

# **Waitaki Community Plan 2009-19**

## **Volume Two**



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# FUNDING AND FINANCIAL POLICIES

This Chapter sets out the funding and financial policies which Council is required to adopt so that the community is provided with predictability and certainty about sources and levels of funding for Council activities. This includes:

- Revenue and Financing Policy
- Liability Management and Investment Policy
- Policy on Development Contributions or Financial Contributions
- Policy on Partnerships with the Private Sector
- Sundry Rating Policies

The requirements for these policies are set out in Subpart 3 of Part 6 of the Local Government Act and summarised below.

## **Revenue and Financing Policy**

This policy addresses all Council functions that contribute to the activities and groups of activities in the Plan. For each function it identifies the extent of private good (which is generally recovered from user charges or rating tools which have a similar distributive effect to user charges) and the extent of public good (which is generally recovered through rates on property values).

## **Liability Management and Investment Policy**

This policy describes how Council manages its borrowing risks and its investment risks, to safeguard public money, minimise interest costs and maximise interest income.

## **Policy on Partnership with the Private Sector**

This policy sets out the arrangements which would apply in the case of any partnership between Council and a private sector business.

## **Sundry Rating Policies**

These Council policies address rating issues such as rates remission and postponement. They also contain the newly required definition of a Separately Used or Inhabited Part, as required under the Local Government (Rating) Act.



# REVENUE AND FINANCING POLICY

## WHAT ARE THE REVENUE AND FINANCING POLICIES?

These policies describe how Council intends to fund each activity. For each activity this is summarised as the funding policy. The funding policy is a target that Council desires to achieve. In any one year Council may not reach or may exceed these targets.

It considers what portion of income should come from non-rates income such as user charges, fees and grants. This will be referred to as other income.

It then considers what rating tools Council should use to fairly fund that part of the activity unable to be funded from other income.

In some cases Council uses a rating tool to replicate a user charge; for example water and sewerage rates.

In determining these policies Council must consider the elements stipulated by s101 of the Local Government Act 2002. These are set out in Section 8 of these General Policies.

Most of the requirements are considered in this policy and set out under the individual sections. However, two aspects are primarily assessed in other areas.

The contribution to community outcomes are considered in each of the summary activity management plans. Given this, these considerations are not repeated in the following schedules.

The overall impact of the policies will be considered as part of the overall discussion of the impact of the Plan. These discussions primarily take place in the Chief Executive's Summary in any Community Plan or Annual Plan, as the overall impact will vary from year to year.

## GENERAL POLICIES RELATED TO REVENUE AND FINANCING

Council adopted the following general policies, which apply to the Revenue and Financing Policy. These general policies refer to the funding of activities detailed in Volume One of this Waitaki Community Plan.

### 1. Policy Applies to Council Contribution

The Revenue and Financing policies describe how ratepayer's share of funding for activities is determined. Some activities attract external subsidy (e.g. New Zealand Transport Agency roading subsidy). This policy describes how Council funds the matching share, not the whole activity. Some other activities are managed by other entities (e.g. Waitaki Community Recreation Centre and Otago Museum). This policy describes how Council funds its contribution to those activities, not the funding of their overall activities.

### 2. Policy Applies to Operational Funding

The Revenue and Financing policies primarily describe how operational costs will be funded. Operational costs are the costs of achieving existing service levels. Capital costs, which includes increases in service levels, will be treated as Community Plan projects and specific funding policies may be considered on a case-by-case basis, having regard to Policy 3.3.

### 3. Policies for Capital Works

Council will apply the following procedure when establishing specific funding policies for capital works:

- 3.1 Council will apply the rating policy for an activity to capital projects that fall within that activity, unless Council determines separate revenue and financing policy for capital works for the activity – e.g. Roads and Bridges – Capital Works.
- 3.2 If Council develops a new policy on capital works of a given type it shall consult on that policy and highlight the issue in the Waitaki Community Plan.

- 3.3 If Council develops a funding policy for a specific project it shall consult on that policy and highlight the issue in the Waitaki Community Plan.
- 3.4 Council may choose to apply other sources of funds e.g. bequests, grants, loans to capital works and shall highlight such exceptions for consultation within the Waitaki Community Plan.

#### **4. Intergenerational Equity**

Operational expenditure is the cost of providing a service in a given year and includes depreciation on assets. Revenue and Financing policies for activities involving cash funding of depreciated assets (e.g. water) therefore recognise intergenerational equity. Activities involving assets where Council does not fund depreciation (i.e. community housing, some harbour structures) are dealt with explicitly.

#### **5. Review of Policy for Significant Change**

Council shall review its Revenue and Financing Policy for any activity in the event of a significant change in service delivery, nature and scope of service, or operational costs for that activity.

#### **6. Investments shall be District Assets**

Except where specifically prescribed otherwise as a condition of endowment, property investments vested in the Council shall be regarded as District assets and any revenues or costs arising from them shall be revenues or costs on the District as a whole.

#### **7. Competition with Retailers**

Council notes that certain activities may recover revenue from users via retail sales, such as the Forrester Gallery, Libraries, Museum and Oamaru Blue Penguin Colony. This may bring those activities into competition with ratepayers. Council believes that rates should not be used to subsidise unfair competition and considers that it is appropriate for Council activities to sell goods and services associated with their operations at market value. The Council Controlled Trading Organisations (CCTOs) statements of corporate intent govern commercial activities of CCTOs.

#### **8. Section 101(3) Considerations**

The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:

- (a) in relation to each activity to be funded:
- (i) the community outcomes to which the activity primarily contributes; and
  - (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
  - (iii) the period in or over which those benefits are expected to occur; and
  - (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
  - (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- (b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community.

### **OTHER INCOME**

When considering the extent to which an activity should be funded from other income, Council considers the following matters:

- Is the benefit identifiable to individuals?
- Are any particular individuals contributing to the need to undertake the activity?
- Legislative constraints (e.g. Liquor Licensing Fees are set by Statute).
- Is there a practicable way of charging and collecting user charges?
- At what level should charges be set, considering the effect of charges on changes in demand or behaviour (e.g. if Aquatic Centre charges were too high, less people swim, increasing the cost to the ratepayer or; increased landfill charges may result in increased littering).

## **RATING TOOLS**

The Local Government Rating Act 2002 provides the tools available to Council for funding Council activities. Parliament has determined that property ownership is relevant to funding Council's activities. Parliament has specifically restricted Council's ability to rate non property owners.

The Funding Impact Statement (Volume One) determined annually, shows the activities funded and amount funded for each rate.

The following information describes the tools used by Council and the rationale for each tool.

### **General Rate**

This rate is charged on all properties in the District based on the value of land.

This rating tool is generally used when Council determines there is a District wide benefit which is connected with land values or activity which relates to land ownership.

### **Uniform Annual General Charge (UAGC)**

This rate is charged on all separately used or inhabited parts of properties in the District. An equal amount is charged to each part regardless of size.

This rating tool is generally used when Council determines there is a District wide benefit connected to individuals. Parliament has restricted the amount of rates that can be collected by this and other fixed charges to 30% of total rates <sup>(1)</sup>. Council has a policy of maximising this at 28% of total rates.

(1) In this instance uniform annual charges exclude water and sewer rates

### **District Services Rate**

This rate is charged on all properties in the District based on the value of land and improvements; capital value.

This rating tool is generally used when Council determines there is a District wide benefit which is connected with capital value. Council has considered that high capital value properties tend to have higher impacts on certain activities such as roading, and also represents a greater ability to pay. Council recognises that this is a very broad assumption and there are individual exceptions to this assertion.

### **Ward Rates**

There are two ward rates based on both capital value and on a uniform basis.

These rating tools are generally used where the benefit is identifiable to the ward or where costs are generally driven by the expectations of communities within the ward.

### **Specific Uniform Targeted Rates**

These rating tools are used for water, sewerage and hall rates.

These rating tools are charged to specific users who have access to a service based on either connection or proximity to the service.

### **Amenity Rates**

These rates are charged based on land value of properties within townships (as defined on a map).

This rating tool is used where townships choose to improve amenities, and to provide for the maintenance of stormwater systems within townships.

### **Other Policy Matters**

Council has set its policies to cover the normal ongoing business of Council. Council determines the funding policies for other one off projects at the time it adopts these projects.

## SUMMARY OF REVENUE AND FINANCING

Function	Other Income	Rates	Rating Basis
<b>Roads, Port &amp; Airport Group</b>			
Oamaru Airport	80	20	50% UAGC 50% GR-LV
Oamaru Port – Coastal Protection	0	100	20% TR-CV District Services 80% TR-CV Oamaru Urban Area
Port Operations	20	80	30% GR-LV 70% TR-CV Oamaru Urban Area
Port Property	100	0	N/A
Roads & Bridges	0	100	100% TR-Differentiated CV Differential break down: <ul style="list-style-type: none"> <li>• Mining 5%,</li> <li>• Electricity Generation 5%</li> <li>• Balance 90%</li> </ul>
Township Works	0	100	100% TR-CV Serviced Wards
Noxious Plants	0	100	100% GR-LV
Off-Street Car Parks	0	100	TR-LV Serviced Townships – Local Amenity

Function	Other Income	Rates	Rating Basis
<b>Water &amp; Waste Group</b>			
Residual Waste Disposal	100	0	N/A
Refuse Collection	100	0	Please note - the basis and mix of recovery charges will change over time.
Closed Landfills	0	100	100% UAGC
Waste Minimisation Activities	0	100	100% UAGC
Wastewater	10	90	100% TR-Sewerage – Serviced Townships – For Private Good
Storm Water	0	100	100% TR-LV Serviced Townships – Local Amenity – For Private Good
Water Supplies	10	90	100% TR Water – Serviced Communities

Function	Other Income	Rates	Rating Basis
<b>Economic Development Group</b>			
Economic Development	0	100	50% TR-CV – District Services 50% GR-LV
Commercial Property	100	0	100% TR-CV – District Services
Forestry	0	100	100% GR-LV
Operational Property	0	100	100% GR-LV
Tourism Development and Visitor Information Services	0	100	For 2009/10 and 2010/11 25% TR-CV Oamaru Business Area 37.5% GR-LV 37.5% TR-CV District Services  Proposed 2011/12 Onwards 10% TR-CV Oamaru Business Area 20% TR-CV – Tourism Promotion Rate 35% GR-LV 35% TR-CV District Services
Oamaru Blue Penguin Colony	100	0	Surplus revenue applied to Harbour Development Reserves

Function	Other Income	Rates	Rating Basis
<b>Arts, Heritage &amp; Community Group</b>			
North Otago Museum	10	90	10% TR-CV – Oamaru Business Area 90% Ward TR Ratio: Oamaru 4, Corriedale 3, Ahuriri 1, Waihemo 1
Forrester Gallery	10	90	10% TR-CV – Oamaru Business Area 90% Ward TR Ratio: Oamaru 5, Corriedale 3, Ahuriri 1, Waihemo 1
Libraries	10	90	8% TR-CV – Oamaru Business Area 92% Ward TR Ratio: Oamaru 3, Corriedale 2, Ahuriri 2, Waihemo 2
Opera House	50	50	10% TR-CV – Oamaru Business Area 90% Ward TR Ratio: Oamaru 5, Corriedale 3, Ahuriri 1, Waihemo 1
Community Housing	100	0	Surplus revenue applied to Community House Reserves
Community Development & Grants	0	100	100% UAGC
Otago Museum	0	100	100% UAGC
Waitaki Community Recreation Centre	0	100	70% TR- Corriedale and Oamaru 30% GR-LV
Public Halls	0	100	100% TR – Halls – for private good

Function	Other Income	Rates	Rating Basis
<b>Parks &amp; Recreation Group</b>			
Aquatic Centre	30	70	10% TR-CV – Oamaru Business Area 90% Ward TR Ratio: Oamaru 5, Corriedale 3, Ahuriri 1, Waihemo 1
Oamaru Public Gardens	0	100	10% TR-CV – Oamaru Business Area 90% Ward TR Ratio: Oamaru 4, Corriedale 3, Ahuriri 2, Waihemo 2
Open Space, Beautification and Playgrounds	0	100	100% TR-CV – Serviced Wards
Christmas Decorations	0	100	60% TR-CV Oamaru Business Area 40% TR-CV – District Services
Sports Grounds	5	95	25% GR-LV 75% UAGC
Cemeteries	50	50	100% UAGC
Lakes Camping	60	40	70% GR – Differentiated LV – Electricity Generation 30% GR-LV
Public Toilets	0	100	20% TR-CV – Oamaru Business Area 40% TR-CV – District Services 40% GR-LV

Function	Other Income	Rates	Rating Basis
<b>Regulatory Group</b>			
Animal Control	100	0	NA
Building Control	70	30	100% UAGC
Environmental Health	70	30	100% UAGC
Environmental Monitoring and Hazardous Substances	0	100	70% UAGC 30% TR-CV District Services
Liquor Licensing	80	20	100% UAGC
Parking Enforcement	50	50	100% TR-CV Oamaru Business Area
Civil Defence	0	100	50% UAGC 50% TR-Differentiated CV  Differential break down: <ul style="list-style-type: none"> <li>• 50% Electricity Generation</li> <li>• 25% Mining</li> <li>• 25% to balance</li> </ul>
Emergency Communications	10	90	100%GR-LV
Rural Fire	0	100	100% TR-CV District Serviced

Function	Other Income	Rates	Rating Basis
<b>Planning Group</b>			
Community Planning and Consultation	0	100	40% UAGC 60% GR-LV
District Planning – Resource Consents	80	20	100% GR-LV

Function	Other Income	Rates	Rating Basis
<b>Council and Community Boards Groups</b>			
Council	0	100	Balance of 28% UAGC Remainder 40% TR-CV – District Services 60% GR-LV
Community Boards	0	100	40% TR-CV – Serviced Wards 60% TR-LV – Serviced Wards
Waihemo Service Centre	0	100	40% TR-CV – Waihemo 60% TR-LV - Waihemo

## REVENUE AND FINANCING POLICIES FOR EACH ACTIVITY

These policies are summarised in the Activity Management Plans.

Name	Description	Benefit	Funding Discussion	Funding Policy
<b>ROADS, PORT &amp; AIRPORT GROUP</b>				
<b>Oamaru Airport</b>	<p>Council is involved in this activity as operator of Oamaru Airport. The WCP identifies that Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki has a diverse, sustainable and growing economy</li> <li>• Waitaki has essential transport networks and services <ul style="list-style-type: none"> <li>▪ Regular air services are available at Oamaru Airport</li> </ul> </li> </ul> <p>There is also an area of land that is attached to the airport but not required for direct airport operations. This is able to be used for other purposes and is currently leased.</p>	<p>The primary benefit from the Airport is the movement of aircraft for business and recreational purposes. This is a mix of people-based and property-based benefit. This benefit accrues mainly to the operators at the Airport, but provides a broad economic benefit to the District.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users</li> <li>• Partly to the District as a whole in support of the community outcomes</li> <li>• Very limited impact of the actions or actions of others.</li> </ul>	<p><u>Operational</u> Where possible these costs will be recovered from user charges, including the lease of non-operational land. Leases on land will be reviewed based on market conditions at the time of renewal. It is expected over the life of the plan that this income should provide at least 80% of the required funding. A specific reserve will be used to balance the funding across years.</p> <p>If no reserve is available and rate input is required, this will be funded evenly between UAGC, to recognise the recreation benefit, and the Land Value Rate to recognise the commercial benefit.</p> <p><u>Capital</u> Renewal expenditure will be funded from depreciation reserves. Improvements will be funded by way of loan equivalent to the life of the asset, with servicing costs being included in operational costs.</p>	<p>Other income 80%</p> <p>Rates 20%</p> <p>Rating Basis: 50% UAGC 50% General Rate – Land Value</p>
<b>Oamaru Port</b>	<p>This activity only covers part of the total undertakings in the Oamaru Harbour area. Other activities that take place in this general area including roading, walkways and reserves are covered under those activities.</p> <p>Council's intentions in this area are described in more detail in various areas of the Plan. This change in level of activity has resulted in the recognition of a need to address the funding of the various aspects more specifically. These are described below.</p>			

Name	Description	Benefit	Funding Discussion	Funding Policy
Coastal Protection	<p>Coastal Protection including breakwaters and similar structures, and historic wharves and other structures,</p> <p>This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki's unique culture and heritage are preserved and celebrated</li> <li>• Waitaki has a diverse, sustainable and growing economy</li> </ul>	<p>The primary benefit from the Breakwater is the protection of the coastline, especially in the area of the Oamaru Harbour. The residents of Oamaru as a group enjoy greater benefit because of their proximity to the coastline, especially those in the environs of the central business area.</p> <p>There are benefits to the District as a whole from the protection of the Harbour, which contains structures, and fauna of regional significance, and its contribution to the regional visitor economy.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the assets.</li> <li>• Primarily to Oamaru area property owners.</li> <li>• Partly to the District as a whole in support of the community outcomes.</li> <li>• Very limited impact of the actions or actions of others.</li> </ul>	<p><u>Operational</u></p> <p>This is a property-based benefit since it accrues with property ownership, specifically those in the Oamaru area.</p> <p>As the primary benefit accrues to the Oamaru area this will be funded from a targeted rate on the capital values of Oamaru properties.</p> <p>The use of general rate based on capital value to recover 20% of the costs, this recognizes that there are cultural, recreational, and economic development benefits to the whole District.</p> <p><u>Capital</u></p> <p>Depreciation in this area is not funded for the reasons set out in the balanced budget statement. Therefore all major renewals as well as any capital additions will generally be loan funded. The only other source of funding may be grants but this will be limited to some very specific projects and will not be generally available. These loans will usually be to the maximum period allowed under council policy because of the very long lives of the assets created. The servicing costs of these loans will be funded as an operational cost.</p>	<p>Other income 0%</p> <p>Rates 100%</p> <p>Rating Basis: 20% Targeted Rate Capital Value District Services</p> <p>80% Targeted Rate Capital Value Oamaru Urban Area</p>
Port Operations	<p>This includes the harbour channel, operational wharves, moorings and slipways.</p> <p>This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki's unique culture and heritage are preserved and celebrated</li> <li>• Waitaki has a diverse, sustainable and growing economy</li> <li>• Waitaki has essential transport networks and services</li> </ul>	<p>There are primarily private benefits from the port operations including the harbour channel, wharves, moorings and slipways. These are both to commercial and recreational users. There is also a benefit in having an accessible safe haven for small coastal traffic. The use of the Harbour environs for passive recreation, and the landscape amenity of the area benefit the residents of Oamaru as a group</p>	<p><u>Operational</u></p> <p>Council will seek to recover maximum amount possible from those commercial and recreational user that have exclusive or near exclusive use of parts of the facilities provided. However, this will be limited by market and other practical considerations.</p> <p>The use of general rate based on land value to recover 30% of the</p>	<p>Other income 20%</p> <p>Rates 80%</p> <p>Rating Basis: 30% General Rate – Land Value</p> <p>70% Targeted Rate Oamaru Urban Area – Capital Value</p>

Name	Description	Benefit	Funding Discussion	Funding Policy
Property Activity		<p>because of their proximity to the Harbour, but there are some benefits to other wards whose residents can use the Harbour.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• Partly to Oamaru Area property owners.</li> <li>• Partly to the District as a whole</li> </ul> <p>Generally these are commercial arrangements with exclusive private use.</p>	<p>public good recognises that there is amenity and economic development benefits to the whole District and these are property based.</p> <p>The use of a Targeted rate in Oamaru to recover the remaining 70% recognises that most of the benefit is to Oamaru and it is people-based.</p> <p><u>Capital</u></p> <p>On the same basis as described under Coastal Protection.</p> <p><u>Operational</u></p> <p>Commercial use charges will be set by lease and market conditions. The use of any "surplus" in this activity is usually specified on a property by property basis but primarily relates to the support of other harbour activities. There are a limited number of leases to non-commercial users that will operate under different market conditions.</p>	100% users pays based on market rates.
<b>Roads</b>	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> <li>• Waitaki has essential transport networks and services: we have a safe and affordable roading network.</li> <li>• Waitaki's unique culture and heritage are preserved and celebrated.</li> </ul>			
Roads and Bridges	<p>The roads activity includes:</p> <ul style="list-style-type: none"> <li>• Sealed and unsealed legal roads.</li> <li>• Footpaths.</li> <li>• Kerb and channel.</li> <li>• Street lighting.</li> <li>• Off-street car parks.</li> </ul>	<p>The roading network serves the whole District. Costs are driven by traffic volumes, especially volumes of large articulated vehicles, which wear roads out more quickly than motorcars. Large trucks are especially associated with the agricultural, industrial and</p>	<p><u>Operational</u></p> <p>A significant portion of the roading costs are funded by central government. This funding is currently administered by the New Zealand Transport Agency (NZTA). Council will seek to receive the maximum amount of subsidy possible for the</p>	<p>Other income 0%</p> <p>Rates 100%</p> <p>Rating Basis: 90% Capital Value – Whole District</p>

Name	Description	Benefit	Funding Discussion	Funding Policy
		<p>commercial sectors. Utility network operators use roads to service their networks. Roading costs in the Waihemo Ward are driven by the mining activities in the Macraes area.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users the District as a whole in support of the community outcomes.</li> <li>• There is an impact of the actions or inactions of others as noted above.</li> </ul>	<p>level of spending it approves.</p> <p>Rates based on capital values will fund Councils share of expenditure. Capital value is selected as it is considered it has the best available relationship to benefit received. This is modified through a differential system to recognise the very different relationship between capital value and benefit for two sectors being electrical power generation and mineral extraction.</p> <p><u>Capital</u></p> <p>Depreciation in this area is not fully funded because NZTA subsidy is available for most renewal work. It is also available for some capital improvements. Because of this and the fact that most capital work is part of an ongoing programme, capital will be funded from rates. The exceptions to this are:</p> <ul style="list-style-type: none"> <li>• Loans to even out the impact of major works. The servicing costs of these loans will be funded as an operational cost.</li> <li>• Development contributions where the work is growth related. This will be set out in detail in a developments contributions policy.</li> <li>• Amenity Rates when there is a very specific area of benefit.</li> <li>• Grants or other direct contributions but this will be limited to some very specific projects and will not be generally available.</li> </ul>	<p>5% Targeted Rate– Capital Value – Electricity Generation</p> <p>5% Targeted Rate – Capital Value - Mining</p>
Roads and Bridges – capital expenditure required for growth	<p>The WCP identifies Council will continue to be involved in this activity and will invest in improvements to provide wider roads, stronger pavements and longer lengths of sealed roads. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> </ul>	<p>The roading network serves the whole District. Costs are driven by traffic volumes, especially volumes of large articulated vehicles, which wear roads out more quickly than motorcars. Large trucks are especially associated with the agricultural, industrial and</p>	<p>Capital expenditure required for growth in relation to the roading activity will be funded by development contributions.</p> <p>The amount of capital expenditure required for growth in this asset category in 2009/19 is estimated to</p>	<p>User charges 100%</p> <p>Development contributions will fund 100% of the capital expenditure required for growth.</p>

Name	Description	Benefit	Funding Discussion	Funding Policy
	<ul style="list-style-type: none"> <li>Waitaki has essential transport networks and services: we have a safe and affordable roading network.</li> <li>Waitaki's unique culture and heritage are preserved and celebrated.</li> </ul> <p>The roads activity includes:</p> <ul style="list-style-type: none"> <li>Sealed and unsealed legal roads.</li> <li>Footpaths.</li> <li>Kerb and channel.</li> <li>Street lighting.</li> <li>Off-street car parks.</li> </ul>	<p>commercial sectors. Utility network operators use roads to service their networks. Roothing costs in the Waihemo Ward are driven by the mining activities in the Macraes area.</p> <p>Increased demand on the roading network is forecast over 2009/19. This will take the form of more vehicle movements, and in particular heavier vehicle movements associated with primary industry, industrial and commercial activities.</p> <p>The benefits of that portion of capital expenditure identified as driven by growth in demand are expected to occur:</p> <ul style="list-style-type: none"> <li>Over the term of the Community Plan.</li> <li>Over the life of the asset capacity consumed by forecast development.</li> <li>Primarily to future individual users across the district as a whole.</li> <li>There is an impact of the actions or inactions of others as noted above.</li> </ul>	<p>be 11.3%. The detail of this assessment is contained in the Development Contributions Policy and the detailed supporting document to that policy.</p> <p>The level of contribution will vary on a differential basis, reflecting the fact that different land uses place different demands on the network, and the level of contribution should reflect the level of demand.</p>	<p>NB – The capital expenditure required for growth is estimated to be 11.3% of total capital expenditure in this asset category. The remaining 88.7% is funded from subsidy, depreciation and loans, as set out in the financing and revenue policy for Roads and Bridges.</p> <p>As stated in the Development Contributions Policy, the basis for differentials is as follows:</p> <p>Residential – 1 household equivalent unit (HEU) per dwelling;</p> <p>Residential Lifestyle – 2.09 HEU per dwelling;</p> <p>Commercial – 1.78 HEU per 100m<sup>2</sup> gross floor area (GFA);</p> <p>Industrial – 1.52 HEU per 100m<sup>2</sup> GFA;</p> <p>Accommodation – 0.48 HEU per accommodation unit;</p> <p>Primary Industry – 0.85 HEU per 100 Ha;</p> <p>Primary Industry - Dairy – 2.89 HEU per 100 Ha;</p>
Township Works	The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This	The benefits of township works are in visual amenity and safety for people in townships, the area serviced by the	<u>Operational</u> As townships and their surrounds have	Other income 0%

Name	Description	Benefit	Funding Discussion	Funding Policy
	<p>activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> </ul> <p>The provision of a safe, comfortable and clean urban roading environment is important to the community's physical and social well-being.</p>	<p>township and properties in business areas with higher levels of service.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to the township and ward they are located in.</li> <li>• Partially to the District as a whole in support of the community outcomes.</li> <li>• The actions of others do contribute to the costs, particularly in relation to litter bin collection and disposal.</li> </ul>	<p>an impact on the level of service they receive, it is considered use of a capital value ward based charge is the best match to the benefit received. This recognises that all townships service an area greater than the township itself and the benefit relates to the size and use of properties.</p> <p><u>Capital</u></p> <p>Depreciation is fully funded and so renewals will be funded from this. Otherwise the approach will mirror that described under roading.</p>	<p>Rates 100%</p> <p>Rating Basis: 100% Targeted Rate – Capital Value – Serviced Wards</p>
Noxious Plants	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> </ul> <p>The control of pest plants in the roading corridor is a mandatory activity for local authorities under the Bio-security Act 1993.</p>	<p>The control of pest plants minimises the risk of uncontrolled spread of pest plants within the road corridor and to adjoining landowners. This is particularly required within rural areas.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Primarily to the District as a whole in support of the community outcomes.</li> <li>• The impact of the actions or inactions of others is minor.</li> </ul>	<p><u>Operational</u></p> <p>The use of general rate to recover the public good recognises that the benefits are to the whole District and are property-based. Land value is chosen to reflect the benefits to the agricultural sector and because it is considered a better match to the primary cost driver which is road frontage.</p>	<p>Other income 0%</p> <p>Rates 100%</p> <p>Rating Basis: 100% General Rate – Land Value</p>
<b>WATER AND WASTE GROUP</b>				
Rubbish and Recycling	<p>Potential changes in Councils involvement in this activity are described in the SAMP.</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> <li>• Waitaki's distinctive natural environment is valued and protected: we manage our waste stream to minimise residual waste to landfill.</li> <li>• Waitaki has a diverse, sustainable and growing economy: our infrastructure enables and responds to economic growth.</li> </ul> <p>This activity is divided into four</p>			

Name	Description	Benefit	Funding Discussion	Funding Policy
Residual Waste Disposal	<p>components: refuse collection; residual waste disposal; closed landfills; and waste minimisation activities, each of which has their own funding policies.</p> <p>This activity relates to the clean, safe and environmentally sound disposal of residual waste. This is achieved through disposal at approved landfills. Whether these are Council or privately owned, or operated inside or out of the District, does not impact on the nature or funding of the activity.</p>	<p>This activity primarily benefits the private individuals who through their actions create the waste that is to be disposed of. They receive the primary benefit of having a means to dispose of this waste.</p> <p>There are some benefits to the whole community in having service available.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• The actions of individual or groups primarily create the need for this activity.</li> <li>• Partly to the District as a whole in support of the community outcomes.</li> </ul>	<p><u>Operational</u></p> <p>The user charges at landfills and transfer stations, and part of the charge from refuse collection will fund this activity. This recognises the very direct relationship between the cost of providing this service and the amount of waste created. It is also considered that funding approach may help those who create the waste recognise the true cost of their actions.</p> <p>There is a small benefit to the whole community of this activity and this will be recognised in some of the related funding decisions.</p> <p><u>Capital</u></p> <p>Renewal expenditure will be funded from depreciation reserves. Improvements will be funded by way of loan equivalent to the life of the asset, with servicing costs being included in operational costs.</p>	<p>Other income 100%</p> <p>Rates 0%</p> <p>Rating Basis: N/A</p>
Refuse Collection	The kerbside collection of solid waste.	<p>This primarily, almost exclusively, benefits those that use the service. Council recognizes that it is only one of a number of providers of this service in most areas. This needs to be carefully considered when making funding decisions.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• The District as a whole gets a minor benefit.</li> <li>• The actions of individual or groups primarily create the need</li> </ul>	<p><u>Operational and Capital</u></p> <p>There are a number of choices in the way residents and ratepayers can transport their waste from where it is generated to where it is disposed of. Many of these choices do not involve Council as a supplier. Therefore to recognise this and be consistent with a number of other policies Council considers 100% user charging is the appropriate funding approach.</p> <p>The form of this charge will evolve over time and in some cases may involve a targeted rate for those who choose to use the Council service. It will also take time to move from the existing approach of targeted rates</p>	<p>Other income 100%</p> <p>Rates 0%</p> <p>The basis and mix of recovery mechanisms will change over time and could include but not be limited to prepaid bags, charge by weight or volume or standard fee per user.</p>

Name	Description	Benefit	Funding Discussion	Funding Policy
		for this activity.	on serviced townships not individuals. However, whatever the mix of mechanism, the aim will be 100% cost recovery.	
Closed Landfills	There are a number of closed landfills in the District, with others expected to close during the life of the Plan. Costs are incurred in relation to the on going monitoring and resource consent compliance of these sites.	<p>The need for these sites was generated by the need to dispose of waste as described above. Ideally these individuals and groups should contribute to these costs. However, given the historic nature of most of the sites that generates this cost only a small portion can be recovered from current users through disposal charges.</p> <p>The whole community benefits from the responsible management and monitoring of these sites.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan</li> <li>• Over the life of the asset</li> <li>• Primarily to the District as a whole. Users receive a minor benefit over the remaining operational life of the landfill</li> <li>• The actions of individuals or groups have a minor impact on this activity.</li> </ul>	<p><u>Operational</u></p> <p>The portion that relates to current users will be charged to the disposal area and recovered through that funding approach.</p> <p>The whole community share will be recovered through a uniform charge across the District as it is considered this best reflects the historic relationship between the use of the landfill and ratepayers.</p> <p>The timing of some expenditure may be uneven, particularly when physical works are required to meet consent requirements. When this occurs loans will be used to spread out the rating impact.</p>	<p>Other income 0%</p> <p>Rates 100%</p> <p>Rating Basis: 100% Uniform Annual General Charge</p>
Waste Minimisation	This activity includes funding of recycling initiatives, including residual waste and recycling drop-off points, education and enforcement.	<p>The whole community benefits from action in this area to minimize the negative impacts of waste.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan</li> <li>• Over the life of the asset</li> <li>• Primarily to the District as a whole the actions of individuals or groups have a minor impact on this activity.</li> </ul>	The whole community share will be recovered through a uniform charge across the District as it is considered this best reflects the relationship between ratepayers and the activities undertaken in this area.	<p>Other income 0%</p> <p>Rates 100%</p> <p>Rating Basis: 100% Uniform Annual General Charge</p>

Name	Description	Benefit	Funding Discussion	Funding Policy
Waste Water	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> <li>• Waitaki's rivers and water are managed for the future.</li> <li>• Waitaki's distinctive natural environment is valued and protected.</li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> </ul>	<p>The collection, treatment, and disposal of waste water is primarily a private benefit for people whose properties are connected to the schemes. In most cases It is not practicable to measure the quantity of each individual's contribution to the waste water system. The protection of the environment is a benefit to the serviced communities.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• The serviced communities as a whole get a benefit.</li> <li>• The actions of most individuals or groups has a minor impact on this activity, however a small number of heavy producers have an impact.</li> </ul>	<p><u>Waste Water – Operational</u></p> <p>The general approach to the funding of the annual net cost of all of the public waste water systems starts from the premise that those who (either directly or indirectly) benefit should pay. A targeted rate per pan approximates this in a practical way.</p> <p>There are some large producers of waste where direct charging is practical in addition to the targeted rate. Their share of costs is recovered by way of trade waste charges.</p> <p>Each community bears the cost of treating and disposal of its own waste water. Each community therefore contributes to the protection of the environment in proportion to the cost of its scheme.</p> <p><u>Waste Water – Capital</u></p> <p>Renewal expenditure will be funded from depreciation reserves. Any shortfall shall be addressed by way of a loan.</p> <p>Improvements to increase levels of service will be funded by way of loan equivalent to the life of the asset, with servicing costs being included in operational costs.</p> <p>Improvements to provide additional capacity will be funded from development contributions as described in the Development Contributions Policy.</p>	<p>Other income 10%</p> <p>Rates 90%</p> <p>Rating Basis: 100% Targeted Rate – Sewerage – Serviced Townships – for private good</p> <p>Within Oamaru the "Oamaru Trade Waste Bylaw" applies and is imposed where applicable. The additional charges arising from the operation of this bylaw are charged directly to the user.</p>

Name	Description	Benefit	Funding Discussion	Funding Policy
Waste Water – capital expenditure required for growth	<p>The WCP identifies Council will continue to be involved in this activity and will invest in improvements to provide additional capacity, typically in association with treatment upgrades. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> <li>• Waitaki's rivers and water are managed for the future.</li> <li>• Waitaki's distinctive natural environment is valued and protected.</li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> </ul>	<p>The collection, treatment and disposal of waste water are primarily a private benefit for people whose properties are connected to the scheme. In most cases It is not practicable to measure the quantity of each individual's contribution to the waste water system. The protection of the environment is a benefit to the serviced communities.</p> <p>Increased demand on the wastewater networks is forecast over 2009/19. This will take the form of additional connections to reticulation and higher volumes of wastewater to be treated.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset capacity consumed by development.</li> <li>• Primarily to future individual users.</li> <li>• The serviced communities as a whole get a minor benefit.</li> <li>• The actions of most individuals or groups has a minor impact on this activity, however a small number of heavy producer have an impact.</li> </ul>	<p>Improvements to provide additional capacity will be funded from development contributions as described in the Development Contributions Policy.</p> <p>The amount of capital expenditure required for growth in this asset category in 2009/19 is estimated to be 11.3%. The detail of this assessment is contained in the Development Contributions Policy and the detailed supporting document to that policy.</p> <p>The level of contribution will vary on a differential basis, reflecting the fact that different land uses place different demands on the network, and the level of contribution should reflect the level of demand.</p>	<p>User charges 100%</p> <p>Development contributions will fund 100% of the capital expenditure required for growth.</p> <p>NB – The capital expenditure required for growth is estimated to be 11.3% of total capital expenditure in this asset category. The remaining 88.7% is funded from subsidy, depreciation and loans, as set out in the financing and revenue policy for Roads and Bridges.</p> <p>As stated in the Development Contributions Policy, the basis for differentials is as follows:</p> <p>Residential – 1 household equivalent unit (HEU) per dwelling;</p> <p>Residential Lifestyle – 1.09 HEU per dwelling;</p> <p>Commercial – 0.42 HEU per 100m<sup>2</sup> gross floor area (GFA);</p> <p>Industrial – 0.34 HEU per 100m<sup>2</sup> GFA;</p> <p>Accommodation – 0.49HEU per accommodation unit;</p> <p>Primary Industry – N/A assumed to be rural schemes only</p>

Name	Description	Benefit	Funding Discussion	Funding Policy
Stormwater	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> <li>• Waitaki's rivers and water are managed for the future.</li> <li>• Waitaki's distinctive natural environment is valued and protected.</li> </ul>	<p>The collection and disposal of storm water has significant public benefits attached as these schemes play a role in protecting the roading network and the environment. There is also a private benefit for people whose properties are serviced by a scheme.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• To individual properties.</li> <li>• The whole community gets a benefit in terms of protecting the roading network and health and environmental protection</li> <li>• The actions of most individuals or groups have a minor impact on this activity.</li> </ul>	<p><u>Stormwater - Operational</u></p> <p>The general approach to the funding of the annual net cost of all of the Stormwater disposal systems starts from the premise that those who (either directly or indirectly) benefit should pay. This is modified by the recognition that the roading network also benefits. Based on this it was decided that piped stormwater systems could be funded from local amenity rates in the serviced townships and that other systems, mainly open channels and drains, would be funded on the same basis as roads.</p> <p><u>Stormwater – Capital</u></p> <p>It has been decided that as the benefits of additions to any areas scheme will be localised initially, that any additions to new properties will be funded from the relevant "amenity rate" area. Once additions are completed then they are added to existing networks and recovered on the same basis they are.</p>	<p>Other income      0%</p> <p>Rates                      100%</p> <p>Rating Basis: Serviced Townships – Local Amenity</p>

Name	Description	Benefit	Funding Discussion	Funding Policy
Water Supplies	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> <li>• Waitaki's rivers and water are managed for the future.</li> <li>• Waitaki's distinctive natural environment is valued and protected.</li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> </ul> <p>Water supply is an essential infrastructure. The community ownership of water services is strongly supported.</p>	<p>The primary benefit from water supply is to consumers in the supply area. The consumption of water is a private good. The use of water for fire fighting purposes may benefit properties that are not connected to a scheme, and, in the event of a fire, this benefit is principally a private good.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• The whole community gets a benefit in terms of health protection.</li> <li>• The actions of most individuals or groups have a minor impact on this activity.</li> </ul>	<p><u>Operational</u></p> <p>The general approach to the funding of the annual cost of the public water supply systems starts from the premise that those who (either directly or indirectly) benefit should pay. A targeted rate per property approximates this in a practical way.</p> <p>There are some water users where direct charging is practical. Their share of costs is recovered by way of water meter rates charges.</p> <p>Each community bears the cost of treating and supplying its own water.</p> <p><u>Capital</u></p> <p>Renewal expenditure will be funded from depreciation reserves.</p> <p>Improvements to increase levels of service will be funded by way of loan equivalent to the life of the asset, with servicing costs being included in operational costs.</p> <p>Improvements to provide additional capacity will be funded from development contributions as described in the Development Contributions Policy.</p>	<p>Other income 1 0%</p> <p>Rates 90%</p> <p>Rating Basis: 100% Targeted Rate – Water – Served Townships and Communities</p> <p>The percentage of revenue from metered use varies from scheme to scheme. Bulk water users pay for bulk usage on a metered rate in addition to the Targeted Rate.</p>

