3,114)</b>	<b>(3,699)</b>	<b>(3,857)</b>	<b>(4,034)</b>	<b>(4,801)</b>	<b>(6,591)</b>	<b>(7,477)</b>	<b>(8,944)</b>	<b>(10,617)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





## GLOSSARY

### Asset Management Plan

A plan which sets out all the asset management actions and costs required to maintain, renew and/or add to an asset, or combination of assets, to achieve an agreed level of service.

### Community Boards

Community Boards are constituted under the Local Government Act 2002 (Section 49) to:

- (a) represent and act as an advocate for the interests of its community; and
- (b) consider and report on all matters referred to it by the territorial authority or any matter of interest or concern to the Community Board; and
- (c) maintain an overview of services provided by the territorial authority within the community; and
- (d) prepare an annual submission to the territorial authority for expenditure within the community; and
- (e) communicate with community organisations and special interest groups within the community; and
- (f) undertake any other responsibilities that are delegated to it by the territorial authority.

### Community Development

Community Development describes processes and activities that build capacity within communities to enable people to take control of their lives.

### Community Development Plan

A strategic plan that sets out for a particular geographical community, matters relating to that community's future.

The plans include a profile of environment, social, cultural, economic and infrastructural matters, all Council plans and programmes and may include other matters identified by that community. Each plan is developed by the community and other organisations and agencies that have planning or service delivery roles within that community. Implementation of the plan is shared between Council, the community and other participating organisations.

### Community Outcomes

Key statements describing the Community's vision for the future of the District.

### Concept Plans

Concept plans graphically illustrate the proposed development on a particular reserve. They are agreed with the community through an informal consultation process and then formally agreed upon through the reserve management plan process.

### Council Outcomes

Council Outcomes describe what Council wants to achieve for a group of activities in the long term.

### Council's Roles

Council has determined the role it will take in achieving a particular strategy. Council's roles are defined as:

<b>Lead Agency</b>	Council is the principal decision-making authority
<b>Partner</b>	Council will fund and carry out activities in formal partnership (including contracts) with other agencies
<b>Advocate</b>	Council will promote the interests of the community to other decision-making authorities
<b>Facilitator</b>	Council will encourage others to be involved by bringing together interested parties
<b>Research and Monitoring</b>	Council will undertake research and monitoring in order to promote informed decision-making

### District Plan

Required by the Resource Management Act 1991. Provides mechanisms to enable the sustainable management of the District's natural and physical resources.

### Funding Sources

**General Rate** - this consists of:

- ▶ a rate in the dollar charged on capital value and
- ▶ a Uniform Annual General Charge (UAGC), which is a flat amount levied on each rating unit.

The General Rate is used to fund the day-to day operations of Council and activities that are considered to be mainly for public benefit.

**Roading Rate** - this consists of:

- ▶ a rate in the dollar charged on land value
- ▶ the roading charge, which is a flat amount levied on each rating unit
- ▶ the rural works charge, which is a fixed amount on every rural zoned property in the District.

The Roothing Rate is used to fund the building and maintenance of the property network within the District.

**Targeted Rate** - this consists of:

Council uses targeted rates to collect funds over areas of benefit. This rating tool is chosen where the services are specific to a particular community or area within the District and it is not considered fair to charge all ratepayers e.g. charges for water, wastewater and town centre promotion.

Details of the specific targeted rates that apply to your property can be found in the Funding Impact Statement on pages 303 - 309.

## Infrastructure

The physical structures required to supply services to the community for example water supply network.

## Local Government

Means a Regional Council or territorial authority. Section 10 of the Local Government Act 2002 defines the purposes of local government as:

- (a) to enable democratic local decision-making and action by and on behalf of communities; and
- (b) to promote the social, economic, environmental and cultural wellbeing of communities, in the present and for the future.

## Local Government Funding Agency Limited (LGFA)

The Local Government Funding Agency (LGFA) is a council-controlled trading organisation.

The LGFA raises debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provides debt funding to New Zealand local authorities in New Zealand dollars. Western Bay of Plenty District Council is a principal shareholder in the LGFA. The LGFA will operate with the primary objective of optimising the debt funding items and conditions for participating local authorities.

## Long Term Plan or Long Term Council Community Plan

A 10-year plan prepared under Section 93 of the Local Government Act 2002. The purpose of the Long Term Plan is to:

- (a) describe the activities of Council;
- (b) describe the Community Outcomes of the District;
- (c) provide integrated decision-making, co-ordination of resources and a long-term focus for the decisions and activities of Council;
- (d) provide a basis for accountability of Council to the community;
- (e) provide an opportunity for participation by the public in decision-making processes undertaken by Council.

## Te Komiti Māori

A Council-appointed iwi consultative forum comprising iwi representatives, the Mayor and 7 Councillors.

## Planning

Formulating or organising a way by which something is to be done, e.g:

<b>Strategic Planning</b>	Formulating a way by which actions are to be identified, co-ordinated and resourced over an extended period of time in order to achieve a desired outcome
<b>Financial Planning</b>	Formulating a way to fund actions
<b>Resource Management Planning</b>	Formulating a way to manage environmental effects of activities and development in accordance with the Resource Management Act 1991
<b>Annual Planning</b>	Formulating a way by which actions for the forthcoming year are identified, prioritised and resourced

## Reserve Management Plans

Reserve Management Plans are required by the Reserves Management Act 1977 and prepared for each ward. They combine the recreational vision for the ward with the generic and specific policies for each reserve within the ward.

Where appropriate, concept plans are prepared in conjunction with the Reserve Management Plan.

## Strategic Areas

The Strategic Areas identify the four Key Response Areas setting out how Council will contribute to achieving the Community Outcomes.

## Strategies

The Strategies outline how Council will achieve the Council Outcomes. These Strategies trigger specific actions.

## Structure Plan

Structure plans define for each community where infrastructure will be organised over time.

## Sub-region

Area covered by Western Bay of Plenty District and Tauranga City.

## Sustainable Development

Sustainable development means meeting the needs of the present, without compromising the ability of future generations to meet their own needs. It means developing economies and lifestyles which improve people's quality of life, within the carrying capacity of the life support systems of human societies. It is closely related to the Māori values of 'kaitiakitanga - stewardship.

## Sustainable Management

Sustainable management is defined by Section 5(2) of the Resource Management Act 1991 as managing the use, development and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic and cultural wellbeing and for their health and safety while:

- (a) sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and

- (b) safeguarding the life-supporting capacity of air, water, soil and ecosystems; and
- (c) avoiding, remedying or mitigating any adverse effects of activities on the environment.

## Ward

Every territorial authority may be divided into wards for electoral purposes (Section 3 Local Government Act 2002). The Local Government Commission determines the numbers and boundaries of wards. The Western Bay of Plenty District is divided into five wards:

- ▶ Kaimai
- ▶ Katikati
- ▶ Maketu
- ▶ Te Puke
- ▶ Waihi Beach



*Western Bay of Plenty  
District Council*

TE KAUNIHERA A ROHE MAI I NGA KURI-A-WHAREI KI OTAMARAKAU KI TE URU  
[WWW.WESTERNBAY.GOVT.NZ](http://WWW.WESTERNBAY.GOVT.NZ)