Name	Description	Benefit	Funding Discussion	Funding Policy
Water Supplies – Capital expenditure required for growth	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> <li>• Waitaki's rivers and water are managed for the future.</li> <li>• Waitaki's distinctive natural environment is valued and protected.</li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> </ul> <p>Water supply is an essential infrastructure. The community ownership of water services is strongly supported.</p>	<p>The primary benefit from water supply is to consumers in the supply area. The consumption of water a private good. The use of water for fire fighting purposes may benefit properties that are not connected to a scheme, and, in the event of a fire, this benefit is also a private good.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• The whole community gets a benefit in terms of health protection.</li> <li>• The actions of most individuals or groups have a minor impact on this activity.</li> </ul>	<p>Improvements to provide additional capacity will be funded from development contributions as described in the Development Contributions Policy.</p> <p>The amount of capital expenditure required for growth in this asset category in 2009/19 is estimated to be 11.3%. The detail of this assessment is contained in the Development Contributions Policy and the detailed supporting document to that policy.</p> <p>The level of contribution will vary on a differential basis, reflecting the fact that different land uses place different demands on the network, and the level of contribution should reflect the level of demand.</p>	<p>User charges 100%</p> <p>Development contributions will fund 100% of the capital expenditure required for growth.</p> <p>NB – The capital expenditure required for growth is estimated to be 11.3% of total capital expenditure in this asset category. The remaining 88.7% is funded from subsidy, depreciation and loans, as set out in the financing and revenue policy for Roads and Bridges.</p> <p>As stated in the Development Contributions Policy, the basis for differentials is as follows:</p> <p>Residential – 1 household equivalent unit (HEU) per dwelling;</p> <p>Residential Lifestyle – 1 HEU per dwelling;</p> <p>Commercial – 0.28 HEU per 100m<sup>2</sup> gross floor area (GFA);</p> <p>Industrial – 0.23 HEU per 100m<sup>2</sup> GFA;</p> <p>Accommodation – 0.49 HEU per accommodation unit;</p> <p>Primary Industry N/A – assumed to be rural schemes only.</p>

Name	Description	Benefit	Funding Discussion	Funding Policy
<b>ECONOMIC DEVELOPMENT GROUP</b>	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki has a diverse, sustainable and growing economy.</li> <li>• Waitaki's unique culture and heritage are preserved and celebrated.</li> </ul>			
Economic Development	<p>The economic development activity includes commercial investments and commercial property investments which have their own funding policies.</p> <p>The other economic development activities' funding requirements is primarily to support activities undertaken by the Waitaki Development Board. This includes the implementation of the Waitaki District Economic Development Strategy.</p>	<p>Benefits accrue to the District as a whole from efforts to grow the economy. The benefits accrue to all sectors of the economy, including utility networks that benefit from a growing economy. This activity is a public good.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan and beyond.</li> <li>• Primarily to the district as a whole in support of the community outcomes.</li> <li>• The actions of most individuals or groups have a minor impact on this activity.</li> </ul>	<p>The choice of these funding sources recognises that the benefits accrue to the whole District and are property-based. The mix of capital value and land value rates recognises the benefits to land based and other sectors of the economy. This choice of funding sources is practicable, efficient and transparent.</p>	<p>Other income 0%</p> <p>Rates 100%</p> <p>Rating Basis: 50% General Rate – Land Value</p> <p>50% Targeted Rate – Capital Value – District Services</p>
Property	<p>This activity forms part of Council's economic development activity.</p> <p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> <li>• Waitaki's unique culture and heritage are preserved and celebrated.</li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> <li>• Waitaki is served by responsive and efficient government.</li> </ul> <p>This activity has been broken into three parts to formulate funding policies:</p> <ul style="list-style-type: none"> <li>• Commercial property</li> <li>• Forestry; and</li> <li>• Operational Policy</li> </ul>			

Name	Description	Benefit	Funding Discussion	Funding Policy
Commercial Property		<p>The primary benefit from commercial property is the use of the property by commercial tenants. This activity is a private good.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• Partly to the District as a whole in support of the community outcomes.</li> <li>• The actions of most individuals or groups have a minor impact on this activity.</li> </ul>	<p><u>Operational</u></p> <p>The choice of these funding sources recognises that the benefits accrue primarily to users.</p> <p><u>Capital</u></p> <p>Renewal expenditure will be funded from depreciation reserves.</p> <p>Improvements to increase levels of service will be funded by way of loan equivalent to the life of the asset, with servicing costs being included in operational costs.</p>	<p>Other income 100%</p> <p>Rates 0%</p> <p>Rating Basis: 100% Targeted Rates – Capital Value – District Services</p>
Forestry		<p>For the most part, the trees in Council's forestry portfolio have not been planted or managed for the purpose of investment. The purpose is to assist the operational purpose of each site through catchment protection, control of run-off, passive recreation amenity or visual amenity.</p> <p>While recreation and visual amenity benefits are people-based, most of the benefits relate to operational activities such as water supply, where the benefits accrue with property ownership.</p>	<p><u>Operational</u></p> <p>The choice of these funding sources recognises that the benefits accrue to the District as a whole and are largely property-based benefits. This choice of funding sources is practicable, efficient and transparent.</p> <p>No capital expenditure is planned in this activity.</p>	<p>Other income 0%</p> <p>Rates 100%</p> <p>Rating Basis: 100% General Rate – Land Value</p>

Name	Description	Benefit	Funding Discussion	Funding Policy						
Operational Property		<p>The primary benefit from operational property is the use of the property by tenants. In this case, the tenants are Council operations. This activity is a private good.</p>	<p><u>Operations</u></p> <p>The choice of these funding sources recognises that the benefits accrue primarily to users. Surplus revenue over expenditure is allocated against general rates based on land value. This reflects the use of operational properties for governance to serve the whole District. This choice of funding sources is practicable, efficient and transparent.</p> <p><u>Capital</u></p> <p>Renewal expenditure will be primarily funded from depreciation.</p> <p>Funding of improvements will depend on the nature of the property. Some improvements and developments will be eligible for third party funding. Council will try to maximise this. Others will be funded from reserves, including proceeds from property sales. Others will be funded from loans. The mix will vary from project to project and will be determined on an individual basis.</p>	<table border="0"> <tr> <td>Other income</td> <td>0%</td> </tr> <tr> <td>Rates</td> <td>100%</td> </tr> <tr> <td colspan="2">Rating Basis: 100% General Rate – Land Value</td> </tr> </table>	Other income	0%	Rates	100%	Rating Basis: 100% General Rate – Land Value	
Other income	0%									
Rates	100%									
Rating Basis: 100% General Rate – Land Value										

Name	Description	Benefit	Funding Discussion	Funding Policy
Tourism Development and Visitor Information Services	<p>The activity provides for funding for the operation of visitor information centres across the District. The funding provided will be net of any amounts the centres generate from their own activities such as retail sales or booking commissions. It also funds tourism development services that promote the District as a visitor destination.</p>	<p>The majority of the benefit from these services is to the District as a whole. The benefits accrue to all sectors of the economy and community, including utility networks that benefit from a growing economy. This activity is primarily a public good. However, it is also considered some groups within the community received a greater share of those benefits. In particular those businesses in the Oamaru area closer to the main information centre receive a higher level of benefit, as do all businesses that have a greater share of their business from visitors.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Primarily to the District as a whole in support of the community outcomes.</li> <li>• Tourism-based businesses as a group receive some benefits.</li> <li>• Business in the Oamaru Business area receives some benefits.</li> <li>• The actions or inactions of other have a very minor impact.</li> </ul>	<p><u>Operational</u></p> <p>The choice of these funding sources recognises that the benefits accrue to the whole District and are property-based. The 10% targeted rate for Oamaru Business Area recognises benefits of the Oamaru Visitor Information Centre to that area. The 20% contribution from Tourism businesses identifies and recognises the additional benefit they receive from the direct promotion of their type of business or to a part of their customer base. The mix of capital value and land value rates recognises the benefits to land based and other sectors of the economy.</p> <p>This policy will be the subject of further consultation prior to its implementation.</p> <p>The choice of these funding sources recognises the mix of people and property benefits and the District-wide spread of benefits.</p> <p>No capital expenditure is planned in this activity.</p>	<p>Other income 0% Rates 100%</p> <p>Rating Basis - Current: 25% Targeted Rate – Capital Value – Oamaru Business Area</p> <p>37.5% General Rate – Land Value</p> <p>37.5% Targeted Rate – Capital Value – District Services</p> <p>Rating Basis – Proposed 2011/12 Onwards: 10% Targeted Rate – Capital Value – Oamaru Business Area</p> <p>20% Targeted Rate – Capital Value – Tourism Promotion Rate</p> <p>35% General Rate – Land Value</p> <p>35% Targeted Rate – Capital Value – District Services</p>
Oamaru Blue Penguin Colony	<p>The Oamaru Blue Penguin Colony is part of the Tourism Development activity.</p> <p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki's unique culture and heritage are preserved and celebrated.</li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> </ul>	<p>The primary benefit from the Colony is the viewing of the birds by visitors. This benefit is excludable (as the site is fenced) and rival (as the site has a maximum capacity established by environmental impact assessment).</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• Partly to the District as a whole in support of the community outcomes.</li> <li>• The actions or inactions of other</li> </ul>	<p><u>Operational</u></p> <p>The intent of this activity is to operate a commercially successful venture that provides a facility and surpluses to assist the funding of the development of the colony and other Harbour based activities.</p> <p><u>Capital</u></p> <p>Surpluses and Loans</p>	<p>Other income 100% Rates 0%</p> <p>Rating Basis: N/A Surplus applied to Harbour Development Reserves</p>

Name	Description	Benefit	Funding Discussion	Funding Policy
ARTS, HERITAGE AND COMMUNITY GROUP				
North Otago Museum	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes.</p> <ul style="list-style-type: none"> <li>• Waitaki people have access to life-long learning.</li> <li>• Waitaki's unique culture and heritage are preserved and celebrated: <ul style="list-style-type: none"> <li>▪ A range of easily accessed facilities and events enable participation and enjoyment of sporting and cultural activities by all members of the community</li> </ul> </li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> </ul>	<p>The primary benefit from the Museum is the viewing of exhibitions and use of the Archives by visitors to the Museum, which are people-based benefits. The residents of Oamaru and Corriedale enjoy greater benefit because of their proximity to the Museum, and there are some benefits to other wards whose residents benefit from outreach activities and travel to use the Museum. There are benefits for businesses in the Oamaru business area as this attracts visitors to Oamaru. This is a property-based benefit since it accrues with property ownership.</p> <p>There are benefits to the District as a whole from the preservation of collections of regional significance and the contribution of the Museum to the regional visitor economy.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Partly to individual users.</li> <li>• Party to the District as a whole with recognition to proximity.</li> <li>• The actions of most individuals or groups have a minor impact on this activity.</li> </ul>	<p><u>Operational</u></p> <p>Council policy is to ensure cost effective access to heritage and leisure amenities. The private good component is recovered through donations, retail sales, and fees for use of the archives. High levels of user charging would be contrary to the policy objective of providing cost effective access.</p> <p>The funding ratio is designed to reflect the varying levels of access that the different wards have to the facility.</p> <p><u>Capital</u></p> <p>Renewal expenditure will be primarily funded from depreciation.</p> <p>Funding of improvements will depend on the nature of the project. Some improvements and developments will be eligible for third party funding. Council will try to maximise this. Others will be funded from reserves, including proceeds from bequests, donations and similar types of funding. Others will be funded from loans and then service on the same basis as operations. The mix will vary from project to project and will be determined on an individual basis.</p>	<p>Other income 10%</p> <p>Rates 90%</p> <p>Rating Basis: Ratio</p> <p>Targeted Rate Oamaru 4</p> <p>Targeted Rate Corriedale 3</p> <p>Targeted Rate Ahuriri 1</p> <p>Targeted Rate Waihemo 1</p> <p>Total = 90% of rates required</p> <p>Targeted Rate – Capital Value – Oamaru Business Area 10%</p>

Name	Description	Benefit	Funding Discussion	Funding Policy																
Forrester Gallery	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki's unique culture and heritage are preserved and celebrated.</li> <li>• Waitaki has strong and proud communities.</li> <li>• Waitaki people have access to life-long learning</li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> </ul>	<p>The primary benefit from the Gallery is the viewing of exhibitions and events by visitors, which is a people-based benefit. The residents of Oamaru and Corriedale enjoy greater benefit because of their proximity to the Gallery, and there are some benefits to other wards whose residents benefit from outreach activities and can travel to use the Gallery. There are benefits for businesses in the Oamaru business area as this attracts visitors to Oamaru. This is a property-based benefit since it accrues with property ownership.</p> <p>There are benefits to the District as a whole from the preservation of collections of regional significance and the contribution of the Gallery to the regional visitor economy.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Partly to individual users.</li> <li>• Partly to the District as a whole with recognition to proximity.</li> <li>• The actions of most individuals or groups have a minor impact on this activity.</li> </ul>	<p><u>Operational</u></p> <p>Council policy is to ensure cost effective access to heritage and leisure amenities. The private good component is recovered through user donations, commission on sales of exhibited works on behalf of artists, retail sales and volunteer contributions. High levels of user charging would be contrary to the policy objective of providing cost effective access.</p> <p>The funding ratio is designed to reflect the varying levels of access that the different wards have to the facility.</p> <p><u>Capital</u></p> <p>Renewal expenditure will be primarily funded from depreciation.</p> <p>Funding of improvements will depend on the nature of the project. Some improvements and developments will be eligible for third party funding. Council will try to maximise this. Others will be funded from reserves, including proceeds from bequests, donations and similar types of funding. Others will be funded from loans and then service on the same basis as operations. The mix will vary from project to project and will be determined on an individual basis.</p>	<table border="0"> <tr> <td>Other income</td> <td>10%</td> </tr> <tr> <td>Rates</td> <td>90%</td> </tr> <tr> <td>Rating Basis: Targeted Rate Oamaru</td> <td>Ratio 5</td> </tr> <tr> <td>Targeted Rate Corriedale</td> <td>3</td> </tr> <tr> <td>Targeted Rate Ahuriri</td> <td>1</td> </tr> <tr> <td>Targeted Rate Waihemo</td> <td>1</td> </tr> <tr> <td colspan="2">Total = 90% of rates required</td> </tr> <tr> <td>Targeted Rate – Capital Value – Oamaru Business Area</td> <td>10%</td> </tr> </table>	Other income	10%	Rates	90%	Rating Basis: Targeted Rate Oamaru	Ratio 5	Targeted Rate Corriedale	3	Targeted Rate Ahuriri	1	Targeted Rate Waihemo	1	Total = 90% of rates required		Targeted Rate – Capital Value – Oamaru Business Area	10%
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Name	Description	Benefit	Funding Discussion	Funding Policy																		
Waitaki Libraries	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people have access to life-long learning.</li> <li>• Waitaki's unique culture and heritage are preserved and celebrated.</li> <li>• Waitaki has strong and proud communities.</li> </ul>	<p>The primary benefit from libraries is the borrowing and use of library material and resources. This is a people-based benefit. There are benefits for businesses in the Oamaru business area as this attracts visitors to Oamaru. This is a property-based benefit since it accrues with property ownership.</p> <p>The residents of the Oamaru ward enjoy greater access to the main library; however, the network of branches means that the other wards enjoy ready access to the service but at a lower level.</p> <p>There are benefits to the District as a whole from the preservation of collections of regional significance and the contribution of the library to a well-informed and literate community.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Partly to individual users.</li> <li>• Partly to the District as a whole with recognition to proximity.</li> <li>• The actions of most individuals or groups have a minor impact on this activity.</li> </ul>	<p><u>Operational</u></p> <p>Council policy is to ensure cost effective access to heritage and leisure amenities. The private good component of library activities is recovered through user charges, and fines. High levels of user charging would be contrary to the policy objective of providing cost effective access. User recovery is also constrained by s.142 of the Local Government Act 2002.</p> <p><u>Capital</u></p> <p>Renewal expenditure will be primarily funded from depreciation.</p> <p>Funding of improvements will depend on the nature of the project. Some improvements and developments will be eligible for third party funding. Council will try to maximise this. Others will be funded from reserves, including proceeds from bequests, donations and similar types of funding. Others will be funded from loans and then service on the same basis as operations. The mix will vary from project to project and will be determined on an individual basis.</p>	<table border="0"> <tr> <td>Other income</td> <td>10%</td> </tr> <tr> <td>Rates</td> <td>90%</td> </tr> <tr> <td>Rating Basis:</td> <td>Ratio</td> </tr> <tr> <td>Targeted Rate Oamaru</td> <td>3</td> </tr> <tr> <td>Targeted Rate Corriedale</td> <td>2</td> </tr> <tr> <td>Targeted Rate Ahuriri</td> <td>2</td> </tr> <tr> <td>Targeted Rate Waihemo</td> <td>2</td> </tr> <tr> <td>Total = 92% of rates required</td> <td></td> </tr> <tr> <td>Targeted Rate – Capital Value – Oamaru Business Area</td> <td>8%</td> </tr> </table>	Other income	10%	Rates	90%	Rating Basis:	Ratio	Targeted Rate Oamaru	3	Targeted Rate Corriedale	2	Targeted Rate Ahuriri	2	Targeted Rate Waihemo	2	Total = 92% of rates required		Targeted Rate – Capital Value – Oamaru Business Area	8%
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Name	Description	Benefit	Funding Discussion	Funding Policy																		
Opera House	<p>The Opera House serves as:</p> <ul style="list-style-type: none"> <li>• a community facility</li> <li>• a commercial business</li> <li>• a venue for the performing arts and other cultural activities.</li> </ul> <p>This activity contributes to the following outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki has a diverse, sustainable and growing economy.</li> <li>• Waitaki's unique culture and heritage are preserved and celebrated.</li> <li>• Waitaki has strong and proud communities.</li> </ul>	<p>The primary benefit is to those that hire the facility for various entertainment business and other functions.</p> <p>There are various benefits to the community as a whole including the ongoing availability of an important leisure amenity and preservation and use of an important heritage building also provides bequest value. These benefits are people-based, and accrue mainly to people living in the Oamaru and Corriedale wards because of their proximity to the Opera House.</p> <p>There are benefits for businesses in the Oamaru business area as this attracts visitors to Oamaru. The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• Partly to the District as a whole with recognition for proximity.</li> <li>• The actions of most individuals or groups have a minor impact on this activity.</li> </ul>	<p><u>Operational</u></p> <p>The primary funding will come from hire and other charges from those that hire part or the entire venue. Council will seek to maximise the revenues from these sources, particularly from commercial users. These charges will be determined by market conditions.</p> <p>Rates will be primarily charged to the Oamaru Ward in recognition of proximity to the facility. However all wards will contribute to recognise the whole district benefit.</p> <p><u>Capital</u></p> <p>Renewal expenditure will be primarily funded from depreciation.</p> <p>Funding for improvements will depend on the nature of the project. Some improvements and developments will be eligible for third party funding. Council will try to maximise this. Others will be funded from reserves, including proceeds from bequests, donations and similar types of funding. Others will be funded from loans and then serviced on the same basis as operations. The mix will vary from project to project and will be determined on an individual basis.</p>	<table border="0"> <tr> <td>Other income</td> <td>50%</td> </tr> <tr> <td>Rates</td> <td>50%</td> </tr> <tr> <td>Rating Basis:</td> <td>Ratio</td> </tr> <tr> <td>Targeted Rate Oamaru</td> <td>5</td> </tr> <tr> <td>Targeted Rate Corriedale</td> <td>3</td> </tr> <tr> <td>Targeted Rate Ahuriri</td> <td>1</td> </tr> <tr> <td>Targeted Rate Waihemo</td> <td>1</td> </tr> <tr> <td>Total = 90% of rates required</td> <td></td> </tr> <tr> <td>Targeted Rate – Capital Value – Oamaru Business Area</td> <td>10%</td> </tr> </table>	Other income	50%	Rates	50%	Rating Basis:	Ratio	Targeted Rate Oamaru	5	Targeted Rate Corriedale	3	Targeted Rate Ahuriri	1	Targeted Rate Waihemo	1	Total = 90% of rates required		Targeted Rate – Capital Value – Oamaru Business Area	10%
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Name	Description	Benefit	Funding Discussion	Funding Policy
Community Housing	<p>This activity contributes to the following outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy</li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> <li>• Waitaki's unique culture and heritage is preserved and celebrated.</li> <li>• Waitaki is served by responsive and efficient government.</li> </ul>	<p>The primary benefit from community housing is the use of the housing by tenants. Council's objective for the Community Housing activity is that it should be self-funding and not be subsidised by rates.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• Partly to the District as a whole in support of the community outcomes.</li> <li>• The actions of most individuals or groups have a minor impact on this activity.</li> </ul>	<p><u>Operational</u></p> <p>Rents should be at or near market value. Council policy requires that any operational surpluses or deficits from this activity be placed into a Community Housing Reserve to fund capital commitments and possible future Community Housing developments.</p> <p>Council recognises that at times because of the restrictions on the level of recovery caused by both the market and other factors, this activity may not be self funding. If no reserves are available then any short fall will need to be funded from rates. This funding will be recovered across the District as a whole on a capital value basis.</p> <p><u>Capital</u></p> <p>Renewal expenditure will be primarily funded from depreciation.</p> <p>Funding of improvements will depend on the nature of the project. Some improvements and developments will be eligible for third party funding. Council will try to maximise this. Others developments may be funded from the disposal of some of the current stock of units if it is determined they are no longer suitable for the intended purpose. Others will be funded from loans and then serviced on the same basis as operations. The mix will vary from project to project and will be determined on an individual basis.</p>	<p>Other income 100%</p> <p>Rates 0%</p> <p>Rating Basis: Operating deficits/surpluses are applied to the following purposes: Community Housing Reserves – 100%</p>

Name	Description	Benefit	Funding Discussion	Funding Policy
Community Development and Grants	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki has strong and proud communities.</li> <li>• Waitaki people are safe and healthy.</li> <li>• Waitaki's unique culture and heritage are preserved and celebrated.</li> <li>• Waitaki people have access to life-long learning.</li> </ul> <p>Grants to Waitaki Recreation Centre and Otago Museum have a separate funding policy.</p> <p>This activity provides for grants in exchange for services provided by community groups, and for waiver of fees and charges</p>	<p>The benefits of this activity are, in the main, available to the whole District.</p> <p>All the people in the District enjoy access to the services funded by way of grants. Some services are located in specific communities but the activities funded are spread across the District. Any person may make application for a grant provided they comply with Council policy. The grants are for services that are, in the main, non-excludable.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Primarily to the District as a whole in support of the community outcomes.</li> <li>• The actions of most individuals or groups have a minor impact on this activity</li> </ul>	<p><u>Operational</u></p> <p>This is a people based activity which is funded evenly across the District.</p> <p>No capital expenditure will occur in this activity.</p>	<p>Other income 0%</p> <p>Rates 100%</p> <p>Rating Basis: Uniform Annual General Charge</p>
Otago Museum	<p>This activity provides for a grant to the operation of the Otago Museum. This grant is a legal requirement under the Otago Museum Trust Board Act 1996 and the Heads of Agreement between the Trust Board and contributing local authorities.</p> <ul style="list-style-type: none"> <li>• Waitaki people have access to life-long learning.</li> </ul>	<p>Council is required to make this contribution. This cost will be spread across the District.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Primarily to the District as a whole in support of the community outcomes.</li> <li>• The actions of most individuals or groups have a minor impact on this activity.</li> </ul>	<p><u>Operational</u></p> <p>This is a people based activity which should be funded evenly across the District.</p> <p>No capital expenditure will occur in this activity.</p>	<p>Other income 0%</p> <p>Rates 100%</p> <p>Rating Basis: Uniform Annual General Charge</p>

Name	Description	Benefit	Funding Discussion	Funding Policy
Waitaki Community Recreation Centre	<p>The Waitaki Recreation Centre provides recreation opportunities for the people of the District, operates programmes supporting health and fitness, and is a venue for community events. The Centre is located in Oamaru.</p> <p>This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy: we have active, healthy lifestyles supported by easy access to a wide variety of physical recreation and health education.</li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> </ul>	<p>It recognises the benefit accruing to the District from the ongoing availability of an important leisure amenity. This recreation benefit is a people-based benefit, and accrues mainly to people living in the Oamaru and Corriedale wards because of their proximity to the Centre. There is also a benefit to the community as a whole from the Centre to the District economy as a venue for community events. This economic development benefit is to the District as a whole and is not people-based.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to the people in Oamaru and Corriedale.</li> <li>• Partly to the District as a whole in support of the community outcomes.</li> <li>• The actions of most individuals or groups have a minor impact on this activity.</li> </ul>	<p>This activity provides for a grant to the Waitaki Recreation Centre Trust for the operation and maintenance of the Waitaki Recreation Centre. The Council grant supplements income from user charges and other sources.</p> <p>The choice of these funding sources recognises that the recreation benefits are the main benefit and that this accrues to people in Corriedale and Oamaru. It also recognises that the economic development benefit is to the whole District.</p>	<p>Other income      0%</p> <p>Rates                      100%</p> <p>Rating Basis: Targeted Rate – Oamaru and Corriedale 70%</p> <p>General Rate – Land Value                      30%</p>

Name	Description	Benefit	Funding Discussion	Funding Policy																
<b>PARKS AND RECREATION GROUP</b>																				
Aquatic Centre	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy: we have active, healthy lifestyles supported by easy access to a wide variety of physical recreation and health education.</li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> </ul> <p>Council recognises that its role is to ensure cost effective access to leisure amenities. There is strong community support for Council's involvement in the provision of an indoor Aquatic Centre.</p>	<p>The primary benefit from the Aquatic Centre is the use of the pools for recreation, sporting, educational, and water safety purposes. These are people based benefits. The residents of Oamaru and Corriedale enjoy greater benefit because of their proximity to the Centre, but there are some benefits to other wards whose residents can use the Centre.</p> <p>There is also a benefit for businesses in the Oamaru Business area as the centre is well used by visitors to the District. This is a property based benefit since it accrues with property ownership.</p> <p>There are benefits to the community as a whole such as the contribution of the Centre to the regional visitor economy and the contribution of the Centre to a fit, healthy and safe community. This activity is a mix of public and private good, but mainly private good.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• Partly to the District as a whole in support of the community outcomes.</li> <li>• The actions of most individuals or groups have a minor impact on this activity.</li> </ul>	<p><u>Operational</u> Council policy is to ensure cost effective access to leisure amenities. The private good component is recovered through user charges for casual recreation use, fees for recreation programmes and swim teaching, and retail sales. User charging to recover the economic allocation of costs would frustrate the policy objective of providing cost effective access.</p> <p>The choice of funding sources recognises that the benefits of this activity are people-based. The benefits to pool users are recognised in the user charger component. The use of targeted rates to recover 90% of the public good recognises that most of the public good is people based. The Targeted Rate ratio of Oamaru 5, Corriedale 3, Ahuriri and Waihemo 1, reflects proximity to the Aquatic Centre.</p> <p><u>Capital</u> Renewal expenditure will be primarily funded from depreciation.</p> <p>Funding for improvements will depend on the nature of the project. Some improvements and developments will be eligible for third party funding. Council will try to maximise this. Other developments may be funded from donations, bequests or similar. Others will be funded from loans and then serviced on the same basis as operations. The mix will vary from project to project and will be determined on an individual basis.</p>	<table> <tr> <td>Other income</td> <td>30%</td> </tr> <tr> <td>Rates</td> <td>70%</td> </tr> <tr> <td>Rating Basis: Targeted Rate Oamaru</td> <td>Ratio 5</td> </tr> <tr> <td>Targeted Rate Corriedale</td> <td>3</td> </tr> <tr> <td>Targeted Rate Ahuriri</td> <td>1</td> </tr> <tr> <td>Targeted Rate Waihemo</td> <td>1</td> </tr> <tr> <td>Total = 90% of rates required</td> <td></td> </tr> <tr> <td>Targeted Rate – Capital Value – Oamaru Business Area</td> <td>10%</td> </tr> </table>	Other income	30%	Rates	70%	Rating Basis: Targeted Rate Oamaru	Ratio 5	Targeted Rate Corriedale	3	Targeted Rate Ahuriri	1	Targeted Rate Waihemo	1	Total = 90% of rates required		Targeted Rate – Capital Value – Oamaru Business Area	10%
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Name	Description	Benefit	Funding Discussion	Funding Policy
Gardens and Green Spaces	This activity includes Oamaru Public Gardens, Reserves, Christmas Decorations, Cemeteries, Lakes Camping and Public Toilets.			
Oamaru Public Gardens	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy: we have active, healthy lifestyles supported by easy access to a wide variety of physical recreation and health education.</li> <li>• Waitaki's unique culture and heritage are preserved and celebrated.</li> <li>• Waitaki has a diverse, sustainable and growing economy: our cultural and natural heritage and landscapes contribute significantly to economic diversity and success.</li> </ul>	<p>The primary benefit from the Oamaru Public Gardens is the recreational enjoyment of the amenity by visitors, which is a people-based benefit. The residents of Oamaru and Corriedale enjoy greater benefit because of their proximity to the Gardens and there is some benefit to other wards whose residents travel to visit the Gardens. There are benefits accruing to the District from the preservation of natural and built heritage of regional significance, and existence values such as the contribution of the Gardens to the regional visitor economy.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to the District as a whole with recognition to proximity.</li> <li>• The actions of most individuals or groups have a minor impact on this activity.</li> </ul>	<p><u>Operational</u></p> <p>The choice of these funding sources recognises the nature and spread of benefits. The use of Targeted Rates recognises that the public good is people-based. The Targeted Rate ratio of Oamaru 4, Corriedale 3, Ahuriri and Waihemo 2 reflects the greater access allowed by closer proximity to the Gardens. The Oamaru Business Rate recognises a visitor attraction benefit to Oamaru businesses from the Oamaru Public Gardens. This choice of funding sources is practicable, efficient and transparent.</p> <p><u>Capital</u></p> <p>Renewal expenditure will be primarily funded from depreciation where this is available.</p> <p>Funding of improvements will depend on the nature of the project. Some improvements and developments will be funded from contributions received under the Resource Management Act. Council will try to maximise this. Other developments may be funded from donations, bequests or similar. Others will be funded from loans and then serviced on the same basis as operations. The mix will vary from project to project and will be determined on an individual basis.</p>	<p>Other income 0%</p> <p>Rates 100%</p> <p>Rating Basis: Targeted Rate Oamaru 4</p> <p>Targeted Rate Corriedale 3</p> <p>Targeted Rate Ahuriri 2</p> <p>Targeted Rate Waihemo 2</p> <p>Total = 90% of rates required</p> <p>Targeted Rate – Capital Value – Oamaru Business Area 10%</p>

Name	Description	Benefit	Funding Discussion	Funding Policy
Reserves and Open Spaces	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy: we have active, healthy lifestyles supported by easy access to a wide variety of physical recreation and health education.</li> <li>• Waitaki's unique culture and heritage are preserved and celebrated.</li> <li>• Waitaki has a diverse, sustainable and growing economy: our cultural and natural heritage and landscapes contribute significantly to economic diversity and success.</li> </ul>	<p>The primary benefit from this activity is the landscape amenity created by maintaining green space and street beautification. This is a District-wide benefit and benefits both visitors and property owners. These benefits are non-excludable and non-rival.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to the District as a whole in support of the community outcomes.</li> <li>• The actions of most individuals or groups have a minor impact on this activity.</li> </ul>	<p><u>Operational</u></p> <p>The choice of these funding sources recognises the property benefits arising across the whole District from the provision of landscape amenity. They also reflect that local residents enjoy the benefits of landscape amenity in their locality. A Ward rate enables local communities to exercise local choice.</p> <p><u>Capital</u></p> <p>Renewal expenditure will be primarily funded from depreciation where this is available.</p> <p>Funding for improvements will depend on the nature of the project. Some improvements and developments will be funded from contributions received under the Resource Management Act. Council will try to maximise this. Other developments may be funded from donations, bequests or similar. Others will be funded from loans and then serviced on the same basis as operations. The mix will vary from project to project and will be determined on an individual basis.</p>	<p>Other income 0%</p> <p>Rates 100%</p> <p>Rating Basis: Targeted Rate – Ward Services – Capital Value</p>
Christmas Decorations	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki has a diverse, sustainable and growing economy: our cultural and natural heritage and landscapes contribute significantly to economic diversity and success.</li> </ul>	<p>The primary benefit from this activity is the amenity created by the decorations. This is a District-wide benefit as decorations are provided in towns across the District. Most decorations are in the Oamaru Business Area.</p>	<p><u>Operational</u></p> <p>The choice of these funding sources recognises the benefits arising across the whole District from the provision of Christmas decorations. The targeted rate recognises the business benefit from Christmas decorations to the Oamaru Business Area.</p>	<p>User charges 0%</p> <p>Rates 100%</p> <p>Rating Basis: Targeted Rate – Oamaru Business Area – Capital Value 60%</p> <p>Targeted Rate – District Services – Capital Value 40%</p>

Name	Description	Benefit	Funding Discussion	Funding Policy								
Sports Grounds	<p>Council plans to pursue a strategy of ground rationalisation alongside planned development of multi-user facilities at Centennial Park.</p> <p>This activity contributes to the following outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy: we have active, healthy lifestyles supported by easy access to a wide variety of physical recreation and health education.</li> <li>• Waitaki has strong and proud communities.</li> <li>• Waitaki's unique culture and heritage are preserved and celebrated.</li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> </ul>	<p>The primary benefit from sports grounds is their use for recreation, which is a people-based benefit.</p> <p>There are benefits to groups in the District being those that use grounds for organised activities. This means that when they are in use they are not available for other users. With others the specialised nature of the grounds means there is no public access to them. However, in most cases they are usually available for casual use by the whole community.</p> <p>There are existence values such as the contribution of major sporting events and tournaments to the regional visitor economy.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to the District as a whole in support of the community outcomes.</li> <li>• Partially to groups and individuals involved in organized sports that require these facilities.</li> <li>• The actions of most individuals or groups have a minor impact on this activity.</li> </ul>	<p><u>Operational</u></p> <p>Council policy is to ensure cost effective access to heritage and leisure amenities. The private good component is recovered through ground rentals for leased areas and fees for seasonal or one-off use.</p> <p>The choice of these funding sources recognises the mix of people and property benefits and the spread of benefits. The use of Targeted Rates to recover 75% of the public good recognises that most of the public good is people-based. The use of general rates recognises the economic development benefit to the District. The private good to sports clubs is recognised in user charges.</p> <p>This Revenue and Funding Policy includes a 5% recovery from user charges (ground fees and rentals).</p> <p><u>Capital</u></p> <p>Renewal expenditure will be primarily funded from depreciation where this is available.</p> <p>Funding of improvements will depend on the nature of the project. Some improvements and developments will be funded from contributions received under the Resource Management Act. Council will try to maximise this. Other developments may be funded from donations, bequests or similar. Others will be funded from loans and then serviced on the same basis as operations. The mix will vary from project to project and will be determined on an individual basis.</p>	<table border="0"> <tr> <td>Other income</td> <td>5%</td> </tr> <tr> <td>Rates</td> <td>95%</td> </tr> <tr> <td>Rating Basis: Rates – Uniform Annual General Charge</td> <td>75%</td> </tr> <tr> <td>General Rate – Land Value</td> <td>25%</td> </tr> </table>	Other income	5%	Rates	95%	Rating Basis: Rates – Uniform Annual General Charge	75%	General Rate – Land Value	25%
Other income	5%											
Rates	95%											
Rating Basis: Rates – Uniform Annual General Charge	75%											
General Rate – Land Value	25%											

Name	Description	Benefit	Funding Discussion	Funding Policy
Cemeteries	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy: we have active, healthy lifestyles supported by easy access to a wide variety of physical recreation and health education.</li> <li>• Waitaki's unique culture and heritage are preserved and celebrated.</li> <li>• Waitaki has a diverse, sustainable and growing economy: our cultural and natural heritage and landscapes contribute significantly to economic diversity and success.</li> </ul>	<p>This activity is in two distinct parts. The first relates to the provision of burial facilities and services. This is a private benefit to those who choose this service.</p> <p>There is also a benefit to the whole District relating to the publicly available green space, protecting public health by ensuring the safe disposal of human remains, and in maintaining cemeteries and cemetery records for future generations to remember their ancestors.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Partly to individual users.</li> <li>• Partly to the District as a whole in support of the community outcomes.</li> </ul>	<p><u>Operational</u></p> <p>The choice of these funding sources recognises the nature and spread of benefits. The use of uniform annual general charges to recover the 50% public good recognises that the public good is people-based. The use of user charges (burial fees and plot charges) recognises the private good allocation. This choice of funding sources is practicable, efficient and transparent.</p> <p><u>Capital</u></p> <p>Renewal expenditure will be funded from depreciation reserves where available.</p> <p>There will be minor improvements that are ongoing in nature that will be rate funded. Major developments will be funded by way of loan equivalent to the life of the asset, with servicing costs being included in operational costs.</p>	<p>Other income 50%</p> <p>Rates 50%</p> <p>Rating Basis: Uniform Annual General Charge 100%</p>
Public Halls and Community Centres	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> <li>• Waitaki's unique culture and heritage are preserved and celebrated.</li> <li>• Waitaki has strong and proud communities.</li> <li>• Waitaki is served by responsive and efficient government.</li> </ul>	<p>The primary benefit from public halls is the provision of a venue for community activities, which is a people-based benefit. The people in the hall rating area mainly enjoy the benefits of their hall, although people from outside the hall rating area may also use halls. This benefit is excludable and rival as most halls can be used by only one group at a time.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to the immediate area supporting the community centre.</li> </ul>	<p><u>Operational</u></p> <p>The choice of a targeted rate funding sources recognises the nature and spread of benefits. The use of targeted rates recognises that the benefit from the activity is focussed mainly on the hall rating area.</p> <p><u>Capital</u></p> <p>There will be minor improvements that are ongoing in nature that will be rate funded. Major developments will be primarily funded by community fundraising and other third party income. Loans may be used to fund any shortfalls with servicing costs being included in operational costs.</p>	<p>Other income 0%</p> <p>Rates 100%</p> <p>Rating Basis: Targeted Rate – Halls</p>

Name	Description	Benefit	Funding Discussion	Funding Policy
Waitaki Lakes Camping Grounds	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki's unique culture and heritage are preserved and celebrated.</li> <li>• Waitaki has strong and proud communities.</li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> <li>• Waitaki is served by responsive and efficient government.</li> </ul>	<p>Campers enjoy most of the benefit from lakes camping. This is a benefit to the individuals who choose this form of recreation.</p> <p>The facilities that are available are also used by casual users and visitors that do not stay overnight. This is more of a public benefit.</p> <p>There is a public good in terms of economic development for the District as a whole, and more particularly the Ahuriri Ward. This is a property-based benefit.</p> <p>Council policy is to ensure cost effective access to leisure amenities. The private good component is recovered through camping fees.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• Partly to the District as a whole in support of the community outcomes.</li> </ul>	<p><u>Operational</u></p> <p>The use of user charges (camping fees) recognises the private use.</p> <p>The use of land value rates recognises the general availability for public and casual use. The use of differentiated land value recognises that the economic development benefits accrue to the whole District but mainly to the Ahuriri Ward and are a legacy of hydroelectric development. This benefit accrues with property ownership.</p> <p><u>Capital</u></p> <p>Renewal expenditure will be funded from depreciation reserves where available.</p> <p>There will be minor improvements that are ongoing in nature that will be rate funded. Major developments will be funded by way of loan equivalent to the life of the asset, with servicing costs being included in operational costs.</p>	<p>Other income 60%</p> <p>Rates 40%</p> <p>Rating Basis: Targeted Rate – Differentiated Electricity Generation 70%</p> <p>General Rate – Land Value 30%</p>

Name	Description	Benefit	Funding Discussion	Funding Policy
Public Toilets	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> </ul>	<p>The primary benefit from public toilets is their use by visitors, which is a people-based benefit. There are existence values for leisure opportunities and economic development from the provision of infrastructure. This is both a people-based public good (toilets at recreation sites) and a property-based public good (commercial businesses in urban areas).</p> <p>This activity is a mix of public and private good but mainly private good.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to the District as a whole in support of the community outcomes.</li> </ul>	<p><u>Operational</u></p> <p>Council policy is to ensure cost effective access to heritage and leisure amenities and to support economic development. The private good component of this activity could be recovered through user charges but user charging to recover the economic allocation of costs would frustrate the policy objectives.</p> <p>The portion funded from Oamaru Business Area recognises the higher level of service this area receives.</p> <p>The use of a general rate reflects the public good to the District as a whole. Uniform annual general charges provide a better recognition of the people-based benefit but the use of these funding sources is likely to be unlawful as it would mean Council was in breach of the 30% maximum allowed.</p> <p><u>Capital</u></p> <p>Renewal expenditure will be funded from depreciation reserves.</p> <p>Improvements to increase levels of service will be funded by way of loan equivalent to the life of the asset, with servicing costs being included in operational costs.</p>	<p>Other income 0%</p> <p>Rates 100%</p> <p>Rating Basis: Targeted Rate – Capital Value – Oamaru Business Area 20% General Rate – Land Value 40% Targeted Rate – Capital Value – District Services 40%</p>

Name	Description	Benefit	Funding Discussion	Funding Policy
<b>REGULATORY GROUP</b>				
Animal Control	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> <li>• Waitaki has essential transport networks and services: we have a safe and affordable roading network.</li> </ul>	<p>Dog registration is a service that benefits dog owners by allowing legal ownership of dogs and enabling impounded dogs to be traced to their owners. Dog ranging, pound keeping and response to animal complaints are activities that protect the public from the negative effects of the actions or inactions of dog owners.</p> <p>The allocation of costs is modified on grounds of fairness and equity to recognise that the costs of controlling the negative effects of the actions or inactions of animal owners should be borne by those owners.</p> <p>This activity is a mix of public good and private good but mainly private good.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• Partly to the District as a whole in support of the community outcomes.</li> </ul>	<p><u>Operational</u> Council expects to break even on expenditure against revenue. Any surplus will be allocated to offset the following year's rates.</p> <p>The choice of these funding sources recognises the nature and spread of benefits. The use of user charges recognises that the benefits of registration activities are to dog owners and the costs of responding to complaints about dogs and wandering stock are driven by the actions or inactions of animal owners.</p> <p><u>Capital</u> Renewal expenditure will be funded from depreciation.</p> <p>Other capital expenditure involves relatively small, irregular amounts. These will be funded on the same basis as operational costs.</p>	<p>Other income 100%</p> <p>Rates 0%</p>

Name	Description	Benefit	Funding Discussion	Funding Policy						
Building Control	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity.</p> <p>The covers the issue of building consents, code compliance certificates, project information memoranda and land information memoranda.</p> <p>This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> </ul>	<p>The individuals that apply for consents and use the other services in this area are the predominant beneficiaries of this activity. Through there actions they directly drive the majority of the costs. These building control activities also provide benefit to persons other than the applicant such as members of the public entering the building (a people-based benefit) and future owners and occupiers of the building (a property-based benefit). There is also a person based benefit in relation to the information that is supplied to the public through inquiries.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• Partly to the District as a whole in support of the community outcomes.</li> <li>• The actions of individuals and groups drive the costs in this activity.</li> </ul>	<p><u>Operational</u> The use of user charges recognises the benefits to people who apply for building consents, code compliance certificates, PIMs or LIMs. The use of the uniform annual general charge recognises that the public benefits are to the people across the whole District.</p> <p><u>Capital</u> Capital expenditure involves relatively small, irregular amounts. These will be funded on the same basis as operational costs.</p>	<table border="0"> <tr> <td>Other income</td> <td>70%</td> </tr> <tr> <td>Rates</td> <td>30%</td> </tr> <tr> <td>Rating Basis: Uniform Annual General Charge</td> <td>100%</td> </tr> </table>	Other income	70%	Rates	30%	Rating Basis: Uniform Annual General Charge	100%
Other income	70%									
Rates	30%									
Rating Basis: Uniform Annual General Charge	100%									

Name	Description	Benefit	Funding Discussion	Funding Policy
Environmental Health	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> <li>• Waitaki has strong and proud communities.</li> </ul> <p>Public health activities are mandatory activities for local authorities under the Food Act 1981, the Health Act 1956, the Food Hygiene Regulations 1981 and various other Acts and Regulations.</p>	<p>The benefits of inspection and licensing of premises (including food premises, camping grounds, hairdressers, offensive trades and funeral directors) accrue mostly to the business owner. The protection of public health by ensuring these premises meet requirements is a benefit to the public.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• Partly to the District as a whole in support of the community outcomes.</li> <li>• The actions of individuals and groups help to drive the costs in this activity.</li> </ul>	<p><u>Operational</u> The choice of these funding sources recognises the nature and spread of benefits. The use of user charges recognises the benefits to people who apply for licences. The use of uniform annual general charge to recover the public good recognises that the benefits are to the whole District and are both people and property-based, but mostly people-based.</p> <p>This funding policy proposes a 70% recovery from user charges (licence fees). Council plans to transition to 70% user charges over the term of this policy.</p> <p><u>Capital</u> Renewal expenditure will be funded from depreciation.</p> <p>Other capital expenditure involves relatively small, irregular amounts. These will be funded on the same basis as operational costs.</p>	<p>Other income 70%</p> <p>Rates 30%</p> <p>Rating Basis: Uniform Annual General Charge 100%</p>
Environmental Monitoring and Hazardous Substances	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> <li>• Waitaki rivers and water are managed for the future.</li> <li>• Waitaki has strong and proud communities.</li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> </ul> <p>Public health activities are mandatory activities for local authorities the Health Act 1956, and various other Acts and Regulations.</p>	<p>This is mandatory activity. Monitoring activities generate the costs in this activity. The benefits of monitoring activity are to the consumers of water supplies – which cover the whole District – and to the users of rivers and lakes that receive discharge from sewage facilities. Health education and notifiable infectious disease response benefit the community as a whole.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• Partly to the District as a whole in support of the community outcomes.</li> </ul>	<p><u>Operational</u> The use of uniform annual general charge to recover the public good recognises that the benefits are to the whole District and are more people-based than property-based.</p> <p><u>Capital</u> Renewal expenditure will be funded from depreciation.</p> <p>Other capital expenditure involves relatively small, irregular amounts. These will be funded on the same basis as operational costs.</p>	<p>Other income 0%</p> <p>Rates 100%</p> <p>Rating Basis: Uniform Annual General Charge 100%</p>

Name	Description	Benefit	Funding Discussion	Funding Policy						
Liquor Licensing	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> <li>• Waitaki's unique culture and heritage are preserved and celebrated.</li> <li>• Waitaki has strong and proud communities.</li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> </ul> <p>The issue of liquor licences is a mandatory activity for local authorities under the Sale of Liquor Act 1989.</p>	<p>The issue of liquor licences is predominantly of benefit to the applicant as most applications are to allow for a commercial activity to take place. These activities also provide benefit to persons other than the applicant such as persons immediately affected by an application and people who generally benefit from mitigation of the adverse effects of an application (such as protection of public safety).</p> <p>This activity is a mix of public good and private good but mainly private good.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• Partly to the District as a whole in support of the community outcomes.</li> <li>• The actions of individuals and groups help to drive the costs in this activity.</li> </ul>	<p><u>Operational</u></p> <p>The primary funding sources are user charges (licence fees).</p> <p>The use of uniform annual general charge to recover the public good recognises that the benefits are to the whole District.</p> <p>This funding policy proposes an 80% recovery from user charges (licence fees). This is an estimate as the fees are set by central government which limits Councils opportunities to make any adjustments to meet the level of recovery it desires.</p> <p>No capital expenditure is expected in this activity.</p>	<table> <tr> <td>Other income</td> <td>80%</td> </tr> <tr> <td>Rates</td> <td>20%</td> </tr> <tr> <td>Rating Basis: Uniform Annual General Charge</td> <td>100%</td> </tr> </table>	Other income	80%	Rates	20%	Rating Basis: Uniform Annual General Charge	100%
Other income	80%									
Rates	20%									
Rating Basis: Uniform Annual General Charge	100%									

Name	Description	Benefit	Funding Discussion	Funding Policy						
Parking Enforcement	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy.</li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> </ul> <p>Parking Enforcement is a discretionary activity for local authorities under the Local Government Act 2002. There is community support for efficient enforcement to ensure regular turnover of car parking space.</p>	<p>Parking is of benefit to the individual. Is also of benefit to business served by the parking areas. The enforcement activity not only protects this income stream but also provide public safety benefit by protecting access to fire hydrants and compliance with regulations designated to protect pedestrians. Further benefits pass to the group of businesses by ensuring that traffic flow and turnover.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• Partly to the District as a whole in support of the community outcomes.</li> <li>• The actions of individual and groups help drive the cost by the need to enforce fees and movements.</li> </ul>	<p><u>Operational</u></p> <p>The use of user charges recognises the benefits to people who use parking. Fees will be set at a level to try and achieve both good movement (so people do not park all day) the high levels of occupancy. The use of general rate to recover the public good recognises that the benefits are to Oamaru businesses and are property-based.</p> <p><u>Capital</u></p> <p>Renewal expenditure will be funded from depreciation.</p> <p>Other capital expenditure involves relatively small, irregular amounts. These will be funded on the same basis as operational costs.</p>	<table border="0"> <tr> <td>Other income</td> <td>50%</td> </tr> <tr> <td>Rates</td> <td>50%</td> </tr> <tr> <td>Rating Basis: Targeted Rate – Capital Value – Oamaru Business Area</td> <td>100%</td> </tr> </table>	Other income	50%	Rates	50%	Rating Basis: Targeted Rate – Capital Value – Oamaru Business Area	100%
Other income	50%									
Rates	50%									
Rating Basis: Targeted Rate – Capital Value – Oamaru Business Area	100%									
Emergency Services	<p>This activity includes components of Civil Defence, Communications and Rural Fire which has separate funding policies.</p>									

Name	Description	Benefit	Funding Discussion	Funding Policy														
Civil Defence	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy: we work together to protect people and property</li> <li>• Waitaki has strong and proud communities: we have strong, well-supported community groups and recognise and value our volunteers.</li> </ul>	<p>Civil Defence activities are provided for the benefit of all the people in the District as any part of the District may be affected by an emergency event. The benefits are both people-based and property-based as a civil defence emergency may be initiated in response to threats to life or property. Mining and hydroelectric electricity generation each present significant risk to the district in the event of earthquake events fracturing a dam on the Waitaki River or the Macraes tailings dam.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Primarily to the District as a whole in support of the community outcomes.</li> <li>• The actions of individual and groups have a significant impact in this activity.</li> </ul>	<p><u>Operational</u></p> <p>Council has chosen to fund the costs on a variety of bases to reflect the benefits received.</p> <p><u>Capital</u></p> <p>Renewal expenditure will be funded from depreciation.</p> <p>Other capital expenditure involves relatively small, irregular amounts. These will be funded on the same basis as operational costs.</p>	<table border="0"> <tr> <td>Other income</td> <td>0%</td> </tr> <tr> <td>Rates</td> <td>100%</td> </tr> <tr> <td>Rating Basis: Uniform Annual General Charge</td> <td>50%</td> </tr> <tr> <td>Targeted Rate – Capital Value</td> <td>50%</td> </tr> <tr> <td>Electricity Generation Differential</td> <td>50%</td> </tr> <tr> <td>Targeted Rate Capital Value – Mining Differential</td> <td>25%</td> </tr> <tr> <td>Capital Value Balance of District Differential .....</td> <td>25%</td> </tr> </table>	Other income	0%	Rates	100%	Rating Basis: Uniform Annual General Charge	50%	Targeted Rate – Capital Value	50%	Electricity Generation Differential	50%	Targeted Rate Capital Value – Mining Differential	25%	Capital Value Balance of District Differential .....	25%
Other income	0%																	
Rates	100%																	
Rating Basis: Uniform Annual General Charge	50%																	
Targeted Rate – Capital Value	50%																	
Electricity Generation Differential	50%																	
Targeted Rate Capital Value – Mining Differential	25%																	
Capital Value Balance of District Differential .....	25%																	
Emergency Communications	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy: we work together to protect people and property</li> <li>• Waitaki has strong and proud communities: we have strong, well-supported community groups and recognise and value our volunteers.</li> </ul>	<p>Aside from the use by some private operators for commercial reasons, the network is used for rural fire and civil defence operations and events, benefits of this activity are available to the whole community.</p>	<p><u>Operational</u></p> <p>Private use of the network is funded by user charges.</p> <p>The choice of these funding sources recognises that the activity benefits property across the District. This choice of funding sources is practicable, efficient and transparent.</p> <p><u>Capital</u></p> <p>Renewal expenditure will be funded from depreciation reserves where available.</p> <p>There will be minor improvements that are ongoing in nature that will be rate funded.</p>	<table border="0"> <tr> <td>Other income</td> <td>100%</td> </tr> <tr> <td>Rates</td> <td>0%</td> </tr> <tr> <td>Rating Basis: General Rate – Land Value (if required)</td> <td>100%</td> </tr> </table>	Other income	100%	Rates	0%	Rating Basis: General Rate – Land Value (if required)	100%								
Other income	100%																	
Rates	0%																	
Rating Basis: General Rate – Land Value (if required)	100%																	

Name	Description	Benefit	Funding Discussion	Funding Policy
Rural Fire	<p>Rural fire planning and preparedness</p> <p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki people are safe and healthy: we work together to protect people and property.</li> <li>• Waitaki has strong and proud communities: we have strong, well-supported community groups and recognise and value our volunteers.</li> </ul>	<p>Rural fire planning and preparedness exists for the benefit of all the people in the District as any part of the District may be affected by an emergency event. The benefits are mainly property-based as, while all fires outside the NZ Fire Service areas are responded to (including property fires and motor vehicle accidents), most rural fires are vegetation fires. In addition, rural fire units will support the NZ Fire Service in the event of major fires in urban areas. The benefits of this activity are available to the whole community and are not excludable.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• Partly to the District as a whole in support of the community outcomes.</li> </ul> <p>The benefits of fire response to an incident are to the specific property that is the location of the fire and the adjoining properties. Council recovers the costs of attending rural fires from the property owner to the maximum possible extent. This activity is a mix of public good and private good but mainly private good.</p>	<p><u>Operational</u></p> <p>The choice of these funding sources recognises that the activity benefits property across the District.</p> <p><u>Capital</u></p> <p>Renewal expenditure will be funded from depreciation.</p> <p>Other capital expenditure involves irregular amounts. Some of this expenditure will be able to be funded by third parties, by grants in particular. Any residual will be funded on the same basis as operational costs.</p>	<p>Other income      0%</p> <p>Rates                      100%</p> <p>Rating Basis: Capital Value – District Services              100%</p>

Name	Description	Benefit	Funding Discussion	Funding Policy								
<b>PLANNING GROUP</b>												
District Planning	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki's distinctive natural environment is valued and protected: <ul style="list-style-type: none"> <li>▪ all land use is managed sustainability and sensitively, with particular attention to coastal and other areas of environmental and cultural significance.</li> </ul> </li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> </ul>	<p>These plans, reports and information are available to the community as a whole. The benefits are both people-based and property-based. This activity is public good.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to the District as a whole in support of the community outcomes.</li> <li>• The action of individuals and groups has only a minor impact in this activity.</li> </ul>	<p><u>Operational</u></p> <p>The choice of these funding sources recognises the nature and spread of benefits. The use of general rates and uniform annual general charge recognises that the benefits are to the whole District and are a mix of property-based and people-based benefits.</p> <p>No capital expenditure is planned in this activity.</p>	<table> <tr> <td>Other income</td> <td>0%</td> </tr> <tr> <td>Rates</td> <td>100%</td> </tr> <tr> <td>Rating Basis: Uniform Annual General Charge</td> <td>40%</td> </tr> <tr> <td>General Rate – Land Value</td> <td>60%</td> </tr> </table>	Other income	0%	Rates	100%	Rating Basis: Uniform Annual General Charge	40%	General Rate – Land Value	60%
Other income	0%											
Rates	100%											
Rating Basis: Uniform Annual General Charge	40%											
General Rate – Land Value	60%											
Resource Consents	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>• Waitaki's distinctive natural environment is valued and protected. <ul style="list-style-type: none"> <li>▪ All land use is managed sustainably and sensitively, with particular attention to coastal and other areas of environmental and cultural significance.</li> </ul> </li> <li>• Waitaki has a diverse, sustainable and growing economy.</li> </ul>	<p>The individuals that apply for consents and use the other services in this area are the predominant beneficiaries of this activity. Through their actions they directly drive the majority of the costs. These resource consent activities also provide benefit to persons other than the applicant such as future owners and occupiers of the land (a property-based benefit). There is also a person based benefit in relation to the information that is supplied to the public through inquiries.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>• Over the term of the Community Plan.</li> <li>• Over the life of the asset.</li> <li>• Primarily to individual users.</li> <li>• Partly to the District as a whole in support of the community outcomes.</li> <li>• The actions of individuals and groups drive the costs in this activity.</li> </ul>	<p>The choice of these funding sources recognises the nature and spread of benefits. The use of user charges recognises the benefits to people who apply for resource consents. The use of general rate to recover the public good recognises that the benefits are to the whole District and are property-based.</p> <p>No capital expenditure is planned in this activity.</p>	<table> <tr> <td>Other income</td> <td>80%</td> </tr> <tr> <td>Rates</td> <td>20%</td> </tr> <tr> <td>Rating Basis: General Rate – Land Value</td> <td>100%</td> </tr> </table>	Other income	80%	Rates	20%	Rating Basis: General Rate – Land Value	100%		
Other income	80%											
Rates	20%											
Rating Basis: General Rate – Land Value	100%											

Name	Description	Benefit	Funding Discussion	Funding Policy
<b>COUNCIL AND COMMUNITY BOARD GROUPS</b>				
Council	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>Waitaki is served by responsive and efficient government.</li> </ul>	<p>All the people in the District enjoy the right to participate in democratic processes, making this a people-based benefit (i.e. a benefit that people can enjoy without owning property). Benefits also accrue to all property in the District as Council governance benefits infrastructure servicing properties and utility networks, and services (such as economic development) benefit businesses including utility businesses.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>Over the term of the Community Plan.</li> <li>Over the life of the asset.</li> <li>Primarily to the District as a whole in support of the community outcomes.</li> <li>The actions of others have a minor cost impact in this activity.</li> </ul>	<p><u>Operational</u></p> <p>The benefits of this activity are available to the whole community and expenditure on Council governance is largely independent of the number of residents. A Uniform Annual General Charge (UAGC) is the most appropriate rating mechanism for people based activities. However, the Local Government Rating Act 2002 limits the amount of funding that Council may collect by way of Annual Charges. Council resolved the maximum proportion of total revenue from rates (excluding water and sewer charges) will be 28%. Because of this restriction this activity cannot usually be fully funded by the UAGC, therefore another method is also required. Council resolved that the balance not funded by UAGC be 60% General Rate – Land Value and 40% Targeted District Services Rate – Capital Value.</p>	<p>Other income 0%</p> <p>Rates 100%</p> <p>Rating Basis: Uniform Annual General Charge 100%</p> <p>This will be modified if required to meet the requirements of the Local Government (Rating) Act limits on Annual Charges</p>
Community Boards	<p>The WCP identifies Council will continue to be involved in this activity without any significant change in level of activity. This activity contributes to the following community outcomes:</p> <ul style="list-style-type: none"> <li>Waitaki is served by responsive and efficient government.</li> </ul> <p>All the people in the Ahuriri and Waihemo wards enjoy the right to participate in community board democratic processes.</p>	<p>The benefits of this activity are available to all members of the communities served by the community boards. Expenditure on Council governance is largely independent of the number of residents.</p> <p>The benefits are expected to occur:</p> <ul style="list-style-type: none"> <li>Over the term of the Community Plan.</li> <li>Over the life of the asset.</li> <li>Primarily to the serviced wards in support of the community outcomes.</li> </ul>	<p><u>Operational</u></p> <p>The choice of these funding sources recognises that the mix of people and property benefits to the wards served by community boards.</p>	<p>Other income 0%</p> <p>Rates 100%</p> <p>Rating Basis: General Rate – Land Value 60%</p> <p>Targeted Rate – Ahuriri and Waihemo 40%</p>

Name	Description	Benefit	Funding Discussion	Funding Policy
Waihemo Service Centre	<ul style="list-style-type: none"> <li>Waitaki is served by responsive and efficient government.</li> </ul>	The benefits of the Waihemo Service Centre fall primarily to the people in the Waihemo Ward because of their proximity to the Centre. The services provided from the Centre are a mix of people-based services and services arising from property ownership.	<u>Operational</u> The choice of these funding sources recognises that the benefits accrue to property and to the Waihemo Ward rather than the whole District.	Other income      0% Rates                    100% Rating Basis: 40% Targeted Rate – Capital Value – Waihemo 60% Targeted Rate – Land Value – Waihemo

# LIABILITY MANAGEMENT AND INVESTMENT POLICY

## 1. INTRODUCTION

Council undertakes borrowing, investment and risk management activities (in total referred to in this document as the liability and investment policy). Council's borrowing and investment activities are carried out within the requirements of the Local Government Act 2002.

This liability management and investment policy document provides the policy framework for all of Council's borrowing and investment activities.

### **Philosophy**

Council acknowledges that there are various financial risks such as interest rate risk, liquidity risk and credit risk arising from its borrowing and investment activities. Council is a risk averse entity and does not wish to incur unnecessary risk from its borrowing and investment activities.

In relation to Council's borrowing and investment activities, the management focus is on prudent risk management in order to protect Council's budgeted interest costs and stabilise Council's cashflows. Council is able to invest in the development of the District. It is acknowledged that some investments and associated borrowings may carry a higher degree of risk than Council normally associates with cash investments.

## 2. BORROWING POLICY

### **Objective**

Council's objective is to achieve the lowest possible net borrowing cost within policy parameters by prudently managing funding risk and interest rate exposure. This is achieved by maximising benefits from favourable interest rate movements whilst having levels of protection in place against prolonged and significant adverse interest rate movements.

### **General Policy**

Council approves, by resolution, the external borrowing requirement (including financial leases) for each financial year during the annual planning process. A resolution of Council is not required for indebtedness in connection to hire purchase, deferred purchase or the giving of credit, the aggregate amount Council determines as not being so significant as to require specific authorisation is \$20,000 or where the period of indebtedness is less than 91 days.

Council must confirm all new loans required to fund expenditure that has arisen subsequent to the Annual Plan. In approving new debt Council considers the impact on its borrowing limits as well as the size and the economic life of the asset that is being funded and consistency with Council's Community Plan.

Council's infrastructural assets generally have long economic lives and long term benefits. The use of debt is seen as an appropriate and efficient mechanism for promoting intergenerational equity between current and future ratepayers in relation to Council's assets and investments.

Council's ability to readily attract cost effective borrowing is largely driven by its ability to rate and manage its relationships with investors and financial institutions.

### **Principles**

The following principles are embedded within the policy:

- Borrowed funds will be used to fund capital expenditure and equity investment, except as provided for working capital purposes under Cash Management policies.
- Debt will be used as a residual source of funds after Council has considered all other available options.
- The mix of debt, reserve and revenue funding will be determined by Council.

- Debt raised will be repaid over the economic life of the asset generally restricted to a maximum of 20 years but may be extended to 30 years.
- Unless Council otherwise resolves, interest costs will be treated as part of the operational expenditure and will be funded annually from operating revenue.
- The repayment of principal on debt generally will be funded from operating revenue. Although Council may resolve to repay loans from other capital sources.
- Loans raised by Council where security is required are to be secured as a charge over rates or rate revenue.
- Debt financing is recognised as a component in Council's financing and revenue policies and Community Plan to provide intergenerational equity which prevents costs being incurred by the current users which are for the benefit of future users.
- Council may raise specific debt associated with significant "one-off" projects and non-financial investments from time to time, including investments in CCTOs.
- Council may borrow through hire purchase, credit, and deferred payment or lease arrangements in the ordinary course of Council business.
- Loans are raised to meet cash management requirements, as internal borrowing is preferred.

### **Borrowing Limits**

In managing debt, Council will adhere to the following limits (as calculated from Council's latest financial statements):

- Total interest expense (after interest rate risk management costs/benefits) on net debt will not exceed 20% of general revenues.
- Net debt per rateable property will not exceed \$4,000.

where:

- interest expense includes all external and internal costs of borrowing;
- general revenues include all income recognised in accordance with Council's accounting policies but exclude vested assets or write-up of assets to fair value;

- net debt is gross external and internal debt, less any funds held by external parties or separately invested by Council for the purpose of repayment of the borrowing; and
- Per rateable property will be based the number of rating units contained in the rating database at the start of the financial year.

That when considering new borrowing Council should have regard not only to the limits of this policy but also to how the debt will be funded, and the ability to pay of the group of ratepayers that will be rated for the refinancing and repayment of that debt.

Council recognises that in the event of a disaster, at a time where borrowing levels are close to these limits, Council may, after using all other options provided in section 4.9.5, need to borrow above these limits. This additional borrowing will only be made after Council has considered the District's ability to pay the cost of financing the additional debt.

### **Borrowing Mechanisms**

Council is able to borrow through a variety of market mechanisms including issuing stock and debentures, direct bank borrowing or accessing the short and long term capital markets directly (although this alternative is unlikely in the immediate future given the relatively small amount of Council debt).

Evaluating strategies for new borrowing (in relation to source, term, size and pricing) takes into account the following:

- Available terms from banks and loan stock issuance.
- Draw down amounts to match forecast capital expenditure.
- Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time.
- Prevailing interest rates and margins relative to term for both loan stock issuance and bank borrowing.
- The total cost of raising borrowing.
- The market's outlook on future interest rate movements as well as its own.
- Legal documentation and financial covenants.

Council is able to use a mixture of short term facilities (which generally have lower credit margins) as well as longer term facilities to achieve an effective borrowing mix, balancing the requirements of liquidity and cost. Council may also maintain short term bank floating rate facilities to enable the repayment and drawdown of debt.

### **Liquidity Risk Management**

Liquidity risk management refers to the timely availability of funds to Council when needed, without incurring penalty costs.

Council minimises its liquidity risk by:

- Matching operational and capital expenditure closely to its revenue streams and managing cashflow timing differences to its favour.
- Matching borrowing drawdowns to its major capital expenditure and managing cashflow timing differences to its favour.
- Maintaining its financial investments in liquid instruments.
- Maintaining a committed overdraft facility with its relationship bank.
- Avoiding concentration of debt maturity dates (refer below).

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 generally spread widely over a band of maturities.

Specifically, Council manages this by ensuring that:

- No more than 30% or \$10M (whichever is the higher) of total debt is subject to refinancing in any financial year.

Total debt in this context includes existing as well as planned debt.

### **Interest Rate Risk Management**

Interest rate risk refers to the impact that movements in interest rates can have on Council's financial budgets and cashflows. Council's borrowing gives rise to direct exposure to interest rate movements. Council seeks to minimise this interest rate risk given the following:

- Council's desire to have predictable, certain interest costs.
- The need to avoid large adverse impacts on annual rates arising from interest rate related rises.
- The long term nature of Council's assets and intergenerational factors.

Accordingly, Council's general tendency is to have a high percentage of longer term fixed rate or hedged borrowing. Notwithstanding the above, it

may be appropriate from time to time, depending on Council's outlook on interest rates to have a floating rate profile (any debt or interest rate risk management instrument where interest rates are being reset on a frequency of less than 180 days). The following table provides guidelines for achieving a fixed rate profile, together with the ability to take some floating rate exposure within certain discretionary authorities. This does not apply when external borrowing is less than \$5M.

<b>Term of Exposure</b>	<b>Maximum Floating Rate Exposure</b>
	<b>Financial Services Unit Manager <sup>1</sup></b>
0 - 1 year	20%
1 - 5 years	30%

<sup>1</sup> percentages and terms of exposure in excess of the Financial Services Unit Manager's authority require approval of the delegated Council Committee.

The interest rate risk management strategy is determined on a quarterly basis by monitoring the hedging framework, existing and planned debt, interest rate markets and evaluating the outlook for short term rates in comparison to the rates payable on its borrowing. Council approves an appropriate hedged/floating rate mix every quarter.

Council may also be exposed to interest rate re-pricing risk on the maturity of existing fixed rate debt that will be refinanced, as well as issue yield risk on planned new debt. Council manages these exposures using the following operational parameter:

- Council can approve hedging up to 100% of re-pricing risk on existing fixed rate debt and issue yield on planned new debt within the next twelve month period.

The approved interest rate risk management strategy is implemented through the use of the following:

- Using interest rate risk management instruments (refer note below) to convert fixed rate borrowing into floating rate or hedged borrowing and floating rate borrowing into fixed rate or hedged borrowing.

- Using interest rate risk management instruments to hedge re-pricing risk on existing fixed rate debt and issue yield on planned new borrowing.

The use of interest rate risk management instruments is approved by Council. A current list of approved interest rate risk management instruments with appropriate definitions is included in Appendix II. Additions to and deletions from this list are approved by Council.

All hedging contracts are only to protect the interest rate arising on actual debt and forecast debt planned to be raised. Hedging can only take place with counterparties who have a long term credit rating of strong or better. Council's policy on managing credit risk is contained in Section 7.

### **Security**

Council may borrow on an unsecured basis or if it decides to offer security for borrowing and other financial obligations then it will generally offer rates and rate revenue. In unusual circumstances with prior Council approval, security may be offered in the form of a charge on specific assets.

### **Repayment**

Council repays borrowings, normally on maturity, from general funds.

Table loans provide for the full repayment of the loan over the term of the loan authority. For loans drawn for the purpose of separate rate accounts, Council will consider offering those ratepayers a lump sum option under the provisions of the early payment of rates under Sections 55 and 56 of the Local Government (Rating) Act 2002.

When the repayment provisions for any specific loan have been fully funded, no further contributions will be required for that loan.

Council may select specific debt to be repaid in any one year to optimise the mix of debt.

## **3. INTERNAL DEBT MANAGEMENT**

### **Objective**

Council's primary objective in funding debt internally is to use cash held in capital replacement, depreciation, separate rate, and special and trust funds effectively by establishing an internal loan portfolio that provides funding to internal cost centres. This creates operational efficiencies as savings are created by eliminating the 'bankers margin' that would be owing through Council simultaneously investing and borrowing with the bank.

### **Legal Compliance**

Internal borrowing was authorised by the Local Government (Rating) Act 2002. Council considers that by applying available funds against debt through this internal debt management policy it is using its funds to most efficient use at low risk.

### **General Policy**

The internal loan portfolio is used as an input into determining Council's external debt requirements. Where possible, reserves are used to reduce external debt, effectively reducing Council's net interest cost. Where debt financing is approved by the Annual Plan, Council in setting the quarterly treasury strategy will determine the effectiveness of using either external or internal debt.

Internal borrowing activities are consistent with the parameters set out in Section 2.

### **Principles**

The following principles apply to the management of Council's internal loan portfolio:

- The internal loan is recorded on a schedule of internal loans reported to Council Quarterly as part of the Quarterly Treasury Report.
- Principal and interest amounts are repaid in quarterly installments. Installment amounts are agreed on establishment of the loan and determined on a table mortgage basis.
- Interest is charged to each internal loan and for short-term operational deficits in separate rate accounts.

- Interest will be paid to separate rate, depreciation reserves and special and trust funds quarterly, based on average quarterly account balances at the weighted rate of earnings of internal and external investments.
- All rate income collected for the purpose of a loan will be repaid to the loan. Where the actual interest rate varies from the budgeted interest rate Council first applies the interest charge then applies the balance of the income to the loan principal.

### **Interest Rates**

Interest rates applied to the internal investments and debt is calculated using the following guidelines:

- In setting the rates Council estimates the likely internal borrowing interest rate.
- The actual interest rate is calculated quarterly.
- The interest rate is based on Council's actual weighted average cost of funds and takes into account the following factors:
  - Actual earnings on cash invested for the quarter.
  - Actual cost of external borrowings for the quarter.

## **4. INVESTMENT POLICY**

### **Objective**

Council's primary financial objective is the protection of its investment capital while striving to achieve an optimal return on investment. In its non-financial investment activity, Council's primary objective is the attainment of its strategic and economic development objectives as well as the protection of its investment capital.

### **Legal Compliance**

This policy records Council's policy on the management of its financial assets including, but not limited to, trust funds, special funds, shares, property held in whole or part for investment purposes and financial.

### **General Policy**

Council's philosophy on the management of investments is to optimise returns in the long term while balancing risk and return considerations. Council recognises that as a responsible public authority any investments that it does

hold should be low risk. It also recognises that lower risk generally means lower returns. It is noted that Council may have significant reasons other than financial in investing in CCTOs and other organisations.

Council does not hold financial investments other than those involving special and trust funds, asset replacement reserves, disaster funds, and cash management balances. In its financial investment activity, Council's primary objective when investing is the protection of its investment. Accordingly, only creditworthy counterparties are acceptable. Council's policy on managing credit risk is contained in Section 7.

Council is required to consider its continuing involvement in any investment and the expected return from that investment for the ensuing year. Performance measurement guidelines are contained in Section 8.

### **Principles**

The following principles are embedded within the policy:

- The reasons for investments other than cash will be recorded by way of Council resolution.
- Council has set cash management targets and surplus cash funds held in Council's main bank account will be managed in accordance with those targets. Refer Section 5.
- Credit ratings of counterparties are against updated S&P advices.
- Council does not hold non-financial investments other than those held at the commencement date of this policy and those specifically approved by Council resolution and in terms of the intentions expressed above.

### **Investment Mix**

Council maintains investments in the following assets:

- Equity investments, including CCTO's and other shareholdings (covered in Section 4.6).
- Property investments incorporating land, buildings and a portfolio of ground leases (covered in Section 4.7).
- Loans and guarantees for community development purposes (covered in Section 4.8).
- Financial assets incorporating longer term and liquidity investments (covered in Section 4.9).

### **Equity Investments**

Council maintains equity investments, including investment in its CCTO's, and other relatively smaller historic shareholdings in various local government sector companies. Council's investments in these assets fulfill various strategic, economic development and financial objectives as outlined in Council's long term financial strategy. Council's liability in these entities is restricted to any uncalled share capital.

Council reviews performance of the CCTO investments on a twice annual basis to ensure that their stated objectives are being achieved. Performance criteria are set in the Statements of Corporate Intent of each organisation. All others are reviewed on an annual basis on receipt of annual reports. Any disposition of these investments, as well as acquisition of new equity investments require Council approval and are subject to provisions within the Local Government Act 2002. Council decides on the allocation of proceeds from the disposition of equity investments on a case by case basis.

### **Property Investments**

Council's primary objective is to only own property that is necessary for the economic, physical, social development and heritage of the District and to achieve an acceptable rate of return. Council seeks to actively develop its property holdings and is not a passive player in the market.

Council reviews the performance of its property investments on a quarterly basis, and ensures that the benefits of continued ownership are consistent with its stated objectives. Proceeds from the disposition of property investments are used for meeting development costs, retirement of debt relating to such property, alternative property investments or for other capital projects, as approved by Council.

Council from time to time (subject to an assessment of the strategic value of the property, including return on investment), will sell the freehold interest of its leased land to the occupiers. Sales are at market value established by an independent valuer. Sales may be under deferred payment terms. Council retains security of the land title until payment is received in full.

Income from reserves under the Reserves Act must be returned to the reserve properties and is either used to reduce the annual rate requirement or placed in a cash reserve for future projects.

Council holds some strategic properties where there are few alternative uses for the land. As a result Council has a small holding of forestry assets, many on its various parks and reserves. The forestry assets primarily exist to provide protection to the land or to meet aesthetic requirements. Economic gains are incidental to holding these assets. Council decides on the allocation of any surplus proceeds (after repayment of loans) from the disposition of forestry investments on a case by case basis.

### **Endowment Property**

An endowment is a 'gift of money or property to an institution for a specific purpose, especially one in which the principal is kept intact indefinitely and only the interest income is used'. Council endowment properties are held in two portfolios; Harbour Endowment which is for the benefit and development of the Harbour with some land in trust for a dock; and Council Endowment which is held for general purposes, municipal purposes or purposes of public utility.

Council is responsible for ensuring that the endowment trusts maximise their earnings. Many of the current endowment investments generate poor returns on investment. Council intendeds to actively manage these accounts to maximise the returns as was originally intended.

The consideration of properties for divestment is to allow for the free-holding of sites to encourage the economic development of the district through the private sector and to maximise the income from endowments. Divestment allows for the strengthening of the capital base for increased earnings and additional revenue streams.

Endowment properties will be reviewed with consideration to form a commercial investment model that allows up to 40% of endowment capital investment outside the district.

There are 49 Harbour endowment properties of which 40 are recommended to be considered for divestment. There are 53 Council endowment properties with 34 identified to be considered for divestment. Divestment of endowment properties will be considered on a property by property basis as per prudent and best management practices with reference to statutory requirements and the terms of endowment. See tables.

**Schedule of Endowment properties – former Oamaru Harbour Board land – to consider for divestment from 1 July 2009**

<b>LOCATION</b>	<b>LEGAL DESCRIPTION</b>	<b>CFR</b>
Thames Street	Part Section 27, Block III, Town of Oamaru	Part OT181/297
Itchen Street	Lot 9, DP 285	
Itchen Street	Lot 10, DP 2302	OT15C/962
3 Humber Street	Lot 1, DP 16237	OT176/59
Clyde Street	Lot 2, DP 10988	Part OT181/297
Clyde Street	Lot, 1 DP 10988	
Clyde Street	Lots 3/5, DP 10988	
Clyde Street	Lots 5/8, DP 285	OT15B/743
Humber Street	Pt Lot 4, DP 285	OT181/297
Humber Street	Lots 1 - 3, DP 285	OT15B/742
Esplanade	Part Section 27, Block III, Town of Oamaru	Part OTB1/773
Esplanade	Part Section 27, Block III, Town of Oamaru	
Esplanade	Part Section 27, Block III, Town of Oamaru	
Esplanade	Part Lot 1, DP 18767	
Esplanade	Lots 1 & 2, DP 8582	OT393/72
Esplanade	LOT 2 DP 18767	Part OTB1/773

LOCATION	LEGAL DESCRIPTION	CFR
Esplanade	Lot 12, DP 6515	Part OT15B/1185
Esplanade	Lots 8 - 10, DP 6515	
Esplanade	Lots 2 - 7, DP 6515	
Esplanade	Lot 1, DP 10194 & Pt Lot 1, DP 11147	Part OTB1/772
Esplanade	Lot 1, DP 12415	Part OTB1/773
Esplanade	Lot 4, DP 18767	
Esplanade	Lot 5 & Pt Lot 6, DP 18767	
Esplanade	Part Lot 6, DP 18767	
Esplanade	Part Lot 6, DP 18767	
Harbour Street	Lot 1, DP332876	134675
Harbour Street	Lot 2, DP 88 & RoW over Harbour St	134676
Harbour Street	Lot 3, DP 88 & RoW over Harbour St	OT18C/519
Harbour Street	Lot 4, DP 88 & RoW over Harbour St	OT18C/520
Harbour Street	Lots 5 & 6, DP 88 & RoW over Harbour St	OT18C/521
Wansbeck Street	Lots 7 & 8, DP 88 & RoW over Harbour St	OT294/243
Harbour Street	Lots 29 & 30, DP 88 & RoW over Harbour St	OT18C/649
Tyne Street	Lots 27 & 28, DP 88 & RoW over Harbour St	OT18C/648

LOCATION	LEGAL DESCRIPTION	CFR
Tyne Street	Lots 25 & 26, DP 88 & RoW over Harbour St	OT18C/648
Tyne Street	Lots 22 - 24, DP 88 & RoW over Harbour St	OT18C/647
Tyne Street	Lots 18 - 21, DP 88 & RoW over Harbour St	OT18C/646
Tyne Street	Lot 17, DP 88 & RoW over Harbour St	OT15C/401
Tyne Street	Lots 11 - 14, DP 88 & RoW over Harbour St	OT413/83
Tyne Street	Lots 15 & 16, DP 88 & RoW over Harbour St	OT413/83
Tyne Street	Lots 9 & 10, DP 88 & RoW over Harbour St	OT413/83

**Schedule of Endowment Properties – to consider for divestment**

LOCATION	LEGAL DESCRIPTION	CFR
Corner Thames & Itchen St	Lots 31 and 32, DP 88	OT15C/1041
Thames Street	Lot 1, DP 21229	OT13A/1386
205 Thames Street	Lot 1, DP 12377	OT5C/1019
8 Trent Street	Section 25, Block XIII, Town of Oamaru	OT18C/1162
14 Nen Street	Section 28, Block XII, Town of Oamaru	OT18C/1107
84 Aln Street	Section 1, Block L, Town of Oamaru	209999
104 Aln Street	Section 11, Block L, Town of Oamaru	184604
84 Reed Street	Section 6, Block XLVI, Town of Oamaru	OT18C/927
223 Thames Street	Part Lot 2, DP 16330	OT14D/72

LOCATION	LEGAL DESCRIPTION	CFR
227 Thames Street	Lot 1, DP 16330	OT7C/58
37 Ribble Street	Lot 3, DP 16330	OT7C/60
45 Ribble Street	Lot 1, DP 22013	OT14D/71
163 Thames Street	Section 2, Block VI, Town of Oamaru	OT10A/549
84 Thames Street	Lots 1 & 2, DP 3102	187043
50 Thames Street	Lots 10 & 12, DP 107	184607
42-46 Thames Street	Lots 8 & 9, DP 107	OT17C/526
78 Ribble Street	Section 17, Block XXII, Town of Oamaru	OT17C/234
218 Thames Street	Section 1, Block XX, Town of Oamaru	OT18C/622
29 Aln Street	Section 20, Block XLIV, Town of Oamaru	1120
43 Eden Street	Section 4, Block LIV, Town of Oamaru	156907
83 Eden Street	Section 1, Block LXIV, Town of Oamaru	49334
15 Ure Street	Lot 1, DP 8480	129098
9 Hull Street	Section 24, Block XLII, Town of Oamaru	176038
Isis Street etc	Pt Sections 8 & 9, Block LXXX, 16-19, Block LXXXI, 2-26, 4, Block LXXXIX and 23-25, Block XC, Town of Oamaru.	OT11B/514
22 Lune Street	Section 11, Block LXXXVI, Town of Oamaru	105784
16 Isis Street	Lot 2, DP 7922	443479

LOCATION	LEGAL DESCRIPTION	CFR
14 Chelmer Street	Section 13 and Part Section 14, Block LXVII, Town of Oamaru	OT241/155
31 Test Street	Lot 1, DP 12820	OT5B/211
55 Test Street	Section 10, Block XXIX, Town of Oamaru	241/149
59 Greta Street	Section 21, Block LXXV, Town of Oamaru	117941
Lancaster Street	Sections 1 - 22, Block LXI, Town of Hampden	OT147/21
	Sections 1-5, SO23698 [Blocks LIV LX, Town of Hampden]	OT14B/742
Sweetwater Creek Rd	Sections 25 and 43 - 46, Block III, Waihemo SD	OT49/188
Mt Watkins Rd	Parts Lot 1, DP 2193	OT385/73
Stafford Street	Sections 9, Block XVII, and 18, Block LXIV, Town of Hampden	OT147/22
Between Avon & Test Streets	Sections 1-23 BLK XXXI Town of Oamaru	OT 43/68, OT 18D/802

There are restrictions in how Council must deal with endowment properties in the Local Government Act 2002.

Section 140 of the Local Government Act 2002 requires Council to retain endowment trust property for the purpose for which the property was vested in Council. However, section 140 (4) (b) authorises a Council:

- To sell or exchange such property unless disposal is expressly prohibited by the terms of the endowment or trust; and
- To use the proceeds of sale or exchange for a purpose identified in accordance with section 141.

Section 141 of the LGA allows Council to sell or exchange endowment property subject to due process. Council is required to show in the LTCCP how it is to utilise funds derived from the divestment of endowment property.

However, section 141 states that a council must not exercise the power to sell or exchange given by 140(4) (b) unless-

- 1) The proposed use of the proceeds of sale is consistent with the terms of the endowment; and
- 2) The council has first included in its LTCCP a statement of:
  - a) its intention to sell or exchange the property; and
  - b) the use to which the proceeds of the sale or exchange will be put; and
- 3) The Council has adopted the LTCCP in accordance with Part 6 of the Act.

Additional requirements apply where the Crown was the donor of the property (section 141(1)(c)). In other cases, the Council must make a reasonable attempt to notify the donor of the property, or his or her successor of its intention to sell the property (section 141(1)(d)).

### **Loans, Advances and Guarantees**

Council makes loans to other parties for various projects that are considered to be economic or community development or for works under the Local Government Act.

Council administers funds provided to Council by other organisations where these funds may be advanced in the form of a loan, and which may be secured or unsecured. Council reviews performance of these loan advances on a regular basis and ensures that interest and principal repayments are made in accordance with the loan agreement.

Council may also agree to guarantee advances made by other parties where Council considers the advance to be in the nature of economic or community development in accordance with Council's policies in these issues. Council 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.

Given that a number of investments are made for community purposes, there may not be a financial return from all investments. Where income is received, disposition will be determined on a case by case basis. Where loans from Council's funds are at non-commercial interest rates the forgone interest (as compared with the internal borrowing rate) will be recognised as an expense to that activity.

Council will generally negotiate interest rates close to the Council's internal borrowing rate.

Council will resolve for each new loan:

- The value of the loan
- The term of loan
- Repayment criteria
- Security requirements
- Interest
- Penalty interest and other default requirements

All loans will be documented with a signed loan agreements appropriately documented given the size and potential risk exposure to Council.

### **Financial Investments**

Council maintains financial investments for the following primary reasons:

- Invest surplus cash and working capital funds (also see Section 5 Cash Management).
- Provide ready cash in the event of a natural disaster. This cash is intended to assist reinstatement and to finance short-term needs between the disaster and the resumption of normal income streams.
- Invest amounts allocated to special and trust funds, separate rate accounts, sinking funds and loan repayment reserves.

Normally financial investments are held to maturity. Proceeds from the disposition of financial investments are used for operational expenditure purposes or for the purpose for which they have been established.

Interest income from financial investments is credited to general funds, except for income from investments for separate rates, special funds and sinking funds where interest is credited to the particular fund.

### **Financial Investment Objectives**

Council's primary objective when investing is the protection of its investment. Accordingly, only creditworthy counterparties are acceptable. Creditworthy counterparties are selected on the basis of their current Standard and Poors (S&P) rating which must be strong or better (A1 for short-term, A+ for long-term). Council monitors credit ratings in the Quarterly Treasury Report from updated S&P advices.

Within the above credit constraints, Council also seeks to:

- Maximise investment return.
- Ensure investments are liquid.
- Match maturity of investments in line with expenditure requirements to avoid realisation of investments prior to maturity date.
- Minimise potential capital losses due to interest rate movements if investments need to be liquidated before maturity.

The above objectives are captured in Section 7, Counterparty Exposure Limits which provides operating parameters for investment activity including approved counterparties and relevant credit limits.

### **Approved Investment Instruments**

Within the constraints of Section 7 of this policy, Council invests in the following instruments:

- Government investments.
- Registered bank investments.
- Local authority investments.
- SOE investments.
- Corporate investments.

A full list of approved instruments and their definitions is contained in Appendix III.

### **Interest Rate Risk Management**

Council sets overall investment strategy quarterly. Council implements the interest rate risk management strategy by:

- Using risk management instruments to protect investment returns and to change the interest rate profile.

The use of interest rate risk management instruments is approved by Council. A current list of approved interest rate risk management instruments with appropriate definitions is included in Appendix II.

Additions to and deletions from this list are approved by Council.

### **Disaster Fund**

Council maintains a disaster fund for the purposes of providing immediate cash resources to fund reinstatement of services/assets following a major unforeseen event, such as a natural disaster, and to meet its obligations under the National Disaster Recovery Plan. Council established policies for the disaster fund in October 1993. The fund is required to be readily available. The fund is set at \$10 million and may be held in cash or other appropriate negotiable investment instrument or committed bank funding facilities. Any funds drawn from the Fund are required to be replenished at the earliest opportunity from the area of benefit.

## **5. CASH MANAGEMENT**

Cash management policy deals with the net balance in Council's main bank accounts with its principal banker. Council will maintain a three month rolling

(by week) Money Management Report that forms the basis of its cash management activity. Generally these surpluses are available for periods less than 90 days. Any cash which is to be invested for a period longer than three months is covered by Section 4 of this policy document.

Council manages its working capital balances by matching expenditure closely to its revenue streams and managing cashflows timing differences to its favour.

Cash management activities must be undertaken within the following parameters:

- A daily nil balance is targeted in Council's main bank account, with surplus monies transferred to call deposits.
- Cash management instruments are limited to:
  - Call deposits with registered banks.
  - Registered certificates of deposit and promissory notes with maturities less than three months.
  - Term deposits (less than three months) with registered banks.
- Cash may only be invested with approved counterparties within the limits detailed in Section 7.
- Council has a committed bank overdraft facility however, this facility is used only in exceptional circumstances.
- The use of interest rate risk management instruments on cash management balances is not permitted.

## **6. FOREIGN EXCHANGE POLICY**

Council has minimal foreign exchange exposure arising through the purchase of foreign exchange denominated plant, equipment, materials and library books.

As required by the Local Government Act 2002 Council does not borrow or enter into incidental arrangements within or outside New Zealand in currency other than New Zealand currency.

## **7. COUNTERPARTY EXPOSURE LIMITS**

Council ensures that all financial investment, interest rate risk management as well any foreign exchange activity is undertaken with institutions that are of

high quality credit to ensure amounts owing to Council are paid fully and on due date.

More specifically, Council minimises its credit exposure by:

- Ensuring all investment, cash management, interest rate risk management and any foreign exchange transactions are

undertaken with entities (excluding Government) that have a strong or better (A1 for short term, A+ for long term) Standard and Poors (S&P) credit rating.

- Limiting total exposure to prescribed amounts.
- Rigorously monitoring compliance against set limits.

The following table summarises credit requirements and limits.

Institution	Minimum S&P Short Term Credit Rating <sup>1</sup>	Minimum S&P Long Term Credit Rating <sup>2</sup>	Total Exposure Limit for each Counter Party	Portfolio Limit for each counter-party <sup>3</sup>
Government	N/A	N/A	Unlimited	100%
Registered Bank				60%
- On balance sheet exposures	A1	A+	\$5 million	
- Off balance sheet exposures	A1	A+	\$5 million	
Strongly Rated Local Authorities, Corporates and SOEs (on balance sheet exposures only)	A1	A+	\$2 million	20%

<sup>1</sup> For investments with maturities less than 12 months

<sup>2</sup> For investments with maturities greater than 12 months

<sup>3</sup> Exposure limits do not apply when cash balance is less than \$2m

If any counterparty's credit rating falls below the minimum specified in the above table then all practical steps are taken to reduce the credit exposure to that counterparty to zero as soon as possible.

Exposures to each counterparty are computed as follows:

On-balance sheet

- Total amounts invested with that counterparty (excluding current account balances with Council's main banking service provider).

Off- balance sheet (e.g. approved interest rate risk management instruments in Appendix II).

Credit exposure on interest rate contracts is computed by multiplying face value of outstanding transactions by an interest rate movement factor of 5%.

## 8. PERFORMANCE MEASUREMENT

Measuring the effectiveness of Council's treasury activities is achieved through a mixture of subjective and objective measures. The predominant subjective measure is the overall quality of treasury management information. Objective measures are established by Council resolution on an annual basis in conjunction with management as follows:

### **Borrowing:**

- Adherence to policy
- Unplanned overdraft costs
- Comparison of actual interest costs vs budget borrowing costs
- Comparison of actual borrowings with budgeted borrowings

Comparison of financial ratios to budgeted measures as per the Annual Plan and Forecast Financial Statements.

### **Equity Investments:**

- Adherence to policy
- Return on investment
- Six monthly review of performance measures, comparison of actual to budgeted measures as per Statement of Corporate Intent

### **Property Investments:**

- Adherence to policy
- Quarterly comparison of actual gross and net income to budgeted gross and net income
- Quarterly comparison of actual rental yield to budgeted rental yield
- Quarterly comparison of actual property sales to budgeted property sales

### **Financial Investments:**

- Adherence to policy
- Comparison of actual quarterly and year to date accrued returns vs investing the entire treasury portfolio at the weekly average three month bank bill rate for short term investments

## 9. CONTENT OF APPENDICES

### **Appendix I**

Approved Borrowing Instruments and Definitions.

### **Appendix II**

Approved Interest Rate Risk Management Instruments and Definitions.

### **Appendix III**

Approved Financial Investment Instruments, and Definitions.  
Standard & Poor's Definitions and Current Listing.

## APPENDIX I

### Approved Borrowing Instruments and Definitions

#### 1. Bank Sourced Borrowing

##### 1.1 Bank Bill Facilities

Commercial bills cover all types of bills of exchange, which are defined under the Bills of Exchange Act 1908 as:

"An unconditional order in writing, addressed by one person to another signed by the person giving it, requiring the person to whom it is addressed to pay on demand, or at fixed or determinable future time, a sum certain in money to, or to the order of a specified person, or to bearer."

Bank bill facilities are normally for a term of up to three years but may be for as long as five years. Bank bills are bills of exchange, drawn or issued usually by the original borrower and accepted or endorsed by a bank.

For a bank accepted bill, the bank makes the payment of the face value of the bill on maturity. Most bank bills traded in the New Zealand market are bank accepted bills.

Bank endorsed bills have been endorsed by a bank with another party as acceptor. In the event of default of the original acceptor, payment can be sought through the chain of endorsers to the bill.

An investor in bank bills can sell the bills prior to maturity date and receive the cash. Bank bills are a longer term borrowing instrument than cash loans. Bills are normally drawn for terms of 30, 60 or 90 days with a few being drawn for 180 days.

The 90 day bank bill is the underlying traded benchmark instrument for the short end of the market.

Costs:

The principal costs to the borrower are the discounting bank's yield at which it discounts the bill at the time of drawdown, an

arrangement fee, an acceptance fee, a line fee (expressed in basis points or percentage per annum) and margin. Acceptance fees, arranger fees, line fees and margins in aggregate normally range between 35 - 300 basis points (i.e. 0.35% - 3.00%), depending on the credit worthiness of the borrower.

##### 1.2 Revolving Credit Facilities (Variable Amount Term Loans)

Revolving credit facilities are similar from a borrower's perspective except interest is paid in arrears rather than upfront as in the case of bank bills. Revolving credit facilities are usually for a term of up to three years but may be for as long as five years and like bank bills drawings under the facility are priced off the bank bill bid rate. Most facilities allow for the borrower to draw up to the facility amount in various tranches of debt and for various terms out to a maximum term of the maturity date of the facility. Like bank bills most borrowers use these facilities to borrow on a 90 day basis.

Costs:

The principal costs are the same as with bank bills, the lending bank's yield sets the base rate at the time of lending, an arrangement fee, an acceptance fee, a line fee (expressed in basis points or percentage per annum) and the margin. Acceptance fees, arranger fees, line fees and margins in aggregate normally range between 35 - 300 basis points (i.e. 0.35% - 3.00%), depending on the credit worthiness of the borrower.

##### 1.3 Short Term Money Market Lines

Short term money market loans or cash loans can be committed or uncommitted. A customer pays for a guarantee of the availability of the funds in a committed loan. In an uncommitted loan, funds are provided on a best endeavours basis and no line/commitment fee is payable. In addition to a line fee, a margin may be charged on any line usage.

The minimum amount for a cash loan is \$1M. Smaller loans can be arranged, although the interest rate quoted will be a reflection of the size of the loan.

The main usage of cash loans is to cover day-to-day shortfalls in funds. The interest rate is governed by the term of the borrowing and the implied or implicit credit rating of the borrower. Cash loans are short term only and are normally drawn for a term of one (overnight) to seven days. Interest collection can be daily.

## 2. Capital Markets Programme

Commercial Paper (CP) programmes normally provide for Issuance with tenors of between 7 and 364 days. The majority of CP issued in the New Zealand market is for terms of 30, 60, or 90 days.

Corporate bonds commonly in existence in the New Zealand market have essentially the same characteristics as government stock. These are a source of longer term fixed or variable rate finance that can be sold either in bearer or registered form (normally registered). Bonds are normally issued with coupon interest paid in arrears on a six monthly basis for fixed rate instruments, and three monthly for floating rate instruments. Local authority bonds are issued by a variety of local governments by tender or private placement. The bonds are registered securities. They are repayable on a fixed date, and are generally issued for terms ranging from one to fifteen years.

Local authority bonds are priced twice annually and issued at a discount to face value. A fixed coupon payment is made twice annually to the holder of the security. The pricing formula is the same as government bonds.

The term bond is usually reserved for securities with terms longer than a year, to clearly distinguish between short term (CP) and long term (bonds) debt instruments. CP and bonds usually constitute unconditional, unsecured and unsubordinated obligations of the issuer, except indebtedness given preference by operation law.

## 3. Structured and Project Finance

Project and structured financing matches up debt to suit the quantifiable income stream from the project. This type of financing is appropriate for the funding of standalone assets that are able to be ring-fenced and over which security can be taken. The sort of assets to which this usually applies is assets which are transferable, and for which an international equity market exists, e.g. infrastructural assets. The owner of the asset usually retains an equity interest in the asset.

# APPENDIX II

## Approved Interest Rate Risk Management Instruments and Definitions

### 1. Approved Interest Rate Risk Management Instruments

- A. Interest rate risk management instruments approved for use, consistent with the policy contained in Section 2.8 are:
- Fixing through physical borrowing instruments - loan stock, debentures, bank term loan.
  - Floating through physical borrowing instruments - short term revolving stock, and bank borrowing.
  - Forward rate agreements and bond forward rate agreements.
  - Interest rate swaps.
  - Purchase of interest rate options products including caps, floors, bond options.
  - Interest rate collar type option strategies.
- B. The following interest rate risk management instruments are not permitted for use:
- Selling interest rate options for the primary purpose of generating premium income is not permitted because of its speculative nature.
  - Structured or leveraged interest rate option strategies where there is any possibility of Council's total interest expense increasing in a declining interest rate market or where Council's total interest cost is increasing faster than the general market rate.
  - Interest rate futures contracts, mainly for administrative ease.

## 2. **Interest Rate Risk Management Instruments - Definitions**

### **BKBM**

The bank bill mid market settlement rate as determined at 10:45am each business day on Reuters page BKBM. This is the standard rate for the settlement of interest rate swaps, forward rate agreements and interest rate caps and collars.

### **Bond Options**

Council when purchasing a bond option has the right but not the obligation to buy or sell a specified government stock maturity on an agreed date and time and at an agreed rate.

### **Forward Rate Agreement**

An agreement between Council and a counterparty (usually a bank) protecting Council against a future adverse interest rate movement for a specified period of time. Council and the counterparty agree to a notional future principal amount, the future interest rate, the benchmark dates and the benchmark rate (usually BKBM). This definition includes the bond forward rate agreement where the benchmark rate is the underlying government bond yield.

### **Interest Rate Collar Strategy**

The combined purchase (or sale) of a cap or floor with the sale (or purchase) of another floor or cap.

### **Interest Rate Options**

The purchase of an interest rate option gives the holder (in return for the payment of a premium) the right but not the obligation to borrow (described as a cap) or invest (described as a floor) at a future date for a specified period. Council and the counterparty agree to a notional future principal amount, the future interest rate, the benchmark dates and the benchmark rate (usually BKBM). Interest rate option products include caps, floors and bond options.

### **Interest Rate Swap**

An interest rate swap is an agreement between Council and a counterparty (usually a bank) whereby Council pays (or receives) a fixed interest rate and receives (or pays) a floating interest rate. The parties to the contract agree notional principal, start date of the

contract, duration of the contract, fixed interest rate and the benchmark rates (usually BKBM).

## **APPENDIX III**

### **Approved Financial Investment Instruments and Definitions**

#### **1. *Approved Financial Investment Instruments and Definitions***

Investment instruments available in the market (excluding equities and property) can generally be discussed under four broad categories relating to the issuer of these instruments.

##### *1.1 New Zealand Government*

- Treasury bills are registered securities issued by the Reserve Bank of New Zealand (RBNZ) on behalf of the government. They are usually available for terms up to a year but generally preferred by investors for 90 day or 180 day terms. They are discounted instruments, and are readily negotiable in the secondary market.
- Government stocks are registered securities issued by the RBNZ on behalf of the government. They are available for terms ranging from one year to twelve year maturities. Government stocks have fixed coupon payments payable by the RBNZ every six months. They are priced on a twice annual yield basis and are issued at a discount to face value. They are readily negotiable in the secondary market.

##### *1.2 Local Authorities*

- Local authority stock is registered securities issued by a wide range of local government bodies. They are usually available for maturities ranging from one to ten years. A fixed coupon payment is made semi-annually to the holder of the security. They are negotiable and usually can be bought and sold in the secondary market.

##### *1.3 Registered Banks*

- Call and term deposits are funds accepted by the bank on an overnight basis (on call) or for a fixed term. Interest is usually calculated on a simple interest formula. Term deposits are for a fixed term and are expected to be held to maturity.

Term deposits are not negotiable instruments. Termination prior to maturity date can often involve penalty costs.

- Registered certificates of deposits (RCD) are securities issued by banks for their funding needs or to meet investor demand. They are registered at the RBNZ or held on behalf of by the dealing bank. Details include the name of the investor, face value and maturity date. They can be transferred by registered transfer only. RCDs are priced on a yield rate basis and issued at a discount to face value or a grossed up basis. They are generally preferred over term deposits because investors can sell them prior to maturity.
- Bank bills are bills of exchange drawn or issued, usually by a corporate borrower and accepted or endorsed by a bank. The investor is exposed to bank credit risk when investing in such instruments. Bank bills are readily available for any maturity up to 180 days, although 30 to 90 day terms are more common. They are priced on a yield basis and issued at a discount to face value. Investors in bank bills can sell the bills prior to maturity date.

#### 1.4 Corporates

- Companies with good credit ratings generally issue corporate bonds. These bonds can be registered securities or bearer instruments. There are two types of bond, the medium term note (MTN) and the floating rate note (FRN). The MTN has a fixed coupon payment that is made semi-annually to the holder of the security. They are priced on a semi-annual yield basis and are issued at a discount/premium to face value. The interest rate on the FRN is set on a floating rate basis usually off the bank bill 90 day bid rate.
- Corporate bonds are negotiable and can be bought and sold in the secondary market.
- Promissory notes are issued by borrowers who usually have a credit rating and standing in the market that is sufficient to enable the notes to be issued without endorsement or acceptance by a bank. The notes are usually underwritten by financial institutions to ensure that the borrower obtains the desired amount of funds. Promissory notes are issued with

maturities ranging from 7 days to over one year. The common maturities are for 30 and 90 days. The face value of the note is repaid in full to the bearer on maturity.

# POLICY ON DEVELOPMENT CONTRIBUTIONS AND FINANCIAL CONTRIBUTIONS

## INTRODUCTION

This Policy on Development Contributions and Financial Contributions ("The Policy") is the result of the 2009 Policy Review process and replaces the 2006 Policy. It is proposed that these changes will apply to applications for resource consent, building consent or service connection as follows:

- For any application lodged after 13 March 2009 and granted on or after 1 July 2009, Council will apply the provisions of the 2009 Policy.
- For applications received prior to 13 March 2009, which are granted on or after 1 July 2009, Council will apply the provisions of the 2006 Policy.
- For applications which are granted prior to 1 July 2009, Council will apply the provisions of the 2006 Policy.

## KEY CHANGES

This Policy is an entire review of the 2006 Policy. Key changes to the Policy are described below.

- The contributing areas used to assess the Water Supply Development contributions have been modified. The Coastal and Valley regions have been replaced with a scheme by scheme network approach. This is a fairer way of apportioning the capital programme to each scheme.
- The split of the water supply contributions by reticulation and headworks network approach.
- The model used to calculate the contributions has been enhanced and allocates the demand for infrastructure based on a developments impact on the network.
- The roading development contribution is calculated in the same manner as the water and wastewater. A District wide network approach is used for roading.

- The development contributions are based on the land use and the size of a development. Thus removing the need for case by case assessments based on the estimated water flow or the wastewater flow and biological oxygen demand.

## OVERVIEW

Growth in the population (permanent and seasonal) and economic activity of the District will ultimately lead to major additions to the existing urban areas, new greenfields development in the rural environment and in-fill development of existing urban areas. Greater demand for water and improvements in roading will place a significant strain on existing reticulation and roading networks as well as on community infrastructure such as reserves.

The Development Contributions Policy provides a transparent and consistent basis for requiring contributions from developers towards capital expenditure for this infrastructure.

Council is required to have a Development Contributions Policy as a component of its Funding and Financial Policies in the Waitaki Community Plan.

The Policy is intended to set the baseline for financial and development contributions from developers and is likely to be amended and updated over time as assumptions are developed, and as the growth predictions are refined. These growth predictions will also alter as scenarios change the expected effect on our community, e.g. the cancellation of Project Aqua.

This policy contributes to community outcomes by ensuring the provision of appropriate infrastructure to meet the needs of growth.

Historically, Council has sought a contribution towards the expansion of the District's reserves, community facilities and infrastructure from those

developments which place additional demand on these services. In order to levy these contributions Council may employ either of the following:

- Financial Contributions imposed as a condition of a resource consent pursuant to Section 108 of the Resource Management Act (RMA) 1991. Chapter 14 of the District Plan and any subsequent variations shall be considered in this policy.
- Development Contributions as defined by the provisions of Part 8 Subpart 5 and Schedule 13 of the Local Government Act 2002 (LGA 2002). To make use of these provisions Council must adopt a Policy on Development Contributions as part of the Council's Long Term Council Community Plan ("CCP"). Development Contributions are based on the fiscal implications of growth.

Development contributions may be sought in respect of any development that generates a demand for reserves, network or community infrastructure. Council will assess whether development contributions are payable in relation to the development when an application for one of the following is made:

- (i) Resource Consent
- (ii) Building Consent
- (iii) Authorisation for a Service Connection

Council can require a contribution at any of these trigger points.

This policy has been prepared to meet the requirements of Section 106(2) of the LGA 2002. The full methodology that demonstrates how the calculations for development contributions were made is contained in a separate document which is available to the public as per section 106 (3) of the Act.

## **REASONS FOR USING DEVELOPMENT AND FINANCIAL CONTRIBUTIONS**

Council intends to entirely fund the portion of capital expenditure (CAPEX) that is attributable to growth by either Financial or Development Contributions wherever it is legally, fairly, reasonably and practically possible to do so.

Council considers that Development and Financial Contributions are the best mechanism available to ensure the cost of growth sits with those who have created the need for that cost. Council considers it inappropriate to burden

the community as a whole, by way of rating or other payment means, to meet the cost of new growth.

Section 101(3) of the LGA 2002 requires that the following be considered:

*The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,-*

*a) in relation to each activity to be funded,-*

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

*b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.*

Responses to these requirements in relation to the Development Contributions and Financial Contributions Policy are:

### **Community outcomes**

This policy contributes to:

- Our infrastructure enables and responds to economic growth.
- We have affordable, reliable and accessible transport services that meet the needs of the community.
- Our local and central governments demonstrate efficient and effective use of resources.

### **Distribution of benefits**

Council apportions all capital expenditure into the classifications of growth, renewal, level of service and statutory obligations, by the geographic areas of benefit. This apportionment represents the distribution of benefit to the

community as a whole, to identifiable parts of the community and to individuals.

***Period over which the benefits are expected to occur***

Once a Development or Financial contribution has been paid in relation to a subdivision or development, the benefits of the asset, service, or environmental enhancement shall occur indefinitely (at a set level of service for that asset, service, or environmental enhancement as defined at any one time).

***Action or inaction that contributes to the need for this activity***

The provision of assets, services, or environmental standards that promote the community outcomes may not be willingly provided by the development community. In addition Council is often the only viable supplier (often legally required to provide services) of these services and therefore Council has a moral and legal obligation to supply additional assets, services to meet the new community needs.

***Costs and benefits of funding this activity (Development and Financial Contributions)***

The benefits to the existing community are significantly greater than the cost of policymaking, calculations, collection, accounting and distribution of funding for development and financial contributions.

***Allocation of liability for revenue needs***

The liability for revenue falls directly with the development community. At the effective date of this Policy, Council does not perceive any impact on the social, economic, environmental and cultural well-being of this particular sector of the community. At any stage in the future where there may be impacts of this nature, Council may revisit this Policy.

## **ASSETS INCLUDED IN THE DEVELOPMENT CONTRIBUTIONS AND FINANCIAL CONTRIBUTIONS POLICY**

Assets included in this policy are:

***Development Contributions:*** Pursuant to the provisions of Part 8, Subpart 5 LGA 2002.

- Network infrastructure for water supplies, wastewater and roading – Development Contributions.

***Financial Contributions:*** Pursuant to S108 of the RMA 1991.

- Open Space and Recreation – Financial Contributions
- Services – Financial Contributions for any of the following
  - Water supply system,
  - Stormwater collection and disposal system,
  - Wastewater collection, treatment and disposal system,
  - Trade waste collection and disposal system,
  - Energy supply system,
  - Telecommunications system,
  - Works to avoid, remedy or mediate natural hazards,
  - Landscaping, including planting of vegetation,
  - Provision of access to land in the subdivision (including roads, cycleways, accessways, service ways, private access, street lighting and associated works).
- Esplanade Strips – Financial Contributions
- Other Assets. Financial Contributions can be required to avoid remedy or mitigate adverse effects of development that are of a non-fiscal nature. These may include contributions that avoid, remedy or mitigate the effects of development on biodiversity, landscape, amenity values or the provision of specific assets by the developer/subdivider (i.e. access easements in gross). Development Contributions provisions of the LGA 2002 specifically relate to fiscal impacts or effects of growth, Financial Contributions for non-fiscal impacts of effects of development will need to be assessed through the RMA and District Plan processes. Chapter 14 of the District Plan and any subsequent variations shall be considered in this policy.

Community Infrastructure development contributions have been excluded from the Policy at this time.

## **WHICH CONTRIBUTIONS WILL APPLY**

The Financial Contributions rules, policies and objectives under the provisions of Part 14 of the Waitaki District Plan are operative. These will be used for open space and recreation, and services where appropriate development contributions are not available.

The Council cannot require a Development Contribution for a reserve; network infrastructure or community infrastructure if and to the extent that it has under Section 108, 407 or 409 of the RMA imposed a condition on a resource consent in relation to the same development for the same purpose.

Council will retain the right to use all, some or none of the provisions in this Policy notwithstanding that the rules, policies and objectives of the Financial Contributions provisions of Part 14 on the District Plan. Council shall in requiring contributions, clearly identify under what circumstances and upon which legislation (RMA 1991, LGA 2002) a contribution is required.

The following tables indicate:

- Where Financial and Development Contributions are to be sought such that no duplication of levy for the same effect/benefit will occur.
- The development contributions per household equivalent unit for each asset type within each area. The water supply contributions for rural restricted schemes are shown per cubic meter (m<sup>3</sup> or 1,000L) of water.

**Table 1: Development Contributions Required By Geographic Area - Within All District Plan Zones (Ex GST)**

Water Supply	Wastewater	Stormwater	Roading	Open Space and Recreation	Other Services/Miscellaneous
Development Contributions	Development Contributions	No Development Contributions	Development Contributions	No Development Contributions	No Development Contributions
Urban - Unrestricted			District Wide		
Per HEU	Per HEU	Council has no capital expenditure programme.	\$1,446 / HEU		
Kuwai	Kakanui				
Oamaru	Kuwai				
Omarama	Moeraki				
Otematata	Oamaru				
Palmerston	Ohau				
Rural - Restricted					
Per 1m <sup>3</sup> of Water					
Awamoko	Omarama				
Dunback	Otematata				
Dunrobin	Palmerston				
Duntroon					
Enfield					
Goodwood					
Hampden/Moeraki					
Herbert/Waianakarua					
Kakanui					
Kauru					
Lower Waitaki					
Ohau					
Otekaieke					
Stoneburn					
Tokarahi					
Weston					
Windsor					
Assess and collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2009.	Assess and collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2009.		Assess and collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2009.		
Scheme charge to apply and any network extension costs.	Scheme charge to apply and any network extension costs.				

Notes:

1. Development Contributions are contributions defined by the provisions of Part 8 Subpart 5 and Schedule 13 of LGA 2002. Contributions are assessed based on the fiscal implications of growth.
2. As the sequence of development is not always consistent, development contributions shall be required at the first available opportunity. At each and every subsequent opportunity the development will be reviewed and additional contributions required if the units of demand assessed for the development exceed those previously paid for.
3. Development contributions are triggered on the granting of:
  - a. A Resource Consent
  - b. A Building Consent
  - c. An authorisation for a service connection for sewer or stormwater
  - d. An authorization for a service connection for water, including additional units of water by volume supplied to existing consumers

**Table 2: Financial Contributions Required By Geographic Area - Within All District Plan Zones (Ex GST)**

Water Supply	Wastewater	Stormwater	Roading	Open Space and Recreation	Other Services/ Miscellaneous
<p>Financial Contributions where appropriate. Environmental Effects – Chapter 14 District Plan. Environmental Considerations.</p>	<p>Financial Contributions where appropriate. Environmental Effects – Chapter 14 District Plan. Environmental Considerations.</p>	<p>Financial Contributions where appropriate. Environmental Effects – Chapter 14 District Plan. Environmental Considerations.</p>	<p>Financial Contributions where appropriate. Environmental Effects – Chapter 14 District Plan. Environmental Considerations.</p>	<p>Financial Contributions where appropriate. Environmental Effects – Chapter 14 District Plan. Environmental Considerations. <u>Subdivision:</u> 1) Residential and Township Zones - 7.5% of Land Value - Land, Money, Works or Combination of all 2) Business Zones - 10% of Land Value - Land, Money, Works or Combination of all <u>Developments</u> 1) Residential (In all zones) - 7.5% of Land Value <u>Other Developments</u> 0.5% of value of development exceeding \$200,000. (Refer 14.5.4 and 14.5.5 of the Waitaki District Plan) Land, Money, Works or Combination of all.</p>	<p>Other Services as described by 14.1 of the District Plan.  Financial Contributions where appropriate. Environmental Effects – Chapter 14 District Plan. Environmental Considerations. o Trade waste collection and disposal system, o Energy supply system, o Telecommunications system, o Works to avoid, remedy or mediate natural hazards, o Landscaping, including planting of vegetation, o Provision of access to land in the subdivision (including roads, cycleways, accessways, service ways, private access, street lighting and associated works). o Esplanade Strips</p>

Notes:

1. Financial Contributions are defined by Section 108 of the Resource Management Act (RMA) 1991 and collected using the provisions of the District Plan. Contributions are assessed based on the environmental effects of growth. These are defined in Chapter 14 of the Waitaki District Plan. Chapter 14 of the District Plan is particularly relevant for contributions of a non-fiscal nature. These will generally be of an environmental nature, including public access, provision of parking and protection of environmentally sensitive sites.

## OVERVIEW OF CALCULATION METHODOLOGY

A brief introduction to the development contributions calculation method is presented herein. A full disclosure of the methodology and calculations is in the detailed supporting document and is available from Council for public inspection at:

- Waitaki District Council, Thames Street, Oamaru
- Palmerston Service Centre
- Website - <http://www.waitaki.govt.nz>

The Development Contributions model applies to Water Supply, Wastewater, and Roading.

The key concept of the approach is to define the total capital expenditure (CAPEX) for growth consumed by the growth population over a period of time. This consumption of CAPEX for growth is then apportioned among the increased number of units of demand (household equivalent units) over the same time period. This defines the long run average cost of growth per unit of demand, defined as the household equivalent unit contribution. This can be represented by the following formula

$$\text{Household Equivalent Unit Contribution} = \frac{\text{Sum of CAPEX for Growth Consumed In Analysis Period}}{\text{Sum of New Household Equivalent Units in Analysis Period}}$$

The calculation method can be simplified according to the following steps:

- Step 1: Assess capital expenditure for growth on an asset by asset basis using financial reports (past expenditure) and projected expenditure.
- Step 2: Apportion capital expenditure for growth by the growth population (household equivalent units) over the design life of the asset, to assess the \$/unit of demand.
- Step 3: For each year in the analysis period determine the total consumption of asset capacity for each asset identified, namely – \$/unit of demand x the number units of demand.

Step 4: Sum for all assets in each year in the analysis period, namely total capacity consumed in that year, measured in \$.

Step 5: Sum each year in the ten year analysis period and divide by the growth population (new household equivalent units) projected over the analysis period to determine the household equivalent unit contribution.

## CAPITAL EXPENDITURE

Only capital expenditure (CAPEX) is considered in the model. All Operational Expenditure is excluded, including internal overheads.

Capital expenditure is identified from two sources, namely.

- a) Activity Management Plans (formally Asset Management plans) and
- b) Financial Reports.

The Activity Management Plans are used for assessing projected CAPEX. The AMPs are formal planning documents that include long term expenditure forecasts.

## CAPEX FOR GROWTH APPORTIONMENTS

The CAPEX identified above has been apportioned into five cost drivers. These being Growth, Renewal, Level of Service, Statutory and Deferred Works/Other. The growth apportionment is the significant driver for assessing development contributions. The cost drivers have been assessed using several methods.

These are:

- Asset Capacity
- Using Design Life of New Assets to Approximate Growth Percentage
- Assessed using professional judgement

## LAND USE DIFFERENTIALS

Land use differentials are an important part of the calculations. They enable all development and subdivision types (residential and non-residential) to be considered. Non-residential subdivisions or developments can be described using a common unit of demand, which in this case is the Household Equivalent Unit (HEU).

The following table summarises the differentials for each activity. These can be used to calculate the number of HEU's for non-residential subdivisions or developments based on a standard measure of size.

**Table 3: Land Use Differentials**

Land Use Category	Household Equivalent Units per Measure of Size Shown		
	Water Supply <sup>1</sup>	Wastewater <sup>2</sup>	Roading
Residential	1 HEU / dwelling	1 HEU / dwelling	1 HEU / dwelling
Rural Residential	1 HEU / dwelling	1 HEU / dwelling	2.09 HEU / dwelling
Commercial	0.28 HEU / 100m <sup>2</sup>	0.43 HEU / 100m <sup>2</sup>	1.93 HEU / 100m <sup>2</sup> GFA
Industrial	0.23 HEU / 100m <sup>2</sup>	0.34 HEU / 100m <sup>2</sup>	1.71 HEU / 100m <sup>2</sup> GFA
Accommodation	0.49 HEU / 100m <sup>2</sup>	0.49 HEU / 100m <sup>2</sup>	0.54 HEU / accomm unit
Primary Industry	N/A - Assumed to be rural schemes only. <sup>1</sup>	N/A - Assumed to be rural schemes only. <sup>1</sup>	0.90 HEU / 100 Ha
Primary Industry - Dairy			3.24 HEU / 100 Ha

<sup>1</sup> These water supply differentials are only required to assess urban unrestricted schemes. Rural restricted water supply schemes are based on a development contribution per cubic meter of water.

<sup>2</sup> These differentials are to be used to assess the demand on wastewater infrastructure for wastewater that does not fall within the definition of trade waste contained in the operative Waitaki District Trade Waste Bylaw applying at the time consent is granted. Development contributions payable for discharge of trade wastes will be the subject of an individual assessment.

## ASSESSMENT OF UNKNOWN SIZE

If the Gross Floor Area (GFA) is unknown, which may be the case at the subdivision or land use consent stage, then the following table will be used to estimate the GFA.

**Table 4: Estimation of Gross Floor Area**

Category	Building Coverage	No. of Floors
Residential	1 dwelling / lot	
Rural Residential	1 dwelling / lot	
Accommodation	45%	2
Commercial	75%	1
Industrial	75%	1

Note: When an estimate of the GFA is used in the development contribution assessment then Council will only charge 75% of the calculated contribution at this stage.

## RESIDENTIAL UNITS

A residential unit is defined as a residential activity which consists of a single self contained household unit, whether of one or more persons, and includes accessory buildings and a family flat.

Development contributions payable for residential units are as follows:

Gross Floor Area (GFA) equal or less than 60m<sup>2</sup> = ½ x HEU

Gross Floor Area (GFA) greater than 60m<sup>2</sup> = 1 x HEU

## ASSUMPTIONS USED IN THE CALCULATION OF DEVELOPMENT CONTRIBUTIONS

All information used in the calculations of either development or financial contributions is the best available at the time. Council is proceeding with numerous strategic studies which will aid in delivering improved information. Council is committed to updating its contribution calculations as the results of these studies become available. Council considers it fiscally prudent to have contributions in place now to ensure the recovery of growth costs. Further delays in the implementation of these contributions are considered unacceptable and would unfairly burden the existing population with extra costs.

## FINANCIAL CONSIDERATIONS

The following are key financial considerations applied in the model:

- All figures are in current New Zealand dollars – effective 1 July 2009.
- Inflation is applied to past capital projects only.
- Interest costs have been assessed based on the weighted average cost of capital (WACC) over the first 10 year period from 1 July 2009. The cumulative net deficit between the contributions anticipated to be collected and the growth costs over the 10 year period are used to determine the proportion of the growth cost that will be funded by debt. A 7.5% interest rate has been applied.
- Capital expenditure projections are those that have been applied in the CCP effective at 1 July 2009. The public nature and auditability of these capital projections provides additional confidence to the process. Schedule 10 of the LGA 2002 prescribes a number of disclosures including growth, renewal and level of service apportionments

## RISKS

The risks relating to the Policy are listed below. The steps required to mitigate these risks are also shown. This ensures that the correct contributions are collected by Council.

### **Subsidies:**

The future portion of the development contributions are based on Council's 10 year LTCCP Capital budget. There are a number of projects in the budget that may be fully or partial subsidised by non Council entities. Examples of these are roading projects and water treatment projects which may have significant levels of Central Government funding. The actual capital expenditure will to be input to the calculation model on an annual basis as soon as it is available. This will ensure the contributions are based on Council's most up to date information and reflect the actual growth related expenditure.

### **Legislative Improvements:**

The Policy and calculation model needs to be updated to incorporate any legislation changes.

### **Growth lower or higher than anticipated:**

If the growth in the District is more or less than projected, Council risk under or over collecting contributions. The growth projections need to be reviewed regularly to ensure they are as accurate as possible.

### **Growth Apportionment:**

Any changes in the growth rates may affect the apportionment of some capital projects and hence the growth CAPEX to be recovered via contributions.

### **Inflation:**

If actual inflation is significantly different to the figures used in the calculation model. The figures used to model inflation are taken from the most up to date BERL data and can be updated regularly.

The above variables can be reviewed every year via the annual plan update process or via the 3 yearly LTCCP review process. This ensures that the contributions are based on the most up to date information possible.

## GROWTH PROJECTIONS – SOURCE DATA

WDC Growth Projections Study May 2008 – Rationale Ltd. This study has been adopted by Council to ensure consistent projections. These have been applied for projecting residential and non- residential growth with the exception of the sources below.

Rural Water Schemes – Analysis Completed Internally in conjunction with WDC Growth Projections Study May 2008.

Growth projections are converted into units of demand which are used to apportion the growth cost to define a household equivalent unit (HEU's) development contribution. Assessing total HEU's involves converting non-residential land uses into HEU's and adding this to the number of dwellings. This is completed using land use conversion factors or land use differentials.

Note: The unit of demand for restricted rural water schemes is a cubic meter of water. The contribution per point, half point or crib point can be calculated based on the applicable volume for each scheme.

## **MONITORING AND REVIEW OF DEVELOPMENT CONTRIBUTIONS POLICY**

Council will monitor and review the following:

- Annual Calculation Updates:
  - Identify capital expenditure actually undertaken and whether the projections remain reasonable. This may include adding or deleting capital projects.
  - Update capital costs to reflect a year of inflation. This will be based on SNZ Labour cost index and Producer Price Index.
  - Review population projections.
  - Any asset planning initiatives including changing levels of service, updated capital projections.
  - Update any new information that has become available. This may include updated population projections, additional zoning and scheme boundary changes.
  - Correction of any errors or omissions.
- Annual Policy Reviews:
  - Any changes to the policy direction of Council that affects this policy. This may include changes to the LTCCP, Revenue and Financing Policy and strategic studies.
  - New information affecting the land use differential analysis.
  - Amendments to the District Plan.

## **REFUND POLICY**

Council may allow for refund of contributions in the following circumstances:

- a) Where Council required a development/financial contribution as part of subdivision or development activities and where the documentation (resource consent, building consent or connection authorisation) permitting that subdivision or development has lapsed, Council will refund the contribution. This does not prevent Council from requiring development/financial contributions in the future. Council may retain a portion of the contribution of a value equivalent to the costs incurred by the Council in processing/assessing the contribution required by the subdivision or development.

All applications for Refunds must be made in writing to the Chief Executive Officer of the Council.

## **DEVELOPER PROVISION OF ASSETS - LIABILITY**

Council may accept or require a contribution to the equivalent value in the form of land or infrastructure. It may be appropriate, for example, to allow water supply assets to vest in Council through the subdivision consent process, where they meet Council's requirements, and credit them against the contributions required. Any such proposals will need to be the subject of an agreement with Council before the consent is issued, and will be dealt with on a case by case basis.

## **UNUSUAL DEVELOPMENTS**

Council reserves the right to individually assess contributions on any development or activity that it deems to create a significantly different demand on infrastructure than could usually be expected under their relevant land use category (an unusual development).

## **WHEN WILL PAYMENT BE REQUIRED?**

Development contributions will be notified on granting of consent with a due date for payment as follows:

- Resource consent (subdivision) – prior to the issue of S224c certificate;
- Resource consent (other) – prior to commencement of the consent except where a building consent is required then payment shall be prior to the issue of the code of compliance certificate or prior to the connection to Council services, whichever comes first;
- Building consent – prior to the issue of the code of compliance certificate or prior to the connection to Council services, whichever comes first;
- Service connection – prior to connection.

If payment is not received the Council may (under section 208 of the LGA):

- Withhold S224c Certificate on a subdivision
- Prevent the commencement of a resource consent for a development
- Withhold a code of compliance certificate under the Building Act
- Withhold a service connection to a development

Council may agree to enter into a deferred payment arrangement at the time of issuing a s224c Certificate. Such arrangement would defer payment on terms and conditions approved by Council or approved by officers under delegated authority in accordance with policy approved by Council.

In each case the Council may register the Development Contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land for which the contribution was required.

## CREDITS

There are two types of credits anticipated:

1. Actual Credits will apply to those subdivisions or developments where contributions have been paid under this, or the 2006 Policy on Development and Financial Contributions.
2. Deemed credits will apply for the redevelopment of an existing site. Existing activities will be given deemed credits based on the HEU's assessed in terms of the relevant unit (i.e. GFA, dwelling) prior to redevelopment. A development contribution will only be levied if the redevelopment creates additional demand.

Where the Chief Executive considers there is a special case to be considered for granting of a credit or credits, this matter will be referred to Council's Hearings Committee for decision.

## DELEGATIONS

The Elected Members of Council shall determine where a development or financial contribution will be sought. They have the authority to set the quantum of those contributions.

The Chief Executive Officer will ensure the Policy is implemented.

## CAPITAL EXPENDITURE ATTRIBUTED TO GROWTH

The following tables show a summary of each contributing area for the 10 year period between 2009 and 2018. The tables demonstrate the nature and level of expected capital expenditure required by Council and the portion that is attributable to growth. A table is produced for each activity (asset type) which shows the CAPEX for each geographic area where a contribution has been assessed. The CAPEX attributable to growth is apportioned equitably among the growth population to define a set charge for each unit of demand. The unit of demand is expressed in terms of a household equivalent unit or cubic meter of water.

The following tables also detail the growth related debt levels by development contribution account. These define the interest component of the contributions. The tables show the growth CAPEX consumed by each contributing area and the growth, in HEU's or cubic meters, used to calculate the development contributions.

The tables included in the following section are summarised. The full tables can be found in the appendices of the detailed supporting document.

## CAPITAL EXPENDITURE AND DEBT FUNDING DISCLOSURES

Table 5: Restricted Rural Schemes - Water Supply Capital Expenditure for Development Contributions (Excluding GST)

Water Supply Contributing Area	Capital Cost				Percentage Attributable to Growth	Historic Expenditure Growth Cost (Capacity) Consumed 2009-2018	Future Expenditure Growth Cost (Capacity) Consumed 2009-2018	TOTAL Expenditure Growth Cost (Capacity) Consumed 2009-2018	Weighted Average No. of m <sup>3</sup> of Water Apportioning Growth Cost 2009-2018	Development Contribution Per Cubic Meter of Water (\$)
	2009-2018 Total Capital Cost (2009 \$)	2009-2018 Total Capital Cost (Adj \$)	Growth Funded Portion (2009 \$)	Funded by Other Sources (2009 \$)						
Awamoko	310,039	354,720	80,212	229,827	26%	22,466	25,273	47,739	49	966
Dunback	371,216	393,059	145,515	225,701	39%	9,150	76,659	85,809	32	2,724
Dunroon	271,629	301,370	81,489	190,140	30%	2,643	28,092	30,735	52	595
Enfield	674,692	722,449	222,696	451,996	33%	135,521	89,717	225,238	72	3,122
Goodwood	328,552	351,521	96,205	232,347	29%	10,193	48,899	59,092	36	1,634
Hampden/Moeraki	653,164	710,321	223,040	430,123	34%	18,561	99,973	118,534	74	1,606
Herbert/Waianakarua	705,800	771,758	150,919	554,882	21%	28,729	65,596	94,325	54	1,733
Kakanui	682,998	742,460	204,899	478,099	30%	35,402	89,799	125,201	86	1,449
Kauru	417,335	479,058	124,104	293,231	30%	21,678	38,637	60,316	51	1,180
Lower Waitaki	95,922	111,959	28,777	67,146	30%	30,708	7,511	38,219	50	767
Ohau	346,063	382,878	86,519	259,544	25%	1,456	34,574	36,029	5	7,458
Otekaieke	277,736	317,017	57,721	220,015	21%	4,678	19,221	23,899	23	1,050
Stoneburn	413,305	474,355	159,612	253,693	39%	9,557	50,072	59,630	60	991
Tokarahi	1,347,403	1,477,135	526,121	821,282	39%	78,262	318,505	396,767	255	1,553
Weston	2,274,574	2,445,460	876,985	1,397,590	39%	629,041	330,654	959,695	335	2,866
Windsor	406,910	466,512	102,964	303,947	25%	5,663	33,445	39,108	37	1,049
<b>TOTAL</b>	<b>9,577,339</b>	<b>10,502,033</b>	<b>3,167,776</b>	<b>6,409,563</b>	<b>33%</b>	<b>1,043,709</b>	<b>1,356,626</b>	<b>2,400,335</b>	<b>1,272</b>	
Dunrobin	335,000	373,207	82,280	252,720	25%	-	33,945	33,945	20	1,724

Table 6: Unrestricted Urban Schemes - Water Supply Capital Expenditure for Development Contributions (Excluding GST)

Water Supply Contributing Area	Capital Cost				Percentage Attributable to Growth	Historic Expenditure Growth Cost (Capacity) Consumed 2009-2018	Future Expenditure Growth Cost (Capacity) Consumed 2009-2018	TOTAL Expenditure Growth Cost (Capacity) Consumed 2009-2018	Weighted Average No. of HEU's Apportioning Growth Cost 2009-2018	Development Contribution Per Household Equivalent Unit (\$)
	2009-2018 Total Capital Cost (2009 \$)	2009-2018 Total Capital Cost (Adj \$)	Growth Funded Portion (2009 \$)	Funded by Other Sources (2009 \$)						
Kurow	432,083	477,363	159,928	272,154	37%	8,316	70,305	78,621	35	2,249
Oamaru	4,177,317	4,908,275	1,433,662	2,743,655	34%	2,040,209	419,452	2,459,661	506	4,331
Omarama	591,957	637,407	233,059	358,899	39%	59,396	105,323	164,719	32	5,174
Otematata	570,818	632,044	228,145	342,673	40%	9,409	96,864	106,273	18	6,022
Palmerston	467,007	490,771	116,852	350,155	25%	32,267	63,248	95,515	35	2,720
<b>TOTAL</b>	<b>6,239,181</b>	<b>7,145,860</b>	<b>2,171,646</b>	<b>4,067,535</b>	<b>35%</b>	<b>2,149,598</b>	<b>755,192</b>	<b>2,904,790</b>	<b>625</b>	
<b>TOTAL (excl.Dunrobin)</b>	<b>15,816,520</b>	<b>17,647,893</b>	<b>5,339,422</b>	<b>10,477,098</b>	<b>34%</b>	<b>3,193,307</b>	<b>2,111,818</b>	<b>5,305,125</b>		

**Table 7: Restricted Rural Schemes - Water Supply – Debt Funding Ratio – 2009 - 2018 Net Growth Cost vs. Revenue Assessment**

Water Supply Contributing Area	2009-2018 Total Capital Cost (2009 \$)	2009-2018 Total Capital Cost (Adj \$)	Growth Funded Portion (2009 \$)	New Cubic Meters of Water 2009-2018	2009-2018 Contributions Received (2009 \$)	2009-2018 Contributions Received (Adjusted \$)	Net Debt (2009 \$) + = deficit - = surplus	Debt Funding Ratio
Awamoko	310,039	354,720	80,212	49	47,739	55,801	32,472	27%
Dunback	371,216	393,059	145,515	32	85,809	100,437	59,706	56%
Dunroon	271,629	301,370	81,489	52	30,735	36,160	50,754	50%
Enfield	674,692	722,449	222,696	72	225,238	263,583	-2,542	24%
Goodwood	328,552	351,521	96,205	36	59,092	69,078	37,113	51%
Hampden/Moeraki	653,164	710,321	223,040	74	118,534	138,655	104,506	48%
Herbert/Waianakarua	705,800	771,758	150,919	54	94,325	110,089	56,594	39%
Kakanui	682,998	742,460	204,899	86	125,201	146,393	79,698	43%
Kauru	417,335	479,058	124,104	51	60,316	70,563	63,788	32%
Lower Waitaki	95,922	111,959	28,777	50	38,219	44,615	-9,442	0%
Ohau	346,063	382,878	86,519	5	36,029	42,172	50,490	48%
Otekaieke	277,736	317,017	57,721	23	23,899	27,938	33,822	37%
Stoneburn	413,305	474,355	159,612	60	59,630	69,825	99,982	39%
Tokarahi	1,347,403	1,477,135	526,121	255	396,767	465,180	129,354	34%
Weston	2,274,574	2,445,460	876,985	335	959,695	1,123,894	-82,710	18%
Windsor	406,910	466,512	102,964	37	39,108	45,734	63,856	38%
<b>TOTAL</b>	<b>9,577,339</b>	<b>10,502,033</b>	<b>3,167,776</b>	<b>1,272</b>	<b>2,400,335</b>	<b>2,810,116</b>	<b>767,441</b>	
Dunrobin	335,000	373,207	82,280	20	33,945	39,643	48,335	46%

**Table 8: Unrestricted Urban Schemes - Water Supply – Debt Funding Ratio – 2009 - 2018 Net Growth Cost vs. Revenue Assessment**

Water Supply Contributing Area	2009-2018 Total Capital Cost (2009 \$)	2009-2018 Total Capital Cost (Adj \$)	Growth Funded Portion (2009 \$)	New Household Equivalent Units 2009-2018	2009-2018 Contributions Received (2009 \$)	2009-2018 Contributions Received (Adjusted \$)	Net Debt (2009 \$) + = deficit - = surplus	Debt Funding Ratio
Kurow	432,083	477,363	159,928	35	78,621	91,933	81,307	48%
Oamaru	4,177,317	4,908,275	1,433,662	506	2,190,993	2,559,157	-757,331	0%
Omarama	591,957	637,407	233,059	32	164,719	192,629	68,339	41%
Otematata	570,818	632,044	228,145	18	106,273	124,018	121,872	45%
Palmerston	467,007	490,771	116,852	35	95,515	111,525	21,337	45%
<b>TOTAL</b>	<b>6,239,181</b>	<b>7,145,860</b>	<b>2,171,646</b>	<b>625</b>	<b>2,636,122</b>	<b>3,079,262</b>	<b>-464,476</b>	
<b>TOTAL (excl.Dunrobin)</b>	<b>15,816,520</b>	<b>17,647,893</b>	<b>5,339,422</b>		<b>5,036,457</b>	<b>5,889,378</b>	<b>302,965</b>	

**Table 9: Wastewater Capital Expenditure for Development Contributions (Excluding GST)**

Wastewater Contributing Area	Capital Cost				Percentage Attributable to Growth	Historic Expenditure Growth Cost (Capacity) Consumed 2009-2018	Future Expenditure Growth Cost (Capacity) Consumed 2009-2018	TOTAL Expenditure Growth Cost (Capacity) Consumed 2009-2018	Weighted Average No. of HEU's Apportioning Growth Cost 2009-2018	Development Contribution Per Household Equivalent Unit (\$)
	2009-2018 Total Capital Cost (2009 \$)	2009-2018 Total Capital Cost (Adj \$)	Growth Funded Portion (2009 \$)	Funded by Other Sources (2009 \$)						
Kakanui	90,000	100,034	15,869	74,131	18%	21,867	6,448	28,315	37	756
Kurow	50,000	54,961	6,483	43,517	13%	6,739	3,661	10,399	30	341
Moeraki	140,000	158,365	46,359	93,641	33%	146,643	12,615	159,258	32	5,001
Oamaru	2,427,000	2,888,489	641,222	1,785,778	26%	1,542,104	218,809	1,760,913	549	2,922
Ohau	10,000	11,654	806	9,194	8%	673	642	1,315	8	158
Omarama	105,000	120,388	20,425	84,575	19%	11,428	6,782	18,209	31	583
Otematata	35,000	40,788	711	34,289	2%	64,008	567	64,575	18	3,641
Palmerston	110,000	126,709	9,907	100,093	9%	59,892	3,737	63,629	34	1,896
<b>TOTAL</b>	<b>2,967,000</b>	<b>3,501,388</b>	<b>741,781</b>	<b>2,225,219</b>	<b>25%</b>	<b>1,853,353</b>	<b>253,260</b>	<b>2,106,613</b>	<b>740</b>	

**Table 10: Wastewater – Debt Funding Ratio - 2009 - 2018 Net Growth Cost vs. Revenue Assessment**

Wastewater Contributing Area	2009-2018 Total Capital Cost (2009 \$)	2009-2018 Total Capital Cost (Adj \$)	Growth Funded Portion (2009 \$)	New Household Equivalent Units 2009-2018	2009-2018 Contributions Received (2009 \$)	2009-2018 Contributions Received (Adjusted \$)	Net Debt (2009 \$) + = deficit - = surplus	Debt Funding Ratio
Kakanui	90,000	100,034	15,869	37	28,315	33,111	-12,446	0%
Kurow	50,000	54,961	6,483	30	10,399	12,160	-3,916	0%
Moeraki	140,000	158,365	46,359	32	159,258	186,568	-112,899	0%
Oamaru	2,427,000	2,888,489	641,222	549	1,604,908	1,874,780	-963,687	0%
Ohau	10,000	11,654	806	8	1,315	1,539	-509	0%
Omarama	105,000	120,388	20,425	31	18,209	21,295	2,216	12%
Otematata	35,000	40,788	711	18	64,575	75,357	-63,864	0%
Palmerston	110,000	126,709	9,907	34	63,629	74,294	-53,722	0%
<b>TOTAL</b>	<b>2,967,000</b>	<b>3,501,388</b>	<b>741,781</b>	<b>740</b>	<b>1,950,608</b>	<b>2,279,103</b>	<b>-1,208,827</b>	

**Table 11: Roading - Capital Expenditure for Development Contributions (Excluding GST)**

Roading	2009-2018 Total Capital Cost (2009 \$)	2009-2018 Total Capital Cost (Adj \$)	2009-18 Total Capital Net Cost to Council (2009 \$)	Growth Funded Portion (2009 \$)	Funded by Other Sources (2009 \$)	Percentage Attributable to Growth	Historic Expenditure Growth Cost (Capacity) Consumed (2009-2018)	Future Expenditure Growth Cost (Capacity) Consumed (2009-2018)	TOTAL Expenditure Growth Cost (Capacity) Consumed (2009-2018)	Weighted Average No. of HEU's Apportioning Growth Cost 2009-2018	Development Contribution Per Household Equivalent Unit (\$)
District Wide	67,144,363	76,101,429	32,242,435	2,819,430	29,423,004	8.74%	1,180,028	1,243,358	2,423,386	1,676	1,446

**Table 12: Roading- Debt Funding Ratio: 2009 - 2018 Net Growth Cost vs. Revenue Assessment**

Year	2009-2018 Total Capital Cost (2009 \$)	2009-2018 Total Capital Cost (Adj \$)	Growth Funded Portion (2009 \$)	Cumulative Growth Cost (2009 \$)	New Household Equivalent Units 2009-2018	2009-2018 Contributions Received (2009 \$)	2009-2018 Contributions Received (Adjusted \$)	2009-2018 Cumulative Contributions Received (2009 \$)	Net Debt (2009 \$) + = deficit - = surplus	Debt Funding Ratio
2009	8,817,298	8,817,298	478,065	478,065	151	217,892	217,892	217,892	260,172	9%
2010	7,728,994	8,076,799	390,656	868,721	219	316,711	316,711	534,603	334,118	12%
2011	6,199,204	6,646,601	283,160	1,151,881	222	320,580	329,406	855,183	296,698	11%
2012	6,833,227	7,531,519	471,196	1,623,077	224	324,497	341,500	1,179,680	443,397	16%
2013	6,135,549	6,924,847	390,915	2,013,992	227	328,462	353,840	1,508,142	505,850	18%
2014	6,032,706	6,972,184	139,531	2,153,524	230	332,476	366,432	1,840,618	312,906	11%
2015	6,561,937	7,758,261	181,798	2,335,322	100	144,000	162,544	1,984,618	350,704	12%
2016	6,121,504	7,411,232	140,455	2,475,777	100	145,122	167,806	2,129,740	346,037	12%
2017	6,240,159	7,736,204	156,239	2,632,016	101	146,253	173,270	2,275,993	356,023	13%
2018	6,473,783	8,226,484	187,414	2,819,430	102	147,393	178,416	2,423,386	396,044	14%
<b>TOTAL</b>	<b>67,144,363</b>	<b>76,101,429</b>	<b>2,819,430</b>		<b>1,676</b>	<b>2,423,386</b>	<b>2,607,817</b>	<b>Debt Funding Ratio</b>		<b>13%</b>

# POLICY ON PARTNERSHIPS WITH THE PRIVATE SECTOR

## BACKGROUND

Waitaki District Council is required by sections 102(4)(e) and 107 of the Local Government Act 2002 (LGA 2002) to adopt a policy on partnerships between Council and the private sector.

## PURPOSE

This policy only applies to partnerships with the private sector. "Partnership with the private sector" is defined in Section 107(2) of the LGA 2002. Commitment of Council resources to any such partnership will generally be in the form of a loan or investment.

### **Circumstances where the Waitaki District Council may Consider Partnerships with the Private Sector**

Council may consider a partnership with the private sector where there are benefits to Council from committing resources to a partnership with the private sector, such as when:

- A need, that a partnership with the private sector would address, has been defined in measurable terms.
- The partnership is the most effective means of realising Council's strategic goals or community outcomes as defined in Council's Long-term Council Community Plan.
- Risk allocation is shared equitably.
- The partnership will lower the cost of provision of identified services to the community.
- There is an identifiable market of bidders prepared to compete for the opportunity to undertake the project.
- There is scope for the private sector to demonstrate particular skills and/or innovative capacity.
- The project size justifies the transaction and ongoing management costs.

## CONSULTATION

Any proposal for a partnership with the private sector that involves the allocation of Council funds and/or resources will be tested against community consideration, using the consultation procedures mandated in the LGA 2002.

## CONDITIONS

- Private participation will be subject to Council's tendering policy with an emphasis on transparency and disclosure of processes and outcomes, acknowledging the need to protect commercial confidentiality where appropriate.
- Any proposed partnership will be assessed against the public interest in terms of effectiveness, accountability, and transparency together with the need to ensure equity for disadvantaged groups, public access, and privacy rights.
- Outputs will be clearly specified including measurable performance standards.
- Payments will be tied to the delivery of specified services to required standards. The responsibilities of the parties for the reporting and monitoring of outcomes will be clearly articulated in a partnership agreement.

All requirements of LGA 2002 will be met by any agreement.

## RISK IDENTIFICATION ALLOCATION AND MANAGEMENT

- Risk will be allocated to whichever of the parties is best able to manage it taking into account public interest considerations.
- Whoever is allocated risk must have the freedom to choose how to handle and minimise any risk.

## **MONITORING AND REPORTING**

- Monitoring will be in accordance with the partnership agreement.
- Reporting on progress as monitored will be at least quarterly and more frequently if specified, taking into account project size and risk.
- Community outcomes will be assessed and monitored as required under the LGA 2002 annual report requirements.

# SUNDRY RATING POLICIES

## DEFINITION OF “SEPARATELY USED OR INHABITED PARTS”

Council is required to adopt and publish a definition of “Separately Used or Inhabited Parts”. Council has adopted the following definition.

*Separately used or inhabited parts of a rating unit shall be such parts of a property that can be separately used or occupied in addition to the principal habitation or use, except where the use is an accessory one or is ancillary to principal use. In the situation where a rating unit contains both commercial or industrial uses, and a residential or agricultural use, they will be treated as two or more separate uses except where the ratepayer resides on the rating unit.*

For example:

- *Not separately used parts of a rating unit:*
  - *a residential sleep-out or “granny flat” without independent kitchen facilities*
  - *an hotel room with or without independent kitchen facilities*
  - *a motel room with or without independent kitchen facilities*
  - *rooms in a residential dwelling or hostel with common kitchens*
  - *separately leased commercial areas with shared access, reception or other facilities*
- *These are separately used parts of a rating unit:*
  - *flats, apartments and other residential units with independent kitchen facilities*
  - *separately leased commercial areas with separate access, sanitary or other facilities*

## POSTPONEMENT OF RATES

Postponement policies have been prepared under Sections 108 to 110 of the Local Government Act 2002 and Sections 85 to 87 of the Local Government Rating Act 2002.

## POSTPONEMENT OF RATES FOR EXTREME FINANCIAL HARDSHIP

### **Objective**

The objective of this policy is to assist ratepayers experiencing extreme financial hardship that affects their ability to pay rates.

The assistance will be by way of the postponement of rates arrears. The assistance will generally be only given to any ratepayer once. Properties that have a mortgage will not be considered for postponement.

### **Conditions and Criteria**

Only rating units used primarily for the residence of the ratepayer(s) will be eligible for consideration for rates postponement for extreme financial circumstances.

Properties used for business, intensive agriculture or greater than 8ha will not be considered to be used primarily for residence of the ratepayer(s).

Only the person(s) entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial circumstances. The ratepayer(s) must be the current owner(s) of, and have owned for not less than 5 years, the rating unit which is the subject of the application. The person(s) entered on the Council’s rating information database as the “ratepayer(s)” must not own any other rating units (whether in the district or in another place).

The ratepayer(s) (or authorised agent) must make written application to Council.

The Council will consider, on a case-by-case basis, all applications received that meet the criteria described in paragraphs 1 and 2 under this section. The Council will delegate authority to approve a first application for rates postponement to the Chief Executive.

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.

Before approving an application the Council must be satisfied that the ratepayer(s) is (are) unlikely to have sufficient funds left over, after the payment of overdue rates, for normal health care, as well as making provision for normal day to day living expenses.

Where the Council decides to postpone rates the ratepayer(s) must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Any postponed rates will be postponed until:

- The death of the ratepayer(s); or
- Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- Until the ratepayer(s) ceases to use the property as his/her residence; or
- Until a date specified by the Council.

Council will only postpone rates to a value up to the capital value of the property as recorded in the Rating Information Database.

The 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 the Council's administrative and financial costs and may vary from year to year. The fee will be set annually in Council's Annual Plan.

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 the Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

### **Rights of Appeal**

The ratepayer(s) may appeal any decision of a Council Officer under this policy. The appeal must be in writing (verbal presentation of the written appeal will be accepted). Council's Policy and Monitoring Committee will hear the appeal.

## **POSTPONEMENT OF RATES ON MAORI FREEHOLD LAND**

Maori 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 Maori Land Court. Only land that is subject to such an order may qualify for a postponement of rates under this policy.

### **Objectives**

The objective of this policy is to facilitate the development and use of the land for economic use where Council considers utilisation would be uneconomic if full rates are required during the years of development or establishment of a crop.

### **Conditions and Criteria**

Council will consider postponement of rates where previously unoccupied land is subject to clearing, development or growing of crops.

Application should be made prior to 30 April of each year and will be applied from 1 July of that year.

Owners or Trustees making application should include the following information in their application:

- Details of the property.
- The objectives that will be achieved by providing the postponement.
- Details of the proposed development.

Council will consider postponement for each individual application according to the circumstances of that application.

No postponement will be granted on targeted rates for water supply, sewerage disposal or refuse collection.

Council may, at its discretion, partial remit rates that are otherwise subject to postponement.

## **REMISSION OF RATES - GENERAL**

Remission Policies have been prepared under Sections 108 to 110 of the Local Government Act 2002 and Sections 85 to 87 of the Local Government Rating Act 2002.

### **Remission of Rates on Bare Land**

#### **Objectives:**

Council may cancel any separate targeted rate or uniform annual general charge in respect of one or more rating units occupied by the same ratepayer (as stated in the district valuation roll) if it considers it reasonable in the circumstances to do so.

#### **Criteria and Conditions:**

Council policy is that where properties are occupied by the same ratepayer (as stated on the rating valuation roll) Council will not charge a uniform annual general charge or ward targeted rate on properties considered to be bare land, provided that the ratepayer pays at least one uniform annual general charge within the District. bare land is defined as properties with no improvements other than fences and irrigation. For the purposes of this policy forestry blocks (without buildings or other constructions) are deemed to be bare land.

### **Remission of Rates on Waitaki River Kaik, Waitaki Bridge Camp, Gemmell's Crossing Camp and Moeraki Kaik Camp:**

#### **Objectives:**

The objective of this policy is to recognize the limited opportunity to occupy the various parts of the rating units and other factors in relation to the impact of full charges.

#### **Criteria and Conditions:**

Council may remit, on application from the ratepayer, all or part of the Uniform Annual General Charges and Ward Charges on the rating units that make up the Waitaki River Kaik, Waitaki Bridge Camp, Gemmell's Crossing Camp and Moeraki Kaik Camp. The level of remission will be set annually.

### **Remission of Rates on Rating Units with Multiple Single Bedroom Inhabitable Parts**

#### **Objectives:**

The objective of this policy is to recognize potential inequity of charging properties that have multiple single bedroom inhabitable parts on the same basis as other residential inhabited parts.

#### **Criteria and Conditions:**

Council may remit, on application from the ratepayer, part of the Uniform Annual General Charges and Ward Charges on the rating units that have single bedroom inhabited parts. The level of remission will be set annually.

### **Remission of Rates on Properties with Mixed Residential and Other Uses in the Oamaru Business Areas**

#### **Objectives:**

The objective of this policy is to recognize potential inequity of charging properties that are used for residential and another purpose in the Oamaru Business area on the same basis as a property used for business purposes.

#### **Criteria and Conditions:**

Council may remit, on application from the ratepayer, all or part of the Oamaru Business Area Rates where the majority of a property is used for residential purposes. The level of remission will be determined by a number of factors including but not limited to the floor area and value of the residential portion.

#### **General Matters**

##### **Council Discretion:**

The extent of the relief is at the sole discretion of Council and may be cancelled or reduced at any time.

##### **Information to be Supplied:**

Council will review the level of remission annually and may require information to be provided by the ratepayer before the remission is granted.

##### **Deadline for Application of Remissions:**

In order that Council can correctly set the rates, written application for any remission must be received by 31 May of the year prior to the year that the rates are set for.

Council may consider granting a remission in the year it is applied for if the remission policy was adopted as part of that years LTCCP or Annual Plan process and the ratepayer would otherwise have been eligible for the remission.

#### **Delegation to the Chief Executive:**

Unless otherwise stated, the Chief Executive or other delegated officer, is delegated authority to determine if ratepayers meet the criteria of any remission applied for, request any further information required to make a decision and grant remission in accordance with the adopted policies.

## **REMISSION OF RATES ON MAORI FREEHOLD LAND**

Maori 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 Maori Land Court. Only land that is subject to such an order may qualify for a remission under this policy.

This policy aims to:

- Ensure the fair equitable collection of rates from all sectors of the community recognising that certain Maori owned lands have particular conditions, features, ownership structures, or other circumstances, which make it appropriate to provide relief from rates.
- Implement a policy for providing rate relief on Maori land pursuant to Section 108 of the Local Government Act 2002.

#### **Objectives**

The objectives of the policy are to:

- Recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.
- Set aside land that is better set aside for non-use because of its natural features.
- Recognise matters related to physical accessibility of the land.

- Recognise and take into account of the presence of waahi tapu that may affect the use of the land for other purposes.

#### **Conditions and Criteria**

Council will consider a remission for property that comes within the following criteria:

- The land is unoccupied and no income is derived from the use or occupation of
- that land, or
- The land is better set aside for non-use because of its natural features or as unoccupied and no income is derived from the use or occupation of that land.
- The land is inaccessible and is unoccupied.

The remission for land meeting the criteria will be 100% of any rates except for targeted rates made for the supply of water, sewerage or waste collection.

Applications for land to be considered for remission must be made by 30 April of each year for the rating year commencing on the following 1 July of that year.

Owners or Trustees making an application should include the following information in their applications:

- Details of the property.
- The objectives that will be achieved by providing the remission.
- Documentation that proves the land, which is the subject of the application, is Maori freehold land.

The extent of the relief is at the sole discretion of Council and may be cancelled or reduced at any time.

Council will review the register annually and may require information on whether the circumstances relating to the property receiving the remission, have changed, or no longer comply with the policy.

## REMISSION OF RATES PENALTIES

The Council grants to the Chief Executive or his/her nominee delegated authority in the following circumstances to approve on receipt of an application the remission of such penalty charges which have been incurred by any ratepayer as a consequence of their payment being received after the due date:

- On a "one-off" basis where the ratepayer has had a previous satisfactory payment history.
- Where a property changes hands (sale or lease) and the new owner/lessee is responsible for an installment when the original account was issued in the name of the previous owner/lessee.
- On compassionate grounds, i.e. where a ratepayer has been ill or in hospital or suffered a family bereavement or tragedy of some type, and has been unable to attend to payment (elderly persons living on their own etc).
- Rate account not received where it can be proved a genuine case exists.
- In such instances where an error has been made on the part of Council staff or arising through error in the general processing or levying of same which has subsequently resulted in a penalty charge being imposed.

## ARREARS – PENALTY REMISSIONS

In situations where there are arrears from previous years, negotiation may be entered into over the amount of accumulated arrears penalty that is ultimately to be paid on such accounts subject to the proviso that dispensations subsequently granted shall be conditional upon settlement being made of the total account due, and that in implementing this policy the circumstances of each case be taken into consideration on their individual merits and it be conditional upon the full amount of such rates due having been paid.

In considering the application of this policy the following matters shall be considered:

1. The remission does not go back for more than three years.
2. That the rates are paid.

3. That Council prefers those ratepayers who have communicated in advance and reached an agreement or an arrangement by which the base rates will be paid within a period of two years.
4. Council outgoings are always recovered.
5. The ratepayer's entire relationship with Council, to ensure a benefit is not provided to a ratepayer when costs are being incurred on account of the ratepayer elsewhere with Council's operations.
6. The remission of the penalty will facilitate the sale of the property, on the basis Council is better off with a future revenue stream.

## REMISSION OF SEWERAGE CHARGES ON SCHOOLS

### *Objective of the Policy*

To provide for relief from sewerage charges for rating units used for educational establishments, so that educational establishments shall be required to pay no more for sewerage charges than previously determined under the Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001 ("the Donnelly Act").

### *Conditions and Criteria*

Rating units that meet the criteria under this policy shall receive a remission of sewerage charges so that the total sewerage charges payable shall be no more than that previously determined under the Donnelly Act.

To be eligible for remission, the rating units must be used for the purposes of an educational establishment as defined in the Donnelly Act.

## ADMINISTRATION OF RATES

### *Payment Methods and Places*

Rates will be collected by quarterly installments, due on the following due dates of each year or the first working day thereafter:

- 25 August
- 25 November
- 25 February
- 25 May

Rates may be paid by any of the following methods:

Cash  
Cheque  
Internet Banking

EFTPOS  
Credit Card

Automatic Payment  
Direct Debit

Rates may be paid at Customer Service Centres:

- Waitaki District Council Headquarters, 20 Thames Street, Oamaru;  
or
- Waihemo Service Centre, 54 Tiverton Street, Palmerston.

#### **Minimum Economic Rate**

Council will exercise its powers under section 54 of the Local Government (Rating) Act 2002 and will not collect the rates payable on a rating unit if the sum of those rates is so small as to be uneconomic to collect. Council has determined that it is uneconomic to collect rates owing on any rating unit of less than \$10.00 (including GST) per annum.

#### **Rates Penalties**

Under Section 58 of the Local Government (Rating) Act 2002, a 10% penalty is added on the next business day to so much of any installment not paid by due date

Under Section 58(1)(b) of the Local Government (Rating) Act 2002, a 10% penalty will be added to rates that remain unpaid from previous years. This will be added on 1 July of each year, or 5 working days after Council has passed the rates resolution (whichever is the later).

Under Section 58(1)(c) of the Local Government (Rating) Act 2002, a further 10% penalty will be added to rates that remain unpaid from previous years. This will be added 6 months after the penalty made in accordance with Section 58(1) (b).

Payments are applied to the oldest debt first.

#### **Public Availability of Information**

Council will charge a fee for supplying any person with a copy of information from the rating information database, except when requested in person at Council's Customer Service Centres in Oamaru and Palmerston.

The fee for this is shown in Schedule 2 - Fees and Charges.

#### **Early Payment of Loan Rates for Subsequent Financial Years**

Council will allow early payment of loan rates by lump sum for subsequent financial years. Council will accept early payment of construction charge rates by lump sum at any time.

Council will specify in the Annual Plan the amount of the lump sum required to fully discharge each loan construction charge rate and assessed by Council. This charge will apply for each period from 1 July to 30 June of the following year.

The amount of the lump sum required to fully discharge each construction charge rate set and assessed by Council will be recalculated annually.

The annual calculation will take account of the prevailing interest rate and the estimated remaining ratepayers paying the loan

# GENERAL POLICIES

This Chapter contains various policies and statements required to be included in a Community Plan. These include:

- Assessment of Water, Waste and Sanitary Services
- Waste Management Plan
- Statement on fostering Maori contribution to decision-making processes
- Policy on Determining Significance

The Assessment of Water, Wastewater and Sanitary Services is a requirement outlined in Sections 124 to 129 of the Act. In short, it requires Council to assess the state of essential services necessary for public health, the extent to which they meet the needs of the community, and how the Council will meet current and future demand.

The Waste Management Plan describes Council's approach to managing rubbish and recycling. It is required by Clause 3 of Schedule 10 of the Act and it will be replaced by a new Waste Minimisation Plan under the Waste Minimisation Act 2008.

The Statement on fostering Maori contribution outlines how Council plans to work with Maori to ensure genuine and appropriate consultation with Maori occurs.

The policy on determining significance (required under Section 90 of the Act) assists Council to take a consistent approach to decision-making processes, including the extent of consultation needed and the amount of effort invested in considering options.



# ASSESSMENT OF WATER, WASTEWATER AND SANITARY SERVICES

## INTRODUCTION

This document is a summary of the information on Council's water and waste services. It is based on the information in the most recent Assessment of Sanitary Services, (which was completed in 2005) and has been updated for significant changes since that date. The Local Government Act 2002 (LGA 2002) requires Council to include this information in the Waitaki Community Plan. LGA 2002 contains specific requirements and processes for Council to observe when making its Assessment of Sanitary Services and also makes reference to the Health Act 1956, which lists the activities that are deemed to be sanitary works. The Health Act provisions encompass the following Council activities:

- Water
- Waste Water (including Stormwater)
- Rubbish and Recycling
- Public Toilets (this is part of Council's Gardens and Green Spaces activity)
- Cemeteries (this is part of Council's Gardens and Green Spaces activity)
- Swimming Baths (see Aquatic Centre activity)

The objectives of the two acts (i.e. Health Act 1956 and the Local Government Act 2002) are for Council to improve, promote and protect public health through good long term planning to meet current and future demand for water and waste services.

Council regards this summary to be a fair representation of the information contained in the full assessments for each water and waste service. The full assessment document can be obtained from Council.

## BACKGROUND

LGA 2002 requires Council to assess the provision of water and waste services within the Waitaki District because of their importance to the public health of the community. The assessment includes water supplies, wastewater services, stormwater, cemeteries, public toilets and waste disposal.

The assessment is required to include specific information such as:

- Description of the services provided
- Assessment of risk to communities relating to the absence of services
- Quality, quantity and adequacy of services provided
- Current and estimated future demand
- Council's role in proposals for meeting these demands
- Options available to meet the forecast demands and suitability of each
- Health and environmental impacts of discharges and other sanitary services
- The extent to which public-health is adequately protected

Council completed its most recent assessment in 2005. There is no statutorily prescribed timeframe in which the services are to be re-assessed, therefore, revisions will be completed in the future as additional information is obtained or as public perception changes.

This document summarises the information in the full assessments by identifying the key issues facing the Waitaki District concerning each service area of Council.

## WAITAKI DISTRICT COUNCIL'S ROLE IN MEETING THE CURRENT AND FUTURE DEMANDS

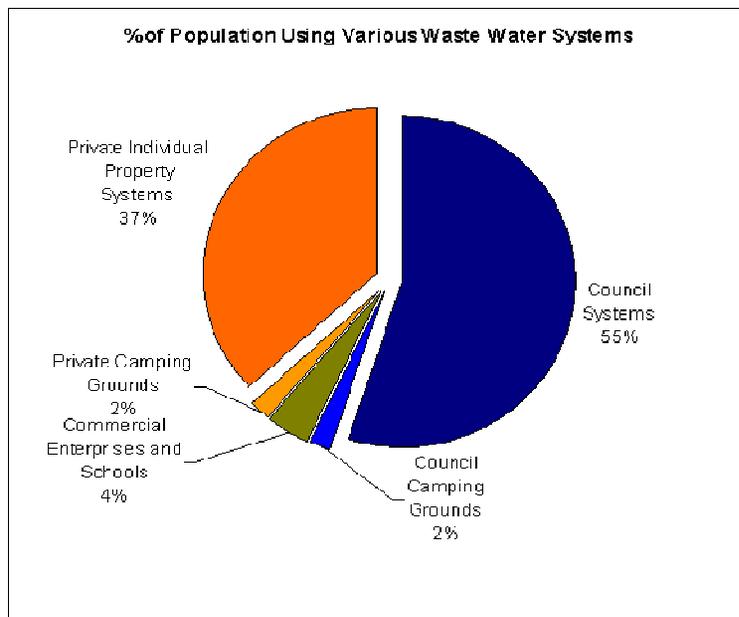
### *Population Increases*

Council's growth projections for the next 30 years indicate that:

- The usual resident population for the district will increase by 5.3%
- The usually resident population of the Oamaru surrounds is projected to experience growth of over 56%.
- The Weston Township is expected to grow rapidly over the next 10 years due to the combined effect of smaller households, desirability for relocations from Oamaru urban area, population growth expected from irrigation in the area and the Holcim cement plant.

Current Council's Asset Management Plans have taken into consideration these projected increases.

- Activity Management Plans (AMPs) in the Waitaki Community Plan 2009/19 will give an indication into Council's proposals for meeting current and future demands for Water, Waste and Sanitary Services.
- The AMPs also provide information on Council's role and involvement in the provision of these services.
- Where services are presently owned and operated by the community, involvement of Council as an advocate/facilitator may be considered.
- The involvement of Council in the investigation of wastewater reticulation (sewerage) of small communities may cover the roles of advocate/facilitator, service provider or/and service funder



## WATER SUPPLY

Council's reticulated water schemes supply an estimated 90% of the District's population. The introduction of the Health (Drinking Water) Amendment Act

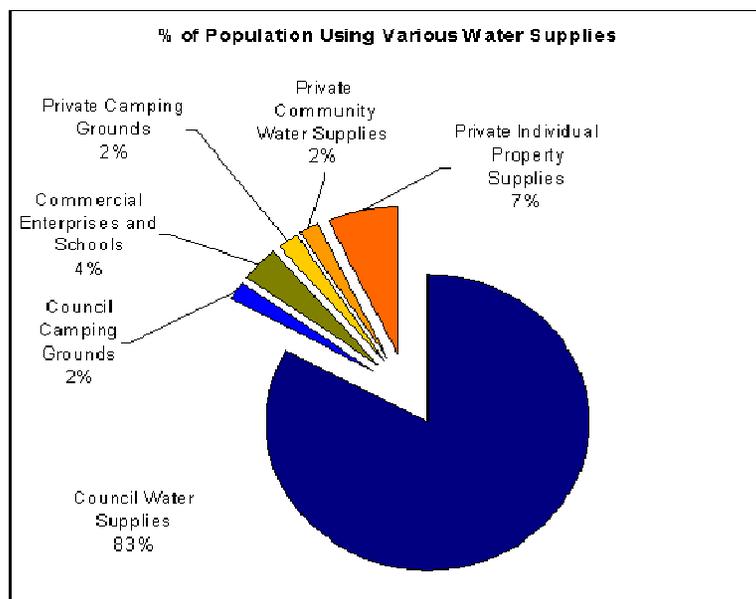
2007 ushers in a new era in Drinking Water Quality, with a legal burden placed upon all water suppliers, both public and private, to take all practical steps to comply with the Drinking Water Standards.

The key issues facing the Waitaki District for Water Supply Services are:

- Of the Council's 23 piped supplies only the Oamaru supply currently satisfies the requirements of the Act (Building of a high quality water treatment plant was completed in early 2008). Provision has been made for 21 of the remaining 22 supplies to improve the level of water treatment provided over the period 2010/11 to 2012/13. The remaining schemes are too small to require upgrading.
- Achieving this improved level of treatment will impose significant cost on consumers, as well as stretching the capacity of the water industry to physically resource the management, design and construction of the new treatment plant works.
- Council operates a number of camping grounds that are serviced by water supplies that the operation and maintenance requires an increase in standards to meet the provisions of the Health (Drinking Water) Amendment Act 2007. The 2009-2012 Community Plan has provision for the improvement of these water supplies.
- The community water supplies not administered by Council also have obligations under the Health (Drinking Water) Amendment Act 2007. Council is ensuring that the Ministry of Health is aware of their obligations to ensure the compliance by these community water supplies owners.  
Council is assessing future demand for water supply and future options for supply organisation, in augmentation as part of treatment investigations.

Two prime issues affecting future demand are:

- impact of large scale irrigation projects on configuration of existing rural water supply schemes
- augmentation of water short catchments



## WASTEWATER

It is estimated that 65% of the District's population have access to a reticulated wastewater scheme with the remainder being served by individual septic tanks and associated disposal systems. Council is investigating a number of treatment and disposal issues associated with resource consent applications for existing reticulated wastewater systems.

The key issues facing the Waitaki District for Wastewater Services (sewerage) are:

- Generally, there are moderate to high risks for public health associated with contamination and pollution of ground/surface water and maintenance of septic tanks/disposal systems. For the majority of communities in the District the risk of contamination of surface and ground water is moderate.
- Current and estimated future level of incidence of disease associated with water and wastewater contamination is very low.

- Current and estimated future demands for reticulated wastewater services are either well catered for or investigations are underway to assess environmental or development issues.
- Affect on health or the environment: There are 6 wastewater schemes that are adequate now and 1 where the current adequacy is not known. It is unknown if these 7 systems will be adequate in the future. 5 wastewater areas and 3 wastewater schemes are not adequate now, i.e. the risk of contamination of surface water is high and changes in demand will affect health and the environment in the future. There have only been occasional reports on failed septic tanks and associated disposal systems in these areas. Council staff suspects that actual failure rates could be higher than the reported failure rate and that the actual number of failures may increase in future.
- Currently Council is investigating the 'health' of wastewater disposal systems in Hampden. This will determine the extent of any possible contamination and pollution and the associated risks to the community. On completion of the investigations the community will consider the results in terms of the need to install reticulated sewerage scheme and associated treatment and disposal system for the communities, or upgrade individual septic tanks and disposal systems to comply with Otago Regional Council rules.
- This process will be a template for investigations and consultation for the communities of Herbert, Maheno and Reidston in the future.

## STORMWATER

Oamaru is the only town in the District, where the majority of the community is served by a storm water system. The majority of other townships and communities in the District dispose of their storm water mainly by individual soak pits.

The key issues facing the Waitaki District for Stormwater Services are:

- Current and estimated future demands for stormwater services are well catered for; both for communities that are served by a reticulated system as well as for those that rely on individual property disposal.
- The assessment of risk to the communities in the absence of a reticulated stormwater system has shown to be moderate. Risks

are mitigated by ensuring secondary flow paths are known and functional.

- All stormwater areas and stormwater schemes in the District are adequate now and for the future. Changes in demand will not affect health. However, future demand of the majority of stormwater areas and schemes may affect the environment.
- Any change in standards that would require treatment of storm water would have a significant impact on storm water services.

## PUBLIC TOILETS

Council owns 28 public toilet sites throughout the District (this does not include the Lakes Camping toilets). Council undertook an assessment of public toilets in 2003. This review resulted in the 2003 Public Toilets Strategy that was approved by Council in the 2003/04 Annual Plan process. The Strategy provides for the renewal of public toilets over time and a specification for the design of new public toilets.

The key issues facing the Waitaki District concerning Public Toilets are:

- Public submissions endorse continuing with the current level of service throughout the District.
- The public expects that toilets will be accessible in the commercial zones of each community, public areas in Council's operational properties, major sporting venues, and popular passive recreation sites.
- The environmental effects of tourism are driving demand for more public toilets.
- All toilets should be connected to either a reticulated sewerage scheme, appropriately designed septic tank or holding tank to provide for effective containment and disposal of effluent. Privy type (long drop) toilets will be phased out for environmental and public health reasons.
- The Public Toilets Strategy contains a programme for capital works; minor service level changes and lists the sites where current service levels will be maintained.
- Development of new toilets or re-grading an existing site to a higher standard will require some justification to support an increased level of service.

- The proposed capital works programme along with maintenance and renewal of the existing network of public toilets by Council shall provide adequate accessibility to public toilets for the protection of public health.

## CEMETERIES

Council undertook an assessment of cemeteries in 2003. This review resulted in the 2003 Cemeteries Policy. Council owns and manages 12 cemeteries throughout the District, 2 of which are situated in Oamaru. Council also manages 3 closed cemeteries.

The key issues facing the Waitaki District concerning Cemeteries are:

- The age profile of people in the District combined with life expectancy statistics indicates that the annual rate of burials will increase over the next 30-40 years.
- Most burials occur in Oamaru and Palmerston cemeteries and this is expected to continue.
- Rural cemeteries will be maintained to a consistent standard
- Council has sufficient capacity to provide for burials and ash interments over the next 30 to 50 years. Private memorial gardens and cemeteries outside Council control add to this capacity.
- Cemetery regulations and operating policies and procedures are appropriate for handling of human remains as well as for protecting public health and the environment.

## RUBBISH AND RECYCLING

In 1993-94 Council undertook a strategy study to rationalise the management of solid waste in the District. As a result of the study, 13 rural landfills were closed and eight council-owned transfer stations were established. In 2001 the Council adopted a Solid Waste Management Plan. An Assessment of Solid Waste Services was carried out in December 2004. An updated Solid Waste Management Plan was adopted in 2006 and revised in 2008.

The key issues facing the Waitaki District for Solid Waste Services are:

- It has been estimated that about 18,000 tonnes of solid waste is generated each year within the District, of which about 8,000 tonnes are domestic waste.
- Approximately 13,600 tonnes of solid waste are currently disposed of to the two Council landfills each year.
- The Council's solid waste collection system includes weekly kerbside refuse bag collection service in Oamaru, Palmerston, Weston, Hampden, Kurow, Omarama, Ohau, Otematata, Herbert, Kakanui, Moeraki, Shag Point, Dunback, and Macraes. Rural households located on the collection routes are also serviced.
- The eight transfer stations are located such that most residents are within 20 kilometres of a transfer station. Low usage of some transfer stations has been reported.
- Council manages eleven closed landfills around the District.
- The two remaining Council landfills in the Waitaki District, located at Oamaru and Palmerston are expected to reach their capacity by 2012 to 2013. Investigations for the long term solution for solid waste disposal within Waitaki District are continuing with further options to be considered in 2009.
  - Council will be focusing its activities on waste minimisation rather than recycling and provide education, programs with businesses, and work with local communities on local solutions. Rules will be introduced at the landfill to prevent disposal of recyclables and green waste, and kerbside recycling will be left to the private market. Recycling drop off facilities will continue to be made available.
- The existing residual solid waste services are considered to be sufficient to protect public health. In the medium term, issues that need to be addressed are:
  - Changes in demand for refuse transfer station(s).
  - The need for long-term access to a landfill.

## SWIMMING POOLS

Council operates the Waitaki Aquatic Centre which opened in 2000 following the recommendations of a 1997 recreation strategy that identified the need for a community indoor swimming pool.

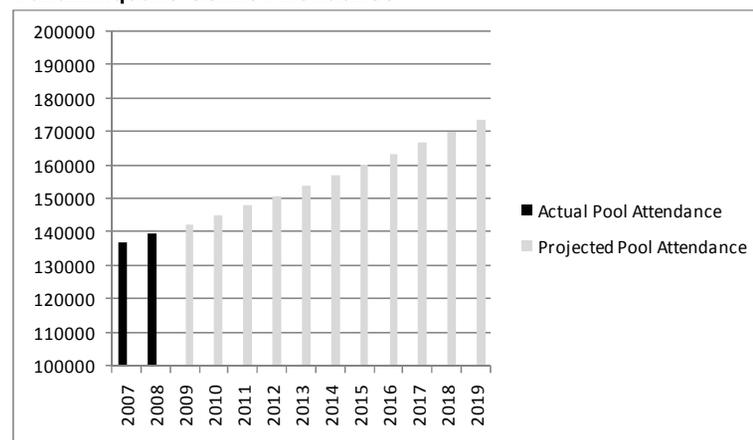
Access to non council operated community swimming pools is supported by making grants and providing advice to the operators of the facilities. Community swimming pools are easy accessible, encourage people to exercise, and thereby improve community health.

The key issues facing the Waitaki District concerning Swimming Pools are:

- The Waitaki Aquatic Centre has experienced growing patronage since it opened, which have proven to be ahead of projections, and this is expected to continue. Some schools have closed their on-site swimming pools due to maintenance and compliance difficulties. It is expected that schools will increasingly rely on Council's facilities to satisfy the aquatic component of the curriculum.
- An increasing aging population is driving demand for appropriate activities and programmes.
- Growing patronage is expected to drive demand for better facilities, complementary services and possible expansion of the Waitaki Aquatic Centre.
- Public health is promoted by providing easy access to a facility for recreation and fitness activities.

Public health is protected by maintaining water and air quality at the pools to required standards.

**Waitaki Aquatic Centre Attendance**





# WASTE MANAGEMENT PLAN - 2008

## AIM:

*To protect and maintain the environment and public health by providing the means for sustainable and affordable solid waste management.*

## BACKGROUND

A number of changes have taken place since the 2005 Solid Waste Strategy was written. These include:

- The introduction of the Waste Minimisation Act 2008
- Requirement to write a Waste Plan under the Waste Minimisation Act
- Council spent considerable effort investigating kerbside recycling, finally abandoning the process in December 2008.
- Increasing transport and disposal costs
- Recent economic downturn and corresponding loss of markets for recyclables
- Waitaki District Council has made a decision to focus on waste minimisation; rather than recycling solutions

The Waste Minimisation Act 2008 requires a levy to be charged on each tonne of waste sent to landfill, which is initially set at \$10/tonne. Half of this money will be returned to Councils to spend on recycling and waste minimisation activities providing they have an adopted waste plan which complies with the Waste Minimisation Act 2008. (The majority of the remaining money will go into a contestable fund for recycling and waste minimisation initiatives). Therefore a major focus for Waitaki District Council will be to write a Waste Plan which complies with the new act.

This Waste Management Plan is a requirement of the LTCCP, and sets out the principles Council intend to adhere to when writing the new Waste Plan. The community will have the opportunity to have their say on the new Waste Minimisation Plan when it is written prior to Council adoption.

The Waitaki District Council is facing some very significant challenges because:

- There is insufficient capacity in its existing refuse sites for the waste generated
- Future disposal costs are going to be significantly higher
- Environmental trends are placing stricter conditions on new landfills

Council is confronting these challenges looking for solutions that are sustainable and affordable, and which do not disadvantage those sectors of the community who are "doing the right thing" by generating very little waste. The five "Rs" of the Waste Hierarchy are the cornerstones of this Waste Management Plan.

## WASTE MINIMISATION PLAN

A requirement of the Waste Minimisation Act 2008 is for Council to write a Waste Minimisation Plan. The strategy is to write a waste minimisation plan which meets the criteria of the Waste Minimisation Act in accordance with the following principles:

1. The waste hierarchy will be followed. Reduce, Reuse, Recycle, Recover, and Residual Disposal.
2. Waitaki District Council sees the best outcomes will be achieved if the focus is maintained at the higher end of the hierarchy, and therefore is strongly focused on waste minimisation rather than recycling.
3. Waitaki District Council sees its role as a facilitator rather than a service provider.

This Waste Minimisation Plan will be written in early 2009 and will be made available for public consultation. This Waste Management Plan is an interim strategy prepared for the Long Term Council Community Plan 2009-2019, and will be replaced by the Waste Minimisation Plan in 2009/10.

## OUTCOMES

The Waste Management Plan is driven by the following high level outcomes:

- Protection of public health
- Protection of the environment
- Community affordability
- Sustainability
- Legislative compliance

## NEW DIRECTION

In December 2008, Waitaki District Council made a decision to abandon the focus on providing kerbside recycling services and set a new direction based on Waste Minimisation. This decision was due to the following reasons:

- Different sectors of the community had different needs and it had not been possible to provide a kerbside recycling service which met all the different sectors of the community.
- A rates funded kerbside service which included organics (garden waste and food scraps) was considered to be unfair on those members of the community who home composted, and would be paying for a service they did not require.
- A single bin recycling service which collected recyclables did not address the organic component of the waste stream, and was therefore ineffective at extending the life of the landfill.
- The same diversion from landfill which would have been achieved by the proposed single bin recycling service could be achieved far cheaper by concentrating on waste minimisation, and leaving kerbside recycling for the market to provide.
- Leaving kerbside recycling to the market would allow each household to choose the level of service they desired or could afford. Recycling drop off facilities would still be available for those who wished to drop their recyclables off themselves.
- Recycling is seen as an end of pipe solution to waste generation, and far greater environmental benefits could be achieved by addressing waste generation.
- The current economic climate has resulted in a greater desire to keep Council rates as low as practical.

- The risks to Council of investing in a recycling collection have been highlighted by the recent loss of markets for recyclable materials.

## WASTE HIERARCHY

Reduction – at source to avoid making waste

Reuse – Use the resource again, possibly for another purpose

Recycle – Reprocessing the material

Recover resources – Use the resource in another way

Residual disposal – Environmentally safe disposal of the residual waste

# Reduce

## Reuse

## Recycle

### Recover

### Residual disposal

Council is aware that although the waste hierarchy places reducing the amount of waste being produced as the main priority, there is very little effort put into this area in New Zealand. The main focus for Council's in New Zealand to date has been on providing kerbside recycling services. Waitaki District Council consider this focus on providing kerbside recycling services to be outdated, and is instead looking to reduce the amount of waste being produced in the first place.

This will include:

- Better education programmes
- Working with businesses directly to minimize waste
- Working with waste contractors to help them deliver the services communities need
- Working with remote communities to set up local systems

- Implementing rules at the district landfills to prevent bulk materials being disposed of to landfill where there are alternative disposal options available, including recyclables, green waste, and cleanfill.

## CURRENT SERVICES

Waitaki District Council provides a black bag refuse service in the following townships:

- Oamaru
- Ohau Alpine Village
- Weston
- Kakanui
- Maheno
- Herbert
- Hampden
- Moeraki
- Shag Point
- Palmerston
- Dunback
- Macraes

This service is partly funded from user pays and partly from rates. The bags cost \$1.70 (in 2008) to purchase (including GST) and Council funds the remaining \$130,000 p.a. from rates. Although the service is available to everyone within the collection areas, only 17% of people within these areas use the service with the remaining preferring to make arrangements with private contractors.

Service	Usage (as % of total)
Council Black Bag	17%
Private Contractor Yellow Bag	9%
Private Contractor Wheelie Bin	74%

This service is quite clearly not user pays with 83% of the people serviced paying through their rates to fund a collection the other 17% use. Council intends to review this service in early 2009.

Private waste contractors offer wheelie bin services throughout the district including all of the townships where Council operate a black refuse bag collection.

Some private waste contractors already offer a kerbside recycling service and a green waste service collection within the district which operate on a user pays model.

Council provides five rural transfer stations at:

- Hampden
- Herbert
- Kurow
- Omarama
- Otematata

There are two district landfills. The main landfill is located in Oamaru, and there is a small local landfill operating in Palmerston.

Landfill	Consent Numbers	Consent Expiry	Expected Closure Date
Oamaru	94281,94282, 94283	31 March 2016	2012 to 2013
Palmerston	2007.315, 2007.317, 2007.318,	31 August 2027	2012 to 2013

Council also operates a Resource Recovery Park in Oamaru which is managed by a local community trust.

There are three rural drop off recycling points in the district located at Enfield, Duntroon and Papakaio.

## FUTURE SERVICES

The black bag service will be reviewed in 2009 to determine the future of this service and how it will be funded. Council expects private waste contractors to continue to offer services throughout the District.

Council's recent decision to leave kerbside recycling to the market is likely to mean these services will soon be available within the district. Some private waste contractors already offer kerbside recycling and greenwaste services however due to the uncertainty in the market and the risk that Council was

going to set up a rates funded competing service, these contractors have not been investing in new plant or materials. It is expected these services will bloom now Council has made its intentions clear.

A full forecast of the future demands for waste services within the District and each community within it will be undertaken as part of the Waste Plan being written in 2009. One significant decision which needs to be addressed is whether the Waitaki District sets up its own landfill or transports waste to an out of district landfill. Whether Council decides on an out of district landfill or a local landfill, a central transfer station will need to be constructed in the Oamaru area for the community and businesses to take their waste once Oamaru Landfill has closed.

Provision will need to be made for a transfer station to service the Waihemo Community once Palmerston Landfill has closed.

#### Statutory Requirements

- Resource Management Act 1991 and amendments
- Health Act 1956
- Local Government Act including Local Government Amendment Acts No. 3 and No. 4
- Hazardous Substances and New Organisms Act 1996
- Waste Minimisation Act 2008

## **BIBLIOGRAPHY**

1. Waitaki District Council Solid Waste Bylaw 1997
2. Waitaki Community Plan 2009-19
3. New Zealand Waste Strategy
4. Waste Minimisation Act 2008

# FOSTERING MAORI CONTRIBUTION TO DECISION-MAKING PROCESSES

## EXISTING ARRANGEMENTS

Waitaki District Council acknowledges Māori as people with whom there is a special relationship. Council is committed to giving effect to the principles and intent of the Treaty of Waitangi, and to engaging in genuine and appropriate consultation with Māori.

Council has in place protocols for ensuring Tangata Whenua are consulted in regard to decisions made under the Resource Management Act 1991, and in the last triennium developed and adopted a Memorandum of Understanding with Te Runanga o Moeraki to guide the ongoing relationship between Council and the Runanga. This document was adopted at a formal ceremony at Moeraki Marae in September 2007.

Council continues to focus on their wider role, including:

- Encouraging Maori contribution to decision-making processes of all Council activities, not simply decisions under the Resource Management Act
- Reference to Māori rather than to Tangata Whenua, thus including Mana Whenua and Taura Here
- Reference not only to enabling contribution to decision-making but also to fostering Māori capacity to contribute.

Council reports back annually against the Memorandum of Understanding through its Annual Report.

## STEPS THAT COUNCIL INTENDS TO TAKE

Over the life of this plan, Council will review the Memorandum of Understanding with Te Runanga o Moeraki to ensure the document is working and remains relevant. Council will continue to find ways to ensure that all Māori have the opportunity to contribute to decision-making, and will continue to liaise with Te Runanga o Moeraki to guide protocol and process.

## LEGAL CONSIDERATIONS

Section 81 of the Local Government Act 2002 states that:

- “(1) A local authority must:
- (a) establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority; and
  - (b) consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority; and
  - (c) provide relevant information to Māori for the purposes of paragraphs (a) and (b).
- (2) A local authority, in exercising its responsibility to make judgments on the manner in which subsection (1) is to be complied with, must have regard to:
- (a) the role of the local authority, as set out in section 11; and
  - (b) such other matters as the local authority considers on reasonable grounds to be relevant to those judgments.”

Clause 5 of Schedule 10 to the Local Government Act states that:

“A long-term council community plan must set out any steps that the local authority intends to take, having considered ways in which it might foster the development of Māori capacity to contribute to the decision-making processes of the local authority, over the period covered by that plan.”



# POLICY ON DETERMINING SIGNIFICANCE

## BACKGROUND

Section 90 of the Local Government Act 2002 ("the Act") requires Council to adopt a significance policy setting out:

- The Council's general approach to determining the significance of proposals and decisions in relation to issues, assets or other matters.
- Any thresholds, criteria, or procedures that are to be used by the Council in assessing the extent to which issues, proposals, decisions or other matters are significant.
- The assets considered by the Council to be strategic assets.

## PURPOSE

All Council decisions must be made in accordance with the decision-making requirements of the Act. Council must judge the appropriate level of compliance with those requirements, largely in proportion to the significance of the matters affected by the decision.

The judgment about how to achieve compliance with the decision-making requirements in the Act includes judgments about:

- The extent to which different options are to be identified and assessed.
- The degree to which benefits and costs are to be quantified.
- The extent and detail of the information to be considered.
- The extent and nature of any written records kept as to compliance.

## DEFINITIONS

In this policy, the words "significance", "significant" and "strategic asset" have the meanings defined in Section 5 of the Act. At the date of adoption of this policy, the definitions in the Act were as follows:

**significance**, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of

the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for:

- (a) the current and future social, economic, environmental, or cultural well-being of the district or region;
- (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter.
- (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

**significant**, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance.

**strategic asset**, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes:

- (a) any asset or group of assets listed in accordance with section 90(2) by the local authority; and
- (b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- (c) any equity securities held by the local authority in -
  - (i) a port company within the meaning of the Port Companies Act 1988
  - (ii) an airport company within the meaning of the Airport Authorities Act 1966.

In the event that the definitions in section 5 of the Act are amended, Council will apply the amended definitions as if they were written into this policy.

## GENERAL APPROACH TO DETERMINING SIGNIFICANCE

When determining the significance of proposals and decisions in relation to any issue, asset or other matter the Council will consider the likely impact on, and consequences of that decision or proposal for:

- Any persons who are likely to be particularly affected by or interested in the decision or proposal.
- The current and future social, cultural, economic and environmental well-being of the District.
- The present and future capability of the Council to perform its role and the costs of it doing so, in terms of its capacity deliver services to the District and achieve or promote community outcomes.

In determining the significance of any decision or proposal, consideration will also be given to the criteria and thresholds in section 5 of this policy, the procedures in section 6 of this policy, the exceptions in section 7 of this policy, and the statutory requirements listed in section 8 of this policy.

The degree of importance to be attached to each criterion, threshold, procedure and exception will be considered decision by decision. The more thresholds that are met, the greater the likelihood that a decision will be significant.

## CRITERIA & THRESHOLDS FOR DETERMINING WHICH PROPOSALS AND DECISIONS ARE SIGNIFICANT

Council will use the following criteria and thresholds to help it decide whether specific proposals and decisions are significant.

Criteria	Description	Threshold
Logical Consequence	The extent to which the decision or proposal flows logically and consequentially from a significant decision already made or from a decision in the Community Plan or the Annual Plan. Where the decision or proposal is fully described in the Plan or significant decision, the significance in terms of this criterion will be small. Where the issue or proposal has no precedent Plan or significant decision, or where it is not consistent with a Plan or significant decision, it will be of greater significance.	A substantial decision or proposal that is materially inconsistent with a precedent Plan or significant decision will trigger this threshold.
Magnitude of Cost	The magnitude of the proposal or decision in terms of its cost to Council. Most major decisions will be made in the context of the Community Plan or the Annual Plan. Decisions involving unidentified or unbudgeted expenditure should be scrutinised carefully. Where the decision or proposal has no net cost, the significance in terms of this criterion will be small. As the net cost approaches the threshold, it will be of greater significance.	A proposal or decision involving capital expenditure in excess of 4% of annual expenditure or new or increased annual operating costs in excess of 1% of annual expenditure will trigger this threshold.

Criteria	Description	Threshold
Different Effects	The extent to which the decision or proposal, (including decision or proposal options) has radically different effects from the status quo in terms of costs, benefits, extent of impact on members of the community and which members it impacts upon. Where the effects are identical throughout the community or differences from the status quo are small, the significance in terms of this criterion will be small. As the effects of the decision or proposal vary more greatly, it will be of greater significance.	A decision or proposal that will create radically different effects on members of the community will trigger this threshold.
Controversy	The extent to which the decision or proposal is controversial within the community. Where community views are uniform or the matter generates little interest, the significance in terms of this criterion will be small. A higher level of controversy will be of greater significance.	A decision or proposal on a matter where community views generate considerable interest or the Community is deeply divided will trigger this threshold.
Reversibility	The extent to which the decision or proposal is difficult to reverse. Where the outcome can be largely reversed, albeit in a different form, the significance in terms of this criterion will be small. Where the difficulty in reversing the decision is greater the decision will be of greater significance.	A substantial decision or proposal that is completely irreversible will trigger this threshold.

Criteria	Description	Threshold
Uncertainty	The extent to which lack of information or conflicting information regarding the effects of a decision or proposal on the matters in section 4 of this policy and/or its cost, effects, controversy or reversibility make its significance unclear. Where full and clear information is available, the significance in terms of this criterion will be small. Where there is a higher level of uncertainty, the decision will be of greater significance.	A substantial decision or proposal will trigger this threshold, if there is a high level of uncertainty concerning any of the major matters in the proposal.

## PROCEDURES

Council will use the following procedures to help it decide whether or not specific proposals and decisions are significant.

**Decisions to be included in Plans** - whenever practicable, the Council will include major decisions within the Community Plan or the Annual Plan.

**Assessment of decision-making requirements for significant matters** - where the Chief Executive or Officers considers any decision or proposal to be potentially significant, the Chief Executive shall report to the Council or its relevant standing committee, providing a detailed assessment of the degree of significance of the decision or proposal (including assessment against all the criteria and thresholds set out in Section 5 of this policy) and advising how appropriate compliance with the decision-making requirements of the Act will be achieved.

**Assessment of decision-making requirements for other matters** - All reports to the Council or relevant standing committees, shall provide a brief assessment of the overall significance of the decision or proposal under consideration and shall advise how compliance with the decision-making requirements of the Act will be achieved.

**Council may require detailed assessment of any matter** - The Council or a standing committee may require the Chief Executive to provide a detailed report on the significance of a matter to the Council or its relevant standing committee.

## EXCEPTIONS

Council may use the following exceptions to help it decide whether specific proposals and decisions are significant.

**Statutory Processes under other Acts** – Under the LGA, and except where expressly required to consult, Council may elect not to consult on a proposal or decision that is considered significant in terms of this policy. One reason it may decide not to consult is that a proposal or decision is still subject, at a future date, to statutory processes (for example, those set out in the Resource Management Act 1991). The Council will also take into account the financial implications of consulting on the matter.

**Administrative Decisions** - Administrative decisions made by officers under delegated authority that flow from Council policy (e.g. the issuing or exempting from traffic infringement notices, the issuing of dog licenses) are generally not considered to be significant in terms of this policy. The significance lies with the policy that guides these decisions and not with each decision made in administering the policy.

## STATUTORY CONSULTATION

The following matters are listed in the Act (refer relevant section numbers) as requiring statutory consultation:

- Establishing a council-controlled organisation (s 56)
- Adopting, reviewing or amending a bylaw (s 86)
- Any proposal for an alteration in the mode by which a significant activity is undertaken by or on behalf of the Council (s 88(1))
- Adopting or amending a Community Plan (ss 93(2) & 93(5))
- Adopting an Annual Plan (s 95(2))
- Certain decisions that can only be taken if provided for in the Community Plan (s 97)

- Adopting or amending the policy on significance (ss 90(4); ss 103 to 108).
- Adopting or amending any funding or financial policy (s 102(4)).
- Adopting an assessment of water and sanitary services (s 125).
- Disposing of a park (s 138).

## STRATEGIC ASSETS

The assets that Council considers to be strategic are:

- The Waitaki roading network.
- Water collection, treatment and distribution systems (including water rights and resource consents).
- Wastewater collection, treatment and disposal systems (including resource consents).
- Storm water collection and disposal systems.
- Oamaru and Palmerston Landfills.
- Oamaru Airport.
- Oamaru Harbour Breakwater.
- Community housing (specifically mentioned in the Act).

For the purpose of the Policy the Council considers its network and other large assets as whole single assets because it is the asset class as a whole that delivers the service and which is therefore strategic.

In line with this whole single asset approach, and the interests of the efficient management of resources, the Council does not expect to undertake the special consultative procedure for decisions that relate to the transfer of ownership or control, or minor construction or replacement, of a part of a strategic asset, unless that part substantially affects the level of service provided to the community.

Any physical alterations to strategic assets that are required to either prevent an immediate hazardous situation arising, or to repair an asset to ensure public health and safety due to damage from an emergency or unforeseen situation, will also be undertaken without formal consultation. Any actions taken will be reported in the relevant Annual Report.

# COMMUNITY OUTCOMES

## INTRODUCTION

### ***What are Community Outcomes?***

The definition of the word outcome is: "desired state of affairs". The Waitaki Tomorrow community outcomes are the community's vision for the future of the District. The Waitaki District Council has facilitated the process of identifying the outcomes.

### ***How were the "Waitaki Tomorrow" community outcomes identified?***

Council facilitated a public consultation process in 2005, working alongside a group of community outcomes partners. This process is fully described later in this document.

### ***Who is involved in "Waitaki Tomorrow"?***

Everyone is: residents, community groups and stakeholders have been addressed to identify community outcomes, the whole community is meant to achieve the outcomes together and a group of 15 partner organisations including council and government agencies drive the process.

### ***Who will work towards achieving the Community Outcomes?***

The whole community should work towards achieving the outcomes: including public sector organisations like councils and government agencies, private sector organisations like businesses and non-profit/voluntary sector organisations like charities, sports clubs, community groups as well as individual community members. The 15 partner organisations are specially committed, as they have to report on progress through the Waitaki District Council as well.

### ***What will we/they do to achieve the outcomes?***

The public sector organisations all have planning documents, which include outputs like actions and projects as well as inputs like budgets. These inputs and outputs will contribute directly or indirectly towards achieving the community outcomes. Whereas the Waitaki District Council attributes all of its activities in the Waitaki Community Plan to one or several groups of the Waitaki community outcomes other public sector organisations like the central government agencies will have to cover numerous community outcomes for different regions, cities and districts. Planning documents like annual plans or council's Waitaki Community Plan should be referred to when finding out about actions and projects that are planned to contribute to achieving our outcomes.

It will be more difficult to find out what private sector and voluntary sector organisations will do to contribute to community outcomes, as they are not subject to the same legal obligations to publish their planning documents. If you are interested in private and voluntary sector contributions you will have to scan the news media and individual organisations' information.

### ***Who are the Waitaki Tomorrow partners and what are their roles?***

The partner organisations have been identified by the Waitaki District Council as those "organisations and groups capable of influencing either the identification or the promotion of community outcomes" (LGA021 s91 (3)(i)). They have agreed to the process (LGA02 s91 (3)(ii) as well as the monitoring and reporting procedures (LGA02 s92 (2)).

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<sup>1</sup> LGA02= Local Government Act 2002

The partners are:

Alliance Group Pukeuri  
Canterbury Regional Council  
Department of Conservation  
Department of Internal Affairs  
Housing NZ Corporation  
NZ Transport Agency (formerly Land Transport New Zealand)  
Ministry of Education  
Tertiary Education Commission  
Ministry of Social Development  
Otago Regional Council  
New Zealand Police, Oamaru  
Safer Waitaki  
Public Health South  
Sport Waitaki  
Te Runanga O Moeraki  
Waitaki Development Board  
Waitaki District Council

We have identified three categories of roles for the partner organisations, as set out in the following table:

Lead = A lead organisation is the one that contributes significantly to a particular group of outcomes and helps reporting on progress.

Joint Lead = A joint-lead organisation is one of usually two partner organisations, which both contribute significantly to a particular group of outcomes and jointly report on progress.

Support = A supporting organisation contributes partly to a particular group of outcomes.

A blank box in the table signifies that an organisation is not involved in any activities that contribute to this outcome.

Waitaki Tomorrow partners and their roles	Community Outcome Groups								
Lead Joint Lead Support	Waitaki people are safe and healthy	Waitaki rivers and water are managed for the future	Waitaki's distinctive natural environment is valued and protected	Waitaki people have access to life-long learning	Waitaki has a diverse, sustainable and growing economy	Waitaki's unique culture and heritage is preserved and celebrated	Waitaki is served by responsive and efficient government	Waitaki has strong and proud communities	Waitaki has essential transport networks and services
Alliance Group Pukeuri		Support		Support	Support				
Canterbury Regional Council (ECan)		<b>Lead</b>	Joint Lead		Support		Joint Lead		Support
Department of Conservation (DoC)		Support	<b>Lead</b>		Support	Support	Support		
Department of Internal Affairs (DIA)	Support		Support		Support	Support	Support	Support	
Housing NZ Corporation	Support				Support			Support	
NZ Transport Agency	Support				Support		Support		<b>Lead</b>
Ministry of Education (MoE) Tertiary Commission				<b>Lead</b>	Support		Support	Support	
Ministry of Social Development (MSD)	Joint Lead			Support	Support		Support	Support	
Otago Regional Council (ORC)		<b>Lead</b>	Joint Lead		Support		Joint Lead		Support
NZ Police Oamaru Safer Waitaki	<b>Lead</b>				Support		Support		
Public Health South (PHS)	<b>Lead</b>	Support			Support		Support		
Sport Waitaki	Joint Lead				Support			Support	
Te Rūnanga o Moeraki		Support	Support		Support	Support		Support	
Waitaki Development Board (WDB)				Support	<b>Lead</b>	Support	Support		Support
Waitaki District Council (WDC)	Support	Support	Support	Support	Support	<b>Lead</b>	<b>Lead</b>	<b>Lead</b>	Joint Lead

## PROCESS REPORT

The community outcomes identification process is depicted in the diagram below and more fully described in the text that follows.



# Community Outcomes Process



## **1. How the community outcomes have been identified (LGA Schedule 10 (b))**

### *Executive Summary*

The Waitaki Tomorrow community outcomes process sought to identify organisations capable of influencing the promotion of community outcomes (Stage 1 – Partners) and record the views of a cross-section of the Waitaki community (Stage 2 – Community Leaders) as well as addressing all residents through public meetings (Stage 3 – Wider Public). A process of public consultation was undertaken, beginning with 3 community leaders' workshops in July/August 2005 and concluding with a series of 8 public meetings, the last of these being held on the 13 September. The Waitaki Tomorrow partners supported the process, identified measures to monitor progress and are committed to collaborate towards achieving the outcomes on a long-term basis.

### *Initial Phase*

Work on the community outcomes process commenced in late 2004. Council received reports on the legal requirements of a community outcomes process in December 2004 and April 2005. The Bylaws and Democracy Working Party were involved in the early stages of the process. Initially, it was proposed to hold seven stakeholder meetings according to the seven outcome areas that were identified under the transitional provisions of the LGA 2002. The concept changed with a change of project managers and under the influence of other process examples especially from Central Otago District Council and those being presented at a DIA community outcomes workshop in Wellington in April 2005. Council's Bylaws & Democracy Working Party identified a draft list of stakeholder groups for three areas: economic, environmental, social & cultural wellbeing. The Working Party chose a facilitator from a list of 5 potential candidates in May.

### *Stage 1 – Partners*

Following the selection of the 14 Waitaki Tomorrow partners, three partner meetings were held on 17 June (to discuss and agree on the process and to select in-house-produced logo), 23 September (to discuss community

outcome statements, identify key agencies for outcome groups and initiate search for indicators) and 4 November (to finalise outcome statements and discuss draft indicators).

### *Stage 2 - Community Leaders*

Around 240 community leaders from all sectors of the community were identified and invited personally to attend one of the workshops held in Oamaru, Kurow and Palmerston, commencing on the 25th of July. More than 90 of these leaders attended the workshops and contributed to identifying 63 draft outcomes for the Waitaki District.

### *Stage 3 – Wider Public*

**Leaflet:** The 63 outcomes identified at the community leaders meetings were combined and summarised into 36 separate outcomes and then grouped under 9 areas of wellbeing. The resulting draft community outcomes statement was compiled into leaflet form. The leaflet included details on the process and how to provide feedback either by returning a completed form and/or attending one of the public meetings. The leaflets were delivered to more than 9,500 letterboxes throughout the whole Waitaki District and more than 170 completed forms were returned.

**Public Meetings:** To provide opportunity for discussion and further feedback, a series of 8 public meetings were held throughout the District, from Omarama to Palmerston from 29 August to 13 September. These meetings were advertised extensively by way of the Waitaki Tomorrow leaflets, newspaper, radio and local community newsletters. Both leaflets and meetings included a priority-setting exercise.

Attendance at these meetings was lower than hoped, with an average turnout of approximately 10 residents per meeting. Despite this, the input received from those who attended was very constructive and the meetings provided an excellent opportunity to discuss the process in more detail. Several partners and Councillors also attended the meetings, as well as council's entire executive team, who attended at least one meeting each.

Most attendants at the public meetings completed a brief questionnaire to enable us to ascertain their level of satisfaction with the meeting and their understanding of the process as a whole. The feedback from these questionnaires was positive, e.g. 85% agreed that they learned more about the whole process and its follow-up mechanisms, 15% partly agreed.

At public meetings as well as through feedback on the leaflets, residents were asked to prioritize the 9 outcome groups, which resulted in

#### *Stage 4 - Finalising Outcome Statements and Initiating Monitoring Process*

Following the public meetings and leaflet feedback, work was done on revising and amending the draft outcome statement to reflect the feedback. This included re-wording several outcomes and changing the order and priority of the 9 outcome groups. The most significant change being that the health & safety outcome area moved from a middle place (medium priority) to the top of the 9 groups followed by rivers & water and natural environment outcome groups. The revised statement was forwarded to the partners who met again on the 23<sup>rd</sup> of September to discuss and agree on changes to the draft statement. The community outcome statements were finalised and received by the partners. A lead agency was identified for each of the nine groups of outcomes at the meeting and the process of selecting indicators initiated.

A number of partners attending the meeting, many of whom had been involved in community outcomes elsewhere, made positive comments regarding the Waitaki District Councils' open, positive, effective and efficient facilitation of this process.

In October, discussions were held with Waitaki Tomorrow partner, Te Rūnanga Ō Moeraki regarding the incorporation of Mana Whenua values into the final outcomes statement. This should have been undertaken far earlier in the process, however due to miscommunication from both parties it was left until this later stage. Some valuable lessons have been learned and there has been a positive period of discussion. We are confident that

mana whenua values have now been successfully incorporated into the community outcomes statement.

The last partners' meeting for the year 2005 was held on the 4<sup>th</sup> of November to discuss a draft set of indicators. In October, lead agency partners had been asked to suggest indicators and discuss these with their respective supporting agencies. The suggested indicators and measures had been collated and added to by Waitaki District Council staff using a range of existing sets of outcome indicators (e.g. Statistic NZ's Linked Indicators, ECan's regional outcome indicators, Waikato's Monitoring and Reporting Community Outcomes MARCO example). A set of indicators and measures will have been finalised by mid 2006 and further work will be undertaken with partners to agree on monitoring conditions and the design of the first full community outcomes report in 2009.

#### *Costs*

Council as well as all our partner organisations has spent considerable (staff) time on the consultation and partnering process. However, the costs for council for the consultation process as of December 2005 were \$12,700, which is significantly lower than the budget similar councils spent on their community outcomes process (e.g. on request Central Otago District stated their costs at more than \$35,000 whereas city councils have spent significantly more than that again).

#### *Ongoing Process*

The Waitaki Tomorrow partners will continue their cooperation and provide a Community Outcomes Report in 2009.

## **2. How the local authority will contribute to furthering community outcomes (LGA Schedule 10 (c))**

The Waitaki District Council obtains different roles in furthering particular areas of community outcomes. However, whether council takes on the lead, joint lead or supporting role, it sets out in its Waitaki Community Plan and Annual Plans how it will contribute to work towards achieving

community outcomes. In the Waitaki Community Plan 2006-16 each activity management plan summary will refer to the community outcomes it contributes to.

### **3. How the community outcomes relate to other key strategic planning documents or processes (LGA Schedule 10 (d))**

WCP 2006-16: The community outcomes relate to the Waitaki Community Plan (WCP) 2006-16 in that they form the base for each activity's rationale. Particular community outcomes are stated in each activity management plan summary.

District Plan: Some community outcome indicators refer to the District Plan or require variations to the District Plan. It will be reported on in the first community outcomes monitoring report in three years time whether any of these variations will have been implemented.

Culture and Heritage Strategy 2005, Economic Development Strategy 2005, Tourism Strategy 2005, Walking & Cycling Strategy 2005: The community outcomes monitoring report and its indicators refer to all of these strategies, which provide some of the measures required to monitor progress towards achieving outcomes.

Memorandum of Understanding (MoU) between Waitaki District Council and Te Rūnanga o Moeraki: One of the community outcomes indicators refers to the MoU between WDC and Te Rūnanga o Moeraki, which has been drafted and will be finalised in 2006.

Waitaki Tomorrow partners' planning documents: The partners' individual planning documents should be consulted to find out how each of them will contribute to furthering the Waitaki Tomorrow community outcomes.

### **4. How will Council monitor and report on the community's progress towards achieving community outcomes (LGA Schedule 10 (g))**

The table below containing the Waitaki Tomorrow community outcomes statements includes a draft set of indicators and measures which will be used to monitor progress. The partners agreed on using a mixture of objective indicators (statistics), subjective measures (residents' survey) and narrative indicators. The partners have decided that the first monitoring report will be published as a separate document.

In the meantime, the Council has reported its progress against community outcomes indicators, where these are measured as part of Council's own performance management framework, in the Annual Report.

**What do we want for our future?  
Community Outcomes**

For our social, economic, environmental and cultural wellbeing

**Waitaki people are safe and healthy**

**Contributes to social wellbeing.**

We feel safe in our homes and on our streets.

We work together to protect people and property.

We support policing, particularly in small and rural communities.

Our existing Waitaki hospital services are retained and improved while out-of-district hospital services are easily accessed.

**How will we monitor progress?  
Outcome Indicators**

Key measures

General narrative indicator

1. Perception of Safety

2. Crashes per 10,000 people. / Casualties (fatal, serious and minor injuries) per 10,000 people.

**How are we doing?  
Current Data**

2004/05 measures – if not stated otherwise.

- Rural Police Stations are: Hampden, Palmerston, Kurow and Omarama.
- The Oamaru Police is currently under-staffed.
- The WDC provides a community hospital in Oamaru through its Waitaki District Health Services (council controlled organisation).
- The number of GPs in the district varies significantly due to high GP turnover.
- Public Health South works to promote and protect the health of the population of Otago and Southland, including the Waitaki District. Public Health South provides Health Protection (regulatory), Health Promotion (community development, including a Maori focused service), Public Health Nursing, Sexual Health and Vision and Hearing Screening services. Public health services strive to ensure that every person has access to the same level of health and that disparities between populations are minimised

1. Not measured in 2005. To be provided through Communitrak Survey.

2. Crashes/ Casualties per 10,000 people in 2004: Waitaki District 51/ 72 (Peer Group 30/ 45, NZ average 25/ 35). (Source: LTNZ)

<b>What do we want for our future?</b> <b>Community Outcomes</b>	<b>How will we monitor progress?</b> <b>Outcome Indicators</b>	<b>How are we doing?</b> <b>Current Data</b>
<p>For our social, economic, environmental and cultural wellbeing</p> <p>Our people have easy access to social services and advice in times of need</p> <p>We have active, healthy lifestyles supported by easy access to a wide variety of physical recreation and health education.</p> <p>We promote hauora and holistic wellbeing for all our communities</p> <p>We encourage and promote cycling and walking for health and commuting purposes by providing safe cycleways and walkways.</p>	<p>Key measures</p> <p>3. Community involvement in crime reduction activities.</p> <p>4. Police hours spent on community policing.</p> <p>5. Crime statistics: Criminal victimisation rate by major offence type.</p>	<p>2004/05 measures – if not stated otherwise.</p> <p>3. In collaboration with the Oamaru Police, the WDC and other organisations, the Safety Coordinator has introduced a walking school bus project, the safe house programme and a visitor's information brochure in 2005.</p> <p>4. No current data available. (Source: Oamaru Police)</p> <p>5. No current data available on district level. (Source: Oamaru Police).</p>
<p><b>Waitaki rivers and water are managed for the future</b></p> <p><b>Contributes to environmental and economic wellbeing.</b></p>	<p>General narrative indicator</p>	<p>The two regional councils responsible for the Waitaki district (Otago Regional Council and Environment Canterbury) have a primary role of managing the use and development of air, water and land to promote the sustainable management of those resources.</p> <p>Regarding this community outcome group, the regional councils manage: activities that will adversely affect water quality (surface and groundwater), quantity (surface water minimum flows and groundwater levels); allocation of water; and freshwater ecosystems within rivers and lakes. Regional councils also deal with pest management and control.</p>
<p>Workable plans for Waitaki catchments are in place.</p> <p>We have quality drinking water.</p> <p>We protect our water supplies and water bodies</p>	<p>10. Narrative indicator on water catchment plans.</p>	<p>10. The Waitaki Catchment Water Allocation Regional Plan was released on 3 October 2005. Most parties welcomed the compromises made after nearly 2,000 submissions to the draft plan were considered.</p>

<b>What do we want for our future? Community Outcomes</b>	<b>How will we monitor progress? Outcome Indicators</b>	<b>How are we doing? Current Data</b>
<p>For our social, economic, environmental and cultural wellbeing</p> <p>from pollution and contamination.</p> <p>We have reliable water supply for homes, farms and industries.</p> <p>We recognize the social and recreational values associated with our waterways.</p> <p>We recognize mana whenua values associated with our waterways, including respecting the mauri of waterways and ensuring access to mahika kai.</p>	<p>Key measures</p> <p>11. Drinking water quality (A, B, C, D, E grades; from A= completely satisfactory to E= unacceptable level of risk)</p> <p>12. Recreational water quality index: samples at selected freshwater sites not to exceed Microbiological Water Quality Guidelines for Marine and Freshwater Recreational Areas.</p> <p>13. Kai Tahu satisfaction with cultural use of water ways and mahika kai species.</p>	<p>2004/05 measures – if not stated otherwise.</p> <p>11. 45 of 47 Waitaki drinking water schemes have not been graded, 2 are graded E. (Source: www.drinkingwater.org.nz).</p> <p>12. Data currently not available. (Source: ORC and ECan).</p> <p>13. Information currently not available. (Source: Te Rūnanga o Moeraki).</p>
<p><b>Waitaki's distinctive natural environment is valued and protected</b></p> <p><b>Contributes to environmental wellbeing.</b></p>	<p>General narrative indicator</p>	<p>- There have been several submissions to WDC's Draft Annual Plan 2005/06 and several community suggestions which concern environmental matters. Energy-saving, water-related and land-use related environmental issues seem to be the core of the submitters' concerns, whereas air pollution was hardly mentioned during community outcomes workshops and only occurred in two submissions in 2005.</p>
<p>We enjoy access to our beaches, lakes and rivers, while respecting and upholding the rights of property owners.</p> <p>All land use is managed sustainably and sensitively, with particular attention to coastal and other areas of environmental and cultural significance.</p> <p>We maintain the integrity of our natural and cultural landscapes including waahi tapu and waahi taoka</p> <p>We manage our waste stream to minimise residual waste to landfill.</p>	<p>14. Narrative indicator on access to beaches, lakes and rivers</p> <p>15. Narrative indicator on District Plan achievements</p>	<p>14. WDC monitors complaints regarding access issues. Any issues raised by the public related to access to beaches, lakes or rivers in areas of DoC jurisdiction will be referred to the department by WDC. WDC recorded 7 complaints in 2005 (as of 22 November 2005). (Source: WDC)</p> <p>15. The WDC District Plan provides for rules, which concern sustainable land-use. For more detailed information please refer to the plan itself as well as to the WDC environmental monitoring reports (Subdivisions, Rural Land Use), which will be published in 2006. The WDC has also published a Landscape Study in</p>

**What do we want for our future?  
Community Outcomes**

For our social, economic, environmental and cultural wellbeing

**How will we monitor progress?  
Outcome Indicators**

Key measures

**How are we doing?  
Current Data**

2004/05 measures – if not stated otherwise.

16. Resident satisfaction with the district's natural environment

17. Annual tonnage of residual waste disposed of at landfill.

18. Resident use of and satisfaction with Council's recycling services.

2005, which will eventually result in District Plan variations.

16. 69% of residents are satisfied that the natural environment in their District is being preserved and sustained for future generations (similar to national average of 71%). (Source: Communitrak Survey 2005)

17. Will be measured from 2006 onwards. An estimated 13,600 tonnes of waste (incl. recyclables, residual and green waste) is disposed of at the district's landfills in Oamaru and Palmerston annually, which are filling up quicker than planned and will reach the end of their economic life during the period of this Waitaki Community Plan even if volumes of recycling will increase.

18. 44% of Waitaki District households have used Council's recycling services over the last 12 months. 47% of residents are satisfied with recycling (national average 78%). (Source: Communitrak Survey 2005)

<b>What do we want for our future? Community Outcomes</b>  For our social, economic, environmental and cultural wellbeing	<b>How will we monitor progress? Outcome Indicators</b>  Key measures	<b>How are we doing? Current Data</b>  2004/05 measures – if not stated otherwise.
<b>Waitaki people have access to life-long learning</b>  <b>Contributes to social wellbeing.</b>	General narrative indicator	<ul style="list-style-type: none"> <li>- Number and type of early childhood education services: 8 Play Groups, 14 Licensed Services: 5 Education &amp; Care Services (1 Sessional service and 4 all day services; 3 companies, 2 Incorporated Societies); 5 Playcentres (Sessional services, Incorporated Societies); 3 Kindergartens (Sessional, Incorporated Societies); 1 Homebased service (Incorporated Society)</li> <li>- Number &amp; type of schools: 24 Schools: 5 Contributing Primary; 14 Full Primary; 1 Intermediate; 1 Y7-15; 3 Y9-15; 22 State &amp; 2 State Integrated (No Private) 22 Co-ed; 1 boys; 1 girls</li> <li>- School roll numbers: Total Roll 2005=3,875 National roll growth 2000-2005 was 4.1% which includes 11.9% increase in secondary level roll growth The forecast for Waitaki in 2005-10 is 0.6% decrease which includes 0.4% increase at secondary level (Source: MoE)</li> </ul>
Our pre-school children have access to a range of quality early childhood education and childcare facilities.	19. Early childhood education attendance by year one students.	19. Participation in Early Childhood education in Waitaki 90.3% (below national average). (Source: MoE)
We retain a network of quality primary and secondary schools enabling access for children within reasonable travelling distances.	20. Number of complaints about access or travelling distances to schools.	20. Zero complaints received 2005. (Source MoE)

<b>What do we want for our future? Community Outcomes</b>	<b>How will we monitor progress? Outcome Indicators</b>	<b>How are we doing? Current Data</b>
<p>For our social, economic, environmental and cultural wellbeing</p> <p>Schools remain an integral part of our communities.</p> <p>Our secondary, tertiary and employment training providers address the social, cultural and economic needs of the district.</p> <p>Our small and rural communities can access interactive distance learning.</p> <p>Our education system promotes learning of Maori culture and identity with the support and guidance of mana whenua.</p>	<p>Key measures</p> <p>21. Percentage of school leavers who have moved on to tertiary education or permanent employment. / Number of modern apprenticeships and industry trainees.</p> <p>22. Percentage of school leavers with no formal qualification by gender and ethnicity.</p> <p>23. Number of projects Te Runanga o Moeraki undertakes in schools.</p>	<p>2004/05 measures – if not stated otherwise.</p> <p>21. MoE data not currently available for Waitaki District but it is expected by August 2006. As of 30 September 2005 there were 28 modern apprenticeships and 524 industry trainees in the district. (Source: Tertiary Education Commission)</p> <p>22. 24.4% of people aged 15 years and over in Waitaki District had a post-school qualification (national average 32.2%). Information on gender and ethnicity currently not available. (Source: Statistics NZ 2001 census)</p> <p>23. Data currently not available (Source: Te Runanga o Moeraki).</p>
<p><b>Waitaki has a diverse, sustainable and growing economy</b></p> <p><b>Contributes to economic wellbeing.</b></p> <p>Our economic development is in balance with social, cultural, environmental and mana whenua aspirations.</p> <p>We have low compliance costs for businesses.</p> <p>We provide support and advice for new and existing enterprises, especially small and medium-sized businesses.</p> <p>Our infrastructure enables and responds to economic growth.</p> <p>Sustainable well-paid employment provides whanau with a greater degree of self-determination.</p> <p>Our cultural and natural heritage and landscapes</p>	<p>General narrative indicator</p> <p>24. Narrative Indicator whether and who provided support and advice for businesses / Number of mentoring contacts.</p> <p>25. Total numbers of beneficiaries by gender and ethnicity.</p> <p>26. Part of the Economic Development Strategy's basket of indicators will be used for this report:  a) Hourly incomes by gender and ethnicity,  b) District GDP  c) Number of resource consents issued.</p>	<p>- Occupation profile and employee count: see graphics at the end of this table.  - The number of businesses increased by 7.7% (from 1,500 to 1,615) in 2004. (Source: Statistics NZ)</p> <p>24. Information currently not available. (Source: WDB; local branches of WINZ and Polytech).</p> <p>25. Data currently not available. (Source: WINZ)</p> <p>26. For details please refer to ED Strategy.  a) Average hourly income in June 2005: \$18.15 (males \$19.65, females \$15.12).  b) Will be available from 2007.  c) 168 non-notified; 8 notified.</p>

<b>What do we want for our future? Community Outcomes</b>	<b>How will we monitor progress? Outcome Indicators</b>	<b>How are we doing? Current Data</b>
<p>For our social, economic, environmental and cultural wellbeing</p> <p>contribute significantly to economic diversity and success.</p>	<p>Key measures</p> <p>27. Number of full-time equivalents in cultural employment as % of total employment</p>	<p>2004/05 measures – if not stated otherwise.</p> <p>27. No current data available. To be provided 5-yearly through the census by Statistics NZ.</p>
<p><b>Waitaki's unique culture and heritage are preserved and celebrated</b></p> <p><b>Contributes to cultural and social wellbeing.</b></p>	<p>General narrative indicator</p>	<p>- Numerous events celebrate Waitaki's unique culture and heritage including the annual Victorian Heritage Celebrations, the annual A&amp;P Show, the Wine Festival and many others in the Waitaki Valley and Waihemo areas.</p> <p>- One future indicator on preserving the district's cultural uniqueness could be the percentage of franchise and national/international retail compared to locally owned retail.</p>
<p>All our communities share their culture and heritage with growing numbers of visitors.</p>	<p>28. Guest Nights: percentage change annually</p>	<p>28. 1.9% increase in guest nights in 2004 (compared to 2003). (Source: Statistics NZ)</p>
<p>Our development in lower Thames Street and the Oamaru Harbourside area provides an attractive pedestrian-friendly destination that is sympathetic to the built heritage.</p>	<p>29. Resident satisfaction with built environment</p>	<p>29. 86% of residents are satisfied (44% very satisfied/ 42% satisfied) that the built heritage in their District, which includes historic buildings, is being preserved and sustained for future generations. (Source: Communitrak Survey 2005)</p>
<p>A range of easily accessed facilities and events enable participation and enjoyment of sporting and cultural activity by all members of the community.</p>	<p>30. Narrative indicator: Which improvements have taken place/ which projects have been implemented in the (historic) Harbourside area?</p>	<p>30. The WDC (Jenny May) Harbourside Development Plan has been presented to council and work on District Plan zoning changes started end of 2005.</p> <p>One report of WDC's Environmental Monitoring Strategy is concerned with "heritage" and includes indicators to measure its preservation. It has been drafted and will be presented to council in 2006.</p>
<p>We celebrate the unique heritage and culture of the mana whenua.</p>	<p>31. Narrative indicator: What has been implemented of the Culture &amp; Heritage Strategy?</p>	<p>31. The WDC Culture &amp; Heritage Strategy has been adopted by council in August 2005 and a Culture &amp; Heritage Strategy Implementation Group has been set up in Q2 2005/06.</p>

<b>What do we want for our future? Community Outcomes</b>  For our social, economic, environmental and cultural wellbeing	<b>How will we monitor progress? Outcome Indicators</b>  Key measures	<b>How are we doing? Current Data</b>  2004/05 measures – if not stated otherwise.
	32. Resident satisfaction with Waitaki District as a place to live.	32. 42% of residents say Waitaki District is better, as a place to live, than it was three years ago, while 48% feel it is the same. 4% think it is worse. (Source: Communitrak Survey 2005)
<b>Waitaki is served by responsive and efficient government</b>	General narrative indicator	- This group of outcomes is addressed to local councils operating in the district (WDC, ORC, ECan) as well as central government agencies (such as WINZ).
We can be involved in decisions that affect us.	33. Satisfaction with level of consultation. Approachability of Councillors  34. Narrative indicator on consultation.  35. Narrative indicator on central government impact on local government.  36. Narrative indicator on effective shared and integrated services, joint ventures.	33. 54% of residents want consultation on major issues only (below peer group average, on par with national average). / 35% of residents believe their elected representatives welcome questions, comments and requests so that they would feel comfortable in approaching them (slightly below national average). (Source: Communitrak Survey 2005)  34. In addition to legally required consultation processes, WDC is undertaking a series of community visioning projects. Three visioning days have been carried out in Otematata, Weston, and Kakanui/Maheno/Herbert in 2005.  35. WCD noted the following major impacts: more funding available for cultural areas in recent years, new National Environment Standards e.g. drinking water standards.  36. In cooperation with NZ Police, a Waitaki Community Safety Coordinator was appointed in 2005; so was a Sports Coordinator in cooperation with Sport Otago.
Central government enables more freedom for local decision-making.		
Our local and central governments demonstrate efficient and effective use of resources.		
We consider rates to be fair.		
We ensure that our communities' values and cultural imperatives are recognized and catered for.		

<b>What do we want for our future? Community Outcomes</b>  For our social, economic, environmental and cultural wellbeing	<b>How will we monitor progress? Outcome Indicators</b>  Key measures	<b>How are we doing? Current Data</b>  2004/05 measures – if not stated otherwise.
	<p>37. Residents spend emphasis on services and spend priority.</p> <p>38. Narrative indicator on results of bi-annual review of MoU between Te Rūnanga o Moeraki and WDC</p>	<p>37. Water supply, business promotion, public toilets, recycling, and roads are the residents' top priorities (...) with the Aquatic Centre, the Art Gallery, public libraries, the Museum and parks and reserves being of lowest priority in terms of spend. (Source: Communitrak Survey 2005)</p> <p>38. A MoU between Te Rūnanga o Moeraki and WDC is currently being drafted.</p>
<b>Waitaki has strong and proud communities</b>  <b>Contributes to social and cultural wellbeing.</b>	General narrative indicator	
We have strong, well-supported community groups and recognize and value our volunteers.	39. Percentage of the population, who undertook unpaid work.	39. Current data not available. (Source: Statistics NZ)
We value parenting and whanau and encourage strong, healthy relationships.	40. Narrative indicator on community development.	40. Funding, training and recognition of voluntary work/groups: In 2004-05 WDC approved 20 specific grants to 19 organisations totalling \$236,700 and established four discretionary/contestable funds totalling \$93,000. 37 grants totalling \$46,554 were approved. 36 grants totalling \$40,654 were released.
We value Cultural diversity.		A Youth Council was founded in August 2005, which will determine its own projects and will be allocated a yearly budget.
New residents are attracted and welcomed to the district.		
We ensure that our communities' values, including mana whenua values, are recognized and catered for.	41. Number of notifications received by Child, Youth and Family (in relation to care and protection, behavioural/relationship issues and youth justice (14-17yo) referrals from the Police for family group conferences).	41. No current data available. (Source: CYF; Police).

<b>What do we want for our future?</b> <b>Community Outcomes</b>  For our social, economic, environmental and cultural wellbeing	<b>How will we monitor progress?</b> <b>Outcome Indicators</b>  Key measures	<b>How are we doing?</b> <b>Current Data</b>  2004/05 measures – if not stated otherwise.
	42. Population increase/decrease.  43. Perceptions of cultural and ethnic diversity	42. Estimated resident population = 19,850. This is a decrease of 150 over the 2004 figure. Natural increase = -20 (births and deaths). Estimated net migration (internal and external) = -130 ). (Source: Statistics NZ provisional population estimates as of 30 June 2005)  43. No current data available. Will be provided through Communitrak Survey from 2006 onwards.
<b>Waitaki has essential transport networks and services</b>  <b>Contributes to economic wellbeing.</b>	General narrative indicator	<ul style="list-style-type: none"> <li>- Transit NZ is responsible for State Highways, WDC for local roads.</li> <li>- Land Transport NZ provides a comprehensive annual report on accident and other statistics called "Waitaki District Road Safety Report".</li> <li>- WDC's Community Plan provides data on the length of the sealed/unsealed, local/national roading network.</li> </ul>
We have affordable, reliable and accessible transport services that meet the needs of the community.	44. Resident satisfaction with roads and footpaths.	44. 67% of residents are satisfied with roads (on par with national average and 2004 measure); 64% of residents are satisfied with footpaths (same as 2004; national average 71%). (Source: Communitrak Survey 2005)
We have a safe and affordable roading network.		
Regular air services are available at Oamaru airport.	45. Roding accidents statistics	45. Roding accidents stats – see indicator no.2 above.
We respect cultural heritage and landscape values in our construction and maintenance of transport networks.	46. Narrative indicator on developments at Oamaru airport.	46. Runway sealed in 2005.

<b>What do we want for our future? Community Outcomes</b>  For our social, economic, environmental and cultural wellbeing	<b>How will we monitor progress? Outcome Indicators</b>  Key measures	<b>How are we doing? Current Data</b>  2004/05 measures – if not stated otherwise.
	47. Length of cycleways/walkways / Resident satisfaction with walkways and cycleways.	47. No current data available. To be provided by WDC through walking & cycling strategy (in planning stage).
<b>General</b>	48. Deprivation index by census area unit (1= least deprived, 10= most deprived).	48. Deprivation index as of 2001 census: 2: Ardgowan, Weston; 3: Aviemore, Cape Wanbrow, Maheno, Pukeuri, Waihemo; 4: Lake Ohau, Omarama; 5: Oamaru South, Otematata; 6: Duntroon, Kakanui, Kurow; 7: Hampden, Oamaru Central, Oamaru North, Orana Park; 8: Palmerston. (Source: Ministry of Health)
Total 49 outcome statements, 9 groups of outcomes, 47 indicators		

## Employee Count and Occupation Profile

Employees by Industry - Waitaki District - As at February 2004

Industry (ANZSIC 1-digit)	Employees	Percentage of Total
A <b>Agriculture, Forestry and Fishing</b> <sup>(1)</sup>	140	1.9
B Mining	270	3.6
C Manufacturing	2,240	29.9
D Electricity, Gas and Water Supply	0	0.0
E Construction	440	5.9
F Wholesale Trade	210	2.8
G Retail Trade	870	11.6
H Accommodation, Cafes and Restaurants	660	8.8
I Transport and Storage	190	2.5
J Communication Services	60	0.8
K Finance and Insurance	95	1.3
L Property and Business Services	470	6.3
M Government Administration and Defence	120	1.6
N Education	530	7.1
O Health and Community Services	840	11.2
P Cultural and Recreational Services	150	2.0
Q Personal and Other Services	180	2.4
TOTAL	7,480	100.0

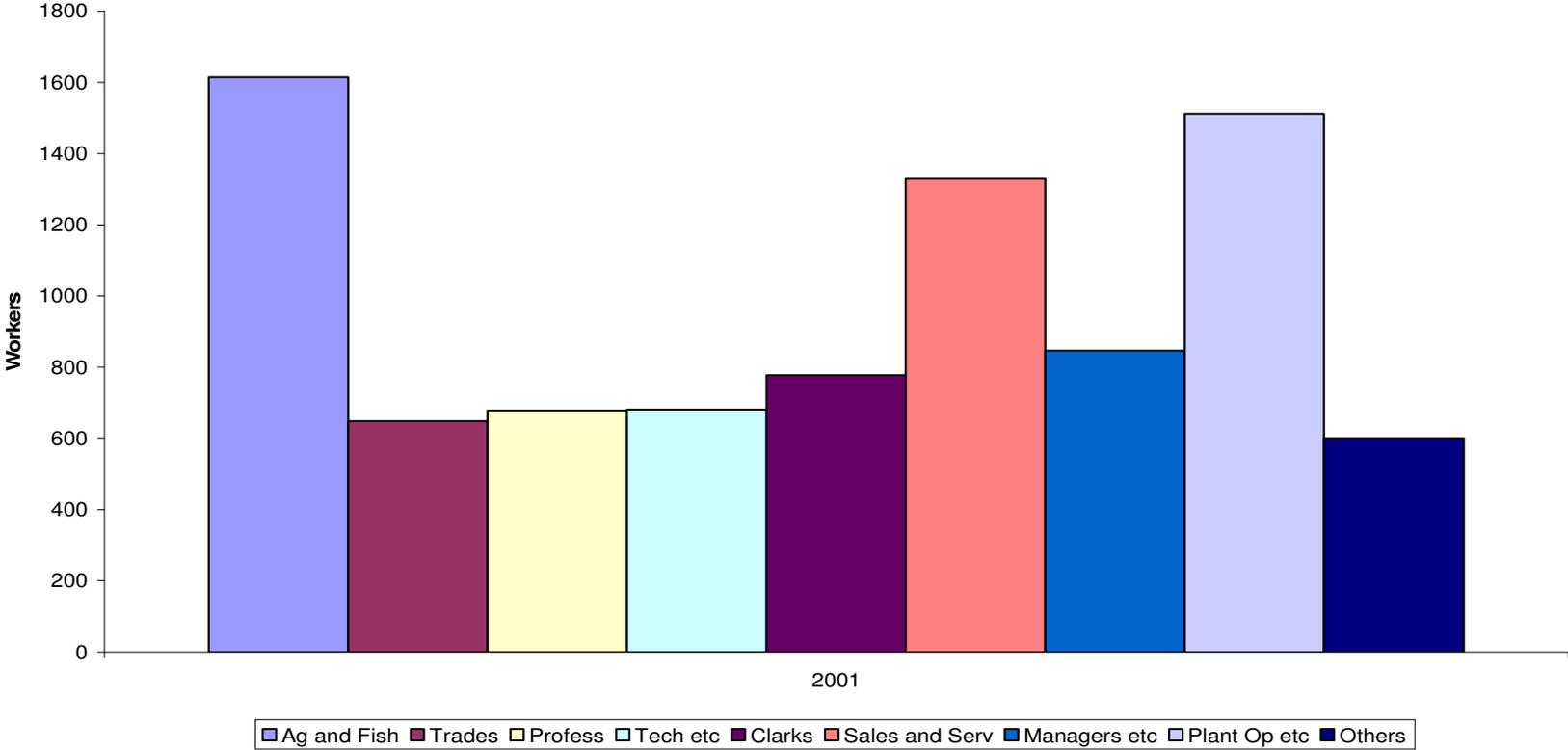
Source: Statistics New Zealand, Business Demographic Statistics

(1) Excludes agriculture production

**Note:** Figures have been rounded, and discrepancies may occur between sums of component items and totals.

All percentages and other derivations have been calculated using rounded figures.

### Occupation Profile in Waitaki



## GLOSSARY of Maori Terms<sup>2</sup>

**Hapu** – Sub-tribe, extended whanau.

**Hauora** – Health; holistic concept of personal wellbeing (source: [www.maorihealth.govt.nz](http://www.maorihealth.govt.nz))

**Iwi** – Tribe.

**Kai tahu** – Descendants of tahu, the tribe.

**Kaitiakitaka (kaitiakitanga)** – Exercise of customary custodianship, in a manner that incorporates spiritual matters, by takata whenua who hold manawhenua status for a particular area or resource.

**Mahika (mahinga) kai** – Places where food is produced or procured.

**Mana** – Authority, prestige, influence.

**Mana whenua** – Those who exercise customary authority or rakatirataka.

**Mauri** – Essential life force or principle; a metaphysical quality inherent in all things both animate and inanimate.

**Papatipu runaka (Rūnanga)** – Traditional runaka.

**Rakatirataka** – Chieftanship, decision-making rights.

**Runaka (Rūnanga)** – Local representative group or community system of representation.

**Takata (tangata)** – Person.

**Takata (tangata) whenua** – The iwi or hapu that holds mana whenua in a particular area.

**Waahi taoka** – Resources, places and sites treasured by mana whenua.

**Waahi tapu** – Places sacred to takata whenua.

**Whanau** – Family.

**Whanui** – Large, extended, broad.

**Whenua** – Land.

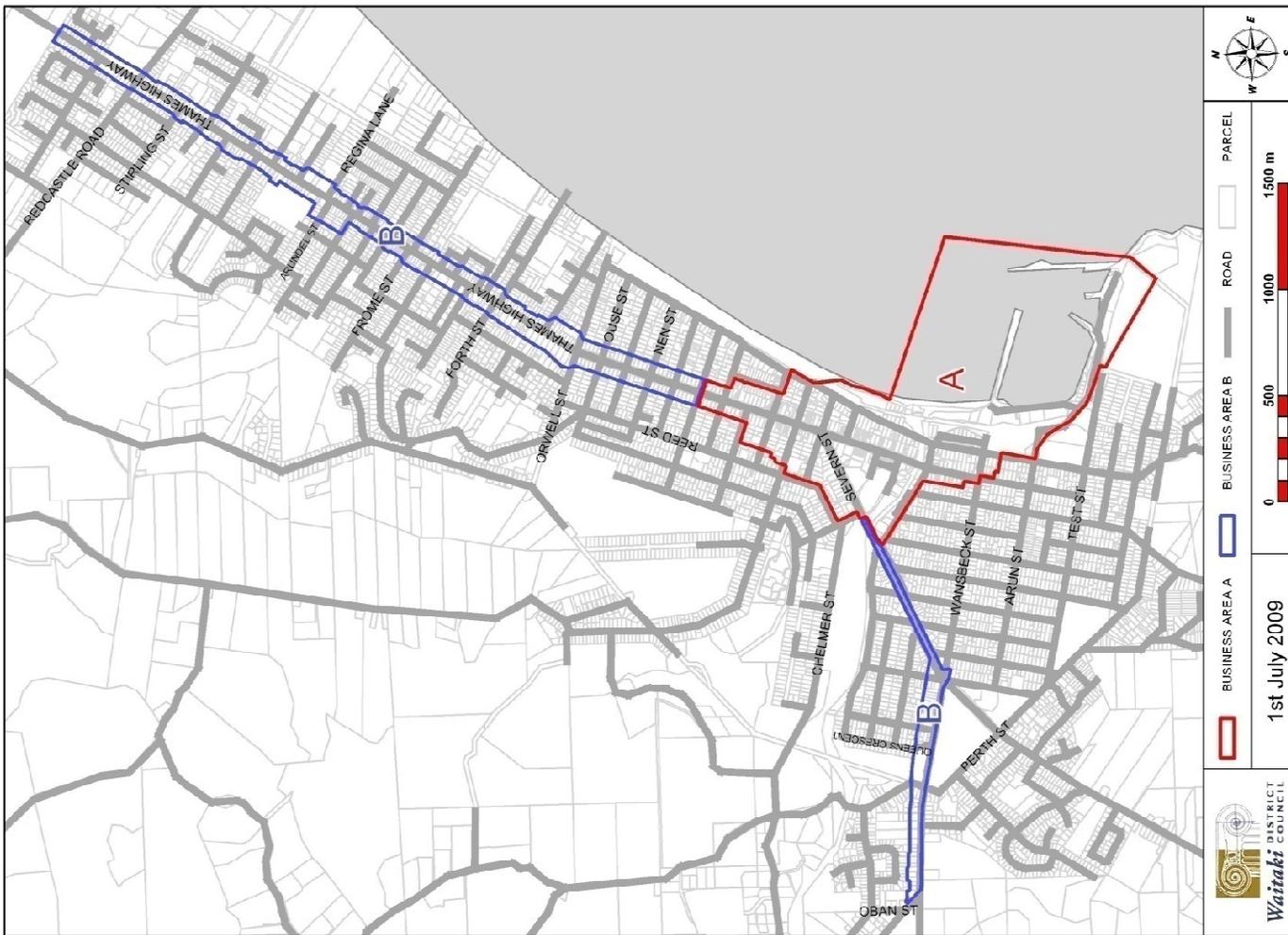
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<sup>2</sup> Source for Maori terms and definitions: Kai Tahu Ki Otago (2005) Natural Resource Management Plan (if not stated otherwise).



# RATING MAPS

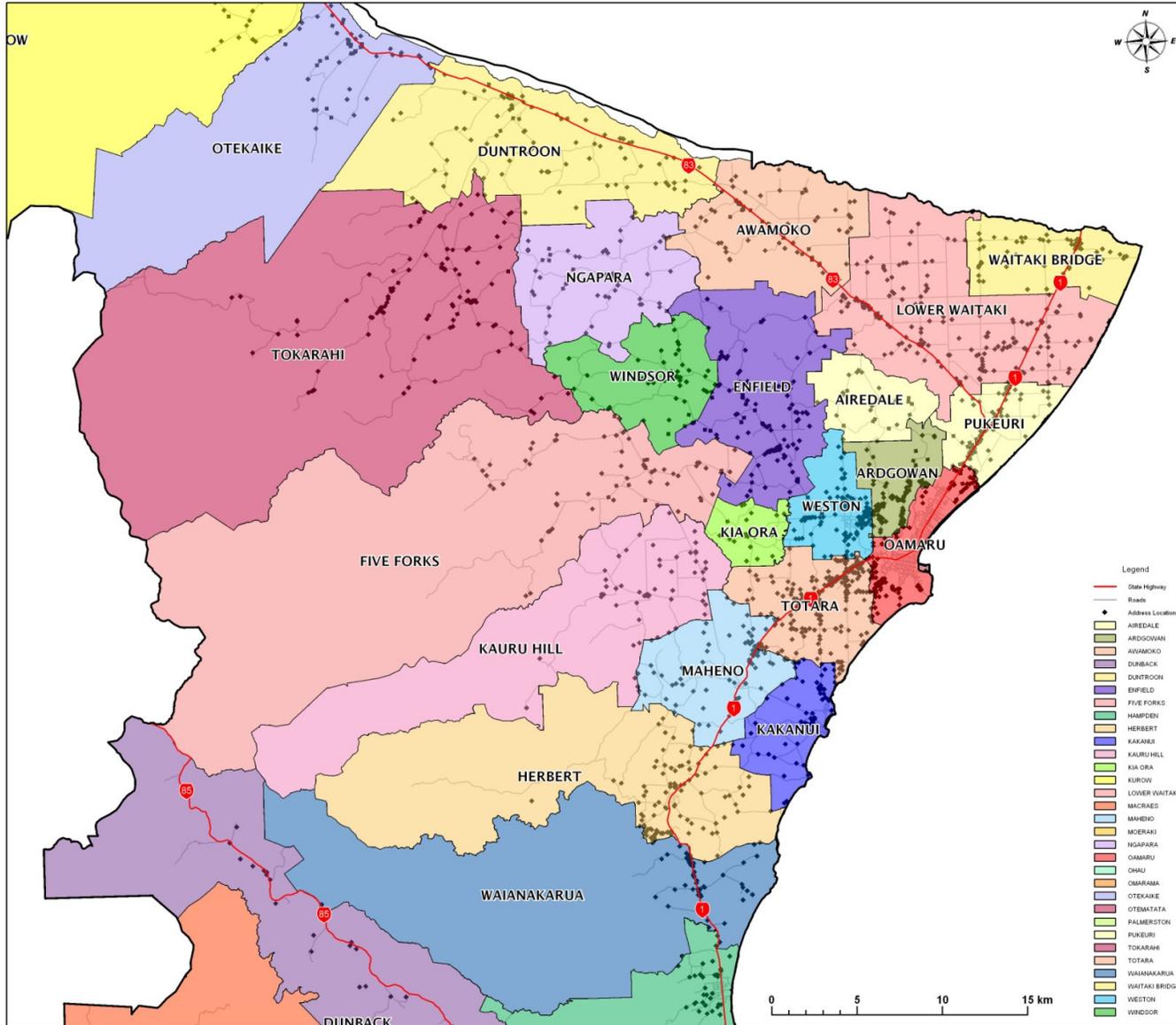
# OAMARU BUSINESS AREAS





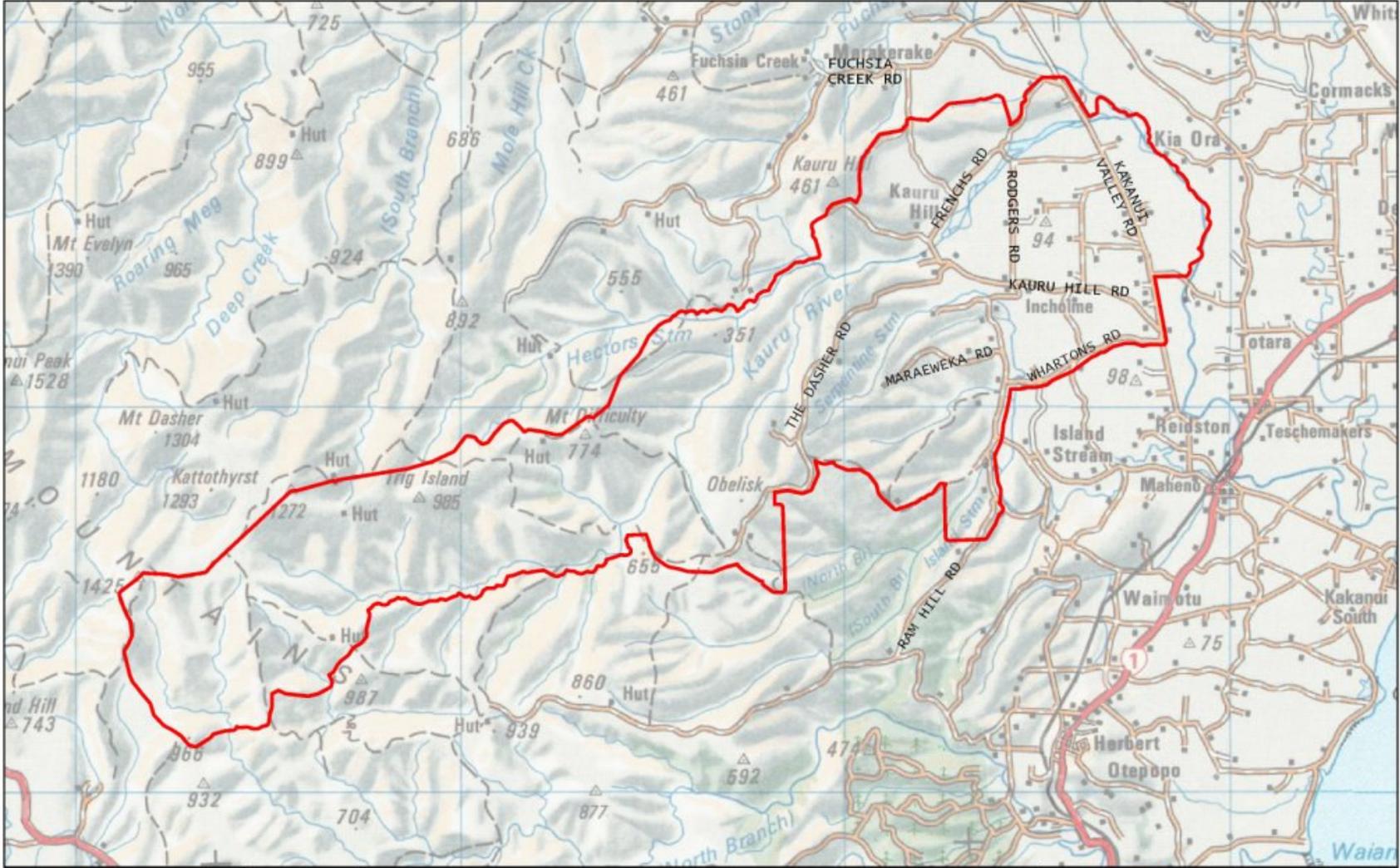
# Waitaki District - Corriedale

# Hall Boundaries



Hall Boundary	Addresses
AIREDALE HALL	26
ARDGOWAN HALL	102
AWAMOKO HALL	76
DUNBACK HALL	132
DUNTRON HALL	167
ENFIELD HALL	120
FIVE FORKS HALL	82
HAMPDEN HALL	279
HERBERT HALL	174
KAKANUI HALL	406
KAURU HILL HALL	33
KIA ORA HALL	19
KUROW HALL	352
LOWER WAITAKI COMMUNITY CENTRE AREA	178
MACRAES HALL	57
MAHENO HALL	204
MOERAKI HALL	214
NGAPARA HALL	74
OAMARU HALL	5361
OHAI HALL HALL	166
OMARAMA HALL	364
OTEKAIKE HALL	51
OTEMATA HALL	465
PALMERSTON HALL	910
PUKEURI HALL	99
TOKARAHU HALL	108
TOTARA HALL	220
WAIANAKARUA HALL	50
WAITAKI BRIDGE HALL	143
WESTON HALL	605
WINDSOR HALL	55





1 JULY 2009

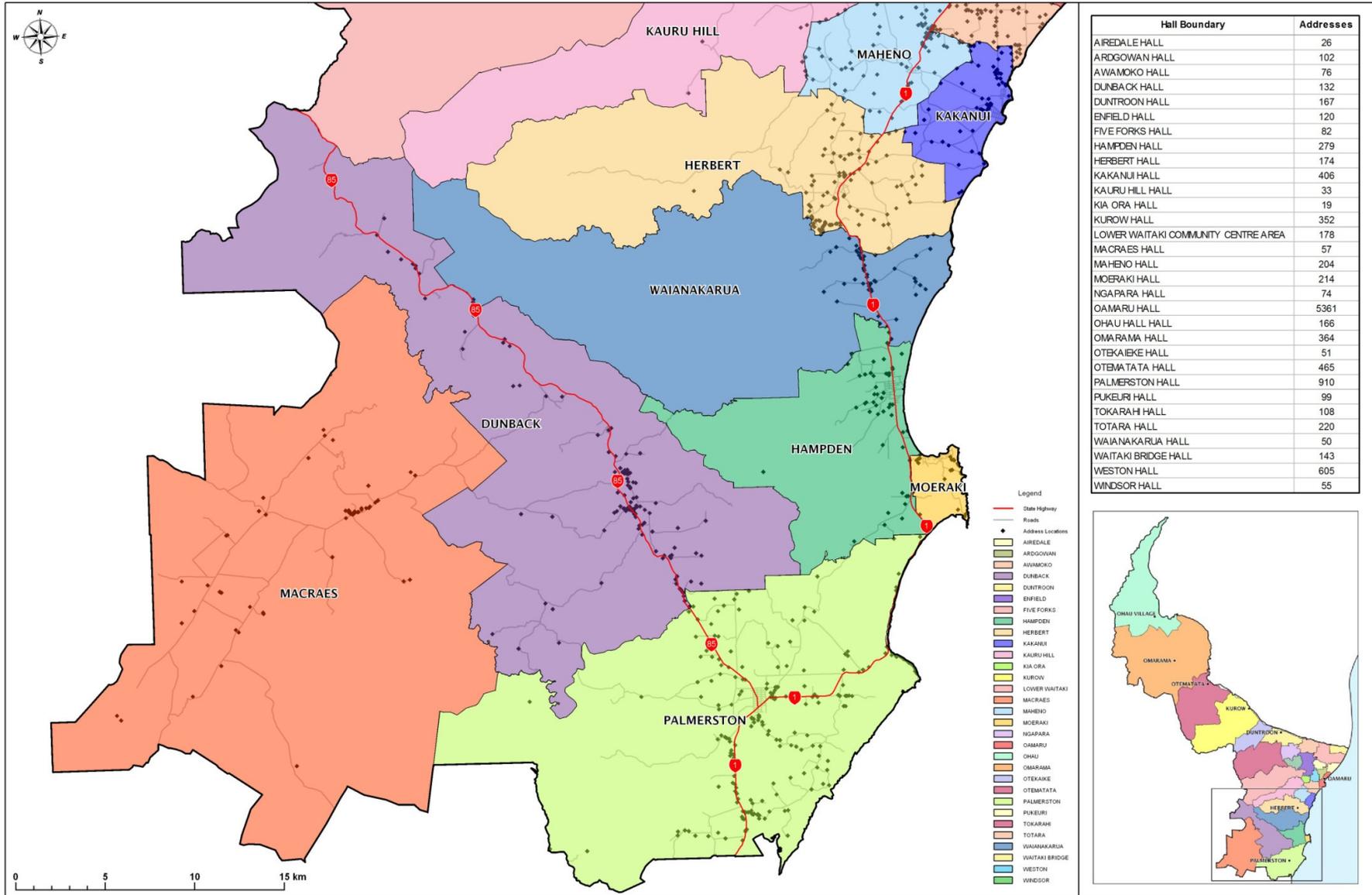


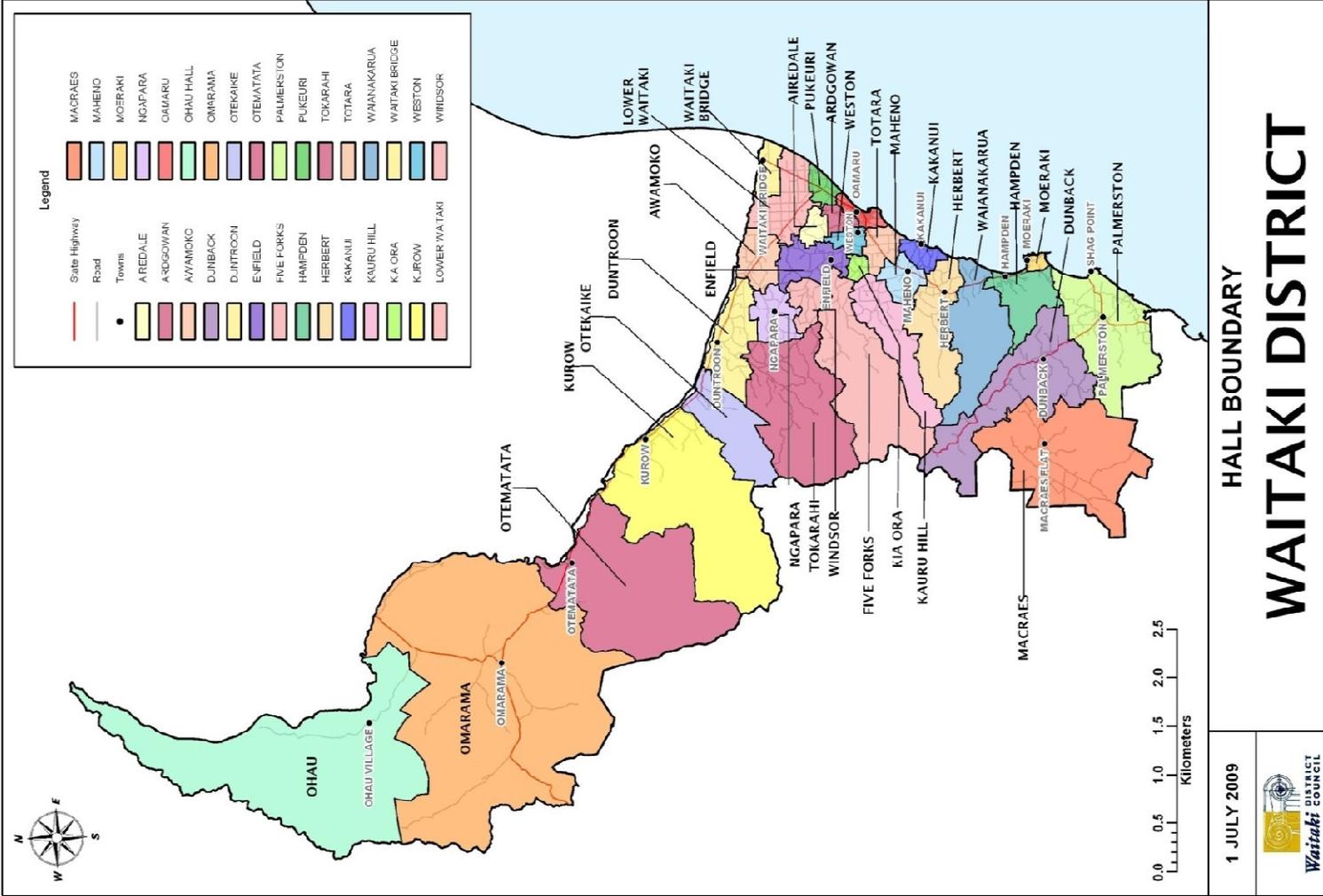
# HALL BOUNDARY KAURU HILL

HALL BOUNDARY

# Waitaki District - Waihemo

# Hall Boundaries





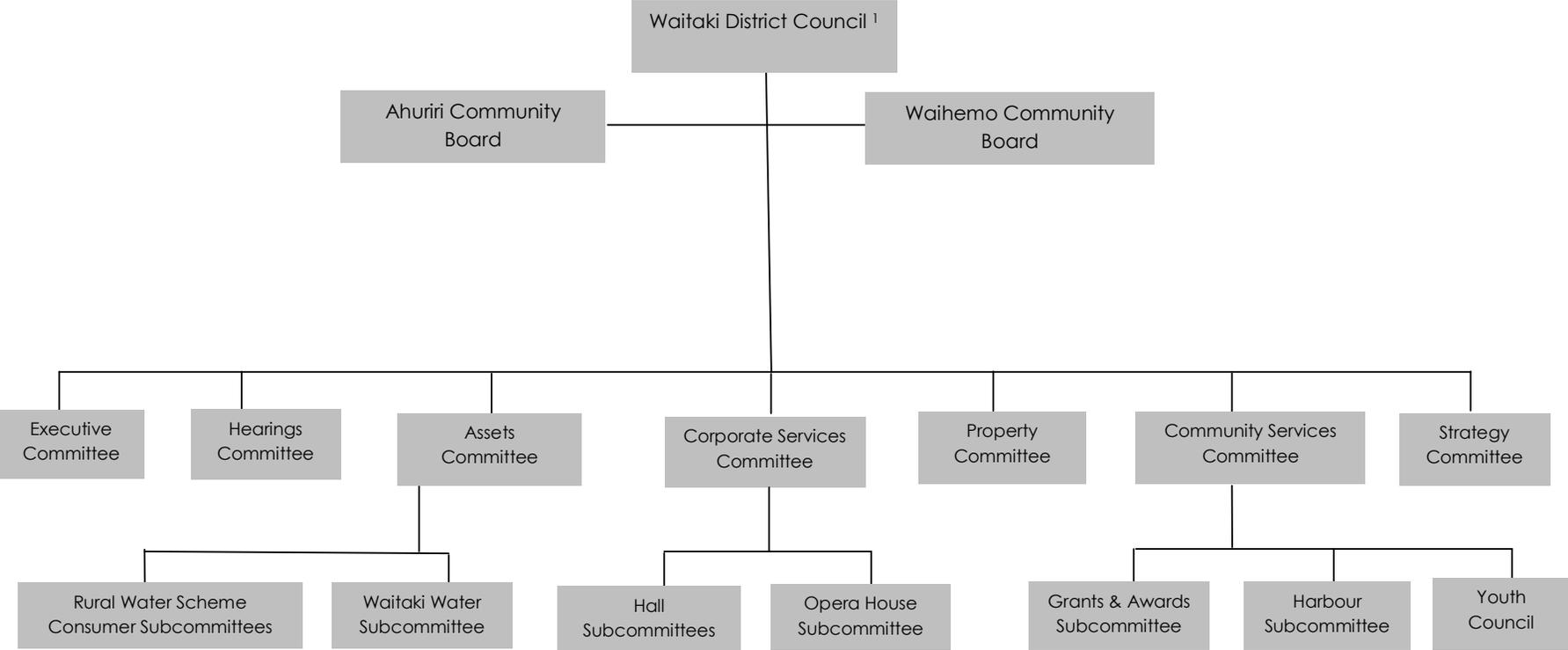
# HALL BOUNDARY WAITAKI DISTRICT



# GENERAL INFORMATION

This Chapter contains general information on the District, the governance arrangements of the Council, its management structure and a glossary of terms used in this Plan.

# STRUCTURE OF COUNCIL, COMMUNITY BOARDS, COMMITTEES AND SUB-COMMITTEES



<sup>1</sup> Council is also represented on Otago Forward, the Otago Emergency Management Group and the Waitaki Lakes Shoreline Authority

## MAYOR AND COUNCILLORS

### Mayor

#### Alex Familton

1 RD  
Palmerston 9481  
PH (03) 465 1512

#### Oamaru Ward

##### Gary Kircher

326 Homestead Road  
RD 1 C  
Oamaru 9491  
PH (03) 434 5057

##### Rod Bidois

145 Eden Street  
Oamaru 9400  
PH (03) 434 8613

##### Peter Garvan

33 Avon Street  
Oamaru 9400  
PH (03) 434 8717

##### Helen Stead

15 Wharfe Street  
Oamaru 9400  
PH (03) 434 1173

##### Peter Twiss

19 Dee Street  
Oamaru 9400  
PH (03) 434 3225

##### Jim Hopkins

14 Tay Street  
Oamaru 9400  
PH (03) 437 0863

#### Corriedale Ward

##### Alistair Mavor

22 North Ridge Drive  
Oamaru 9400  
PH (03) 437 1976

##### Pam Spite

Stamford  
26 Station Road  
7 D R D  
Oamaru 9492  
PH (03) 434 5276

#### Ahuriri Ward

##### Struan Munro

Rugged Ridges  
Private Bag 2  
Kurow 9446  
PH (03) 438 7814

#### Waihemo Ward

##### Kathy Dennison

563 Horse Range Road  
2 RD  
Palmerston 9482  
PH (03) 465 1213

## COMMUNITY BOARD MEMBERS

Community Boards are responsible for:

- Local decision making, assessing and responding to local needs
- Input to Council Strategic and Annual Plans
- Communication with community organizations and special interest groups within the community
- Overview of local road works, water and wastewater, stormwater, drainage, parks, recreational facilities, community activities, and traffic management within the community

### AHURIRI COMMUNITY BOARD

**Craig Dawson**      **Chair**  
PO Box 65  
Omarama 9448  
PH (03) 438 9755

**James Meehan**  
Waihakamea  
Main Road  
1 RD  
Kurow 9435  
PH (03) 436 0461

**Michael Blackstock**  
PO Box 5  
Omarama 9448  
PH (03) 438 9481

**Cathy Ferguson**  
PO Box 204  
Omarama 9448  
PH (03) 438 9785

**Graham Sullivan**  
Willowbridge  
10 RD  
Waimate 7980  
PH (03) 689 9870

### WAIHEMO COMMUNITY BOARD

**Rod Philip**      **Chair**  
Bushey Road  
2 RD  
Palmerston 9482  
PH (03) 465 1278

**Diane Curtis**  
31 District Road  
Palmerston 9430  
PH (03) 465 1238

**Ken Wheeler**  
Hillgrove  
RD 2  
Palmerston 9482  
PH (03) 439 4855

**Ken Brown**  
75 District Road  
Palmerston 9430  
PH (03) 465 1177

**Rick Haaima**  
98 District Road  
Palmerston 9430  
PH (03) 465 1985

# MANAGEMENT STRUCTURE

## Chief Executive

Michael Ross

### Strategy Group

#### Group Manager

Richard Mabon

- Corporate Policy and Plans
- Regulatory Services
- District Plan
- Compliance Monitoring
- Human Resources

### Assets Group

#### Group Manager

Neil Jorgensen

- Roads
- Water & Wastewater
- Solid Waste
- Geographical Information Services (GIS)
- Information Technology

### Community Services Group

#### Group Manager

Tanya Winter

- Forrester Gallery
- North Otago Museum
- Waitaki Aquatic Centre
- Waitaki District Libraries
- Opera House
- Community Development
- Emergency Services

### Corporate Services Group

#### Group Manager

Stephen Halliwell

- Administration
- Customer Services
- Financial Services
- Property
- Parks and Recreation
- Airport Operations
- Harbour

### **Headquarters**

20 Thames Street  
Oamaru  
Ph (03) 433 0300  
Fax (03) 433 0301

### **Waihemo Service Centre**

54 Tiverton Street  
Palmerston  
Ph (03) 465 1106

### **Civil Defence Headquarters**

Centennial Building  
Severn Street  
Oamaru  
Ph (03) 433 0300

### **Forrester Gallery**

Thames Street  
Oamaru  
Ph (03) 433 0853

### **North Otago Museum**

Thames Street  
Oamaru  
Ph (03) 434 0852

### **Oamaru Public Library**

Thames Street  
Oamaru  
Ph (03) 434 0850

### **General Enquiries**

Ph (03) 433 0300  
0800 108 081 (within the district)

### **Regulatory Services**

Health  
Building  
Subdivision  
Plumbing  
Planning Enquiries  
Nuisance Concerns  
Animal Control  
Hazardous Substances/Dangerous Goods

### **Infrastructure Services**

Roads and Footpaths  
Water Supply  
Wastewater and Stormwater  
Rubbish Collections and Recycling

### **After Hours Emergencies**

#### **Civil Defence and Rural Fire**

**Ph (03) 434 6400**  
24 Hour Emergency Contact

### **Other Departments**

**Ph (03) 433 0300**  
Animal Control  
Noise Control  
Wastewater  
Stormwater  
Water Supply  
Hazardous Substances/Dangerous Goods

### **For Any Enquiries on the Annual Report Contact**

Customer Services Unit  
Oamaru Telephone (03) 433 0300  
Facsimile (03) 433 0301  
Waihemo Telephone (03) 465 1106  
Email [csunit@waitaki.govt.nz](mailto:csunit@waitaki.govt.nz)

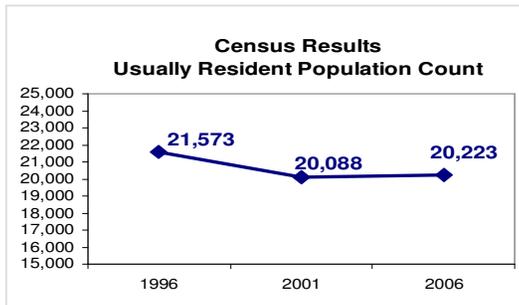
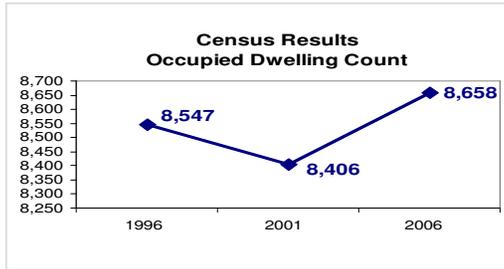


# ABOUT THE DISTRICT

The Waitaki District Council was established in 1989. Council's operations extend over a total area of 8,990km<sup>2</sup>. The northern-western portion of the District, 4,315km<sup>2</sup> lies in Canterbury Region. The remaining 4,675km<sup>2</sup> lie in Otago. The population density (people per square kilometre) is very low in Waitaki at 2.8 (NZ 15)<sup>3</sup>.

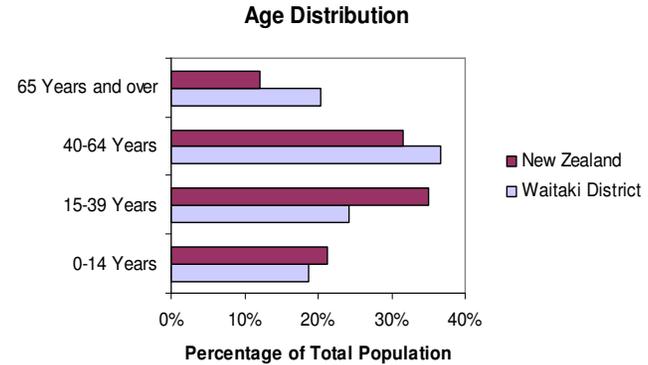
## People

The District population (as at 2006 census) was 20,223<sup>4</sup> (estimated to be 20,700 as at 30 June 2007), with about 12,600 people living in Oamaru. The District's total population has been fairly stable since 2001 whereas the number of dwellings has increased.



The ethnic breakdown of the District is 97.2% New Zealander and European (NZ: 67.6%), 5.5% Maori (NZ: 14.6%), 1.8% Asian (NZ: 9.2%) and Pacific peoples 1.1% (NZ: 6.9%). Percentages do not add up to 100%, as some people identify with more than one ethnic group.

The Waitaki population is older compared to the national distribution of age groups: The census 2006 results show that 17.2% of Waitaki people are aged 60 to 74 and 9.4% are aged over 75. The age distribution (estimated as at 30 June 2006) is as follows: 0-14 Years 18.8% (NZ 21.2%); 15-39 Years 24.2% (NZ 35%); 40-64 Years 36.7% (NZ 31.6%); 65 Years and over 20.3% (NZ 12.2%).



The mean household size in the Waitaki District is relatively small with 2.4 people (NZ: 2.7). 29.3% are one-person households. Couples with children make up 35.5% of all families.

The median household income in Waitaki is relatively low at \$35,700 (NZ \$51,400); so is the median weekly rent paid for households in private occupied dwellings at \$130 (NZ \$201).

51.5% of Waitaki people have access to the internet (NZ: 58%).

<sup>3</sup> NZ = New Zealand averages.

<sup>4</sup> All data from Statistics New Zealand 2006 Census if not stated otherwise.

## Economy<sup>5</sup>

In the year to March 2007, 8,700 employees (full-time equivalents, FTEs) worked for 2,800 businesses generating \$753 million in Gross Domestic Product (GDP). The unemployment rate in Waitaki is extremely low at 1.9% (as at 2006 census).

Waitaki was founded on primary production. Traditional and new forms of agriculture, viticulture and horticulture are found in the District. Dairy and viticulture are growing parts of the primary sector. The District is home to Macraes Gold Mine, which is an Oceana Gold operation and New Zealand's largest gold producing mine. The District also hosts Parkside Quarries, the only quarry producing stone from limestone within New Zealand. The manufacturing industry is diverse including Gillies Metaltech, who produce pumps and valves. The District's biggest employer, Alliance Pukeuri, processes meat. Other major employers process wool (i.e. Summit Wool Spinners), meat or dairy products. Waitaki also hosts one of New Zealand's award-winning cheese makers Whitestone Cheese. Tourism is a growing industry, based on a rich natural and built heritage including penguin colonies, a Victorian port and harbour area, a collection of neo-classical buildings plus beaches, rivers, lakes and mountains. Tourism employed around 540 FTEs in 2007 and produced \$31.3 million in GDP through 160 businesses.

Further information on the Waitaki District can be found at the following websites:

Waitaki District Council: [www.waitaki.govt.nz](http://www.waitaki.govt.nz)  
 Statistics New Zealand: [www.stats.govt.nz](http://www.stats.govt.nz)  
 Tourism: [www.visitoamaru.co.nz](http://www.visitoamaru.co.nz)  
 Economic Development: [www.wdb.co.nz](http://www.wdb.co.nz)

## Economy in 2007

Sectors (2007)	FTEs	%	GDP (07\$M)	%	Businesses	%
Manufacturing & Building	2,633	30.4	254	33.8	322	11.4
Primary	1,900	21.9	158	20.9	1,082	38.3
Retail and Distribution	1,956	22.6	110	14.6	479	16.9
Business Services	660	7.6	146	19.4	662	23.4
Recreation Services	301	3.5	15	2.0	144	5.1
Social Services	1,217	14.0	70	9.2	138	4.9
<b>Totals</b>	<b>8,666</b>	<b>100.0</b>	<b>753</b>	<b>100.0</b>	<b>2,827</b>	<b>100.0</b>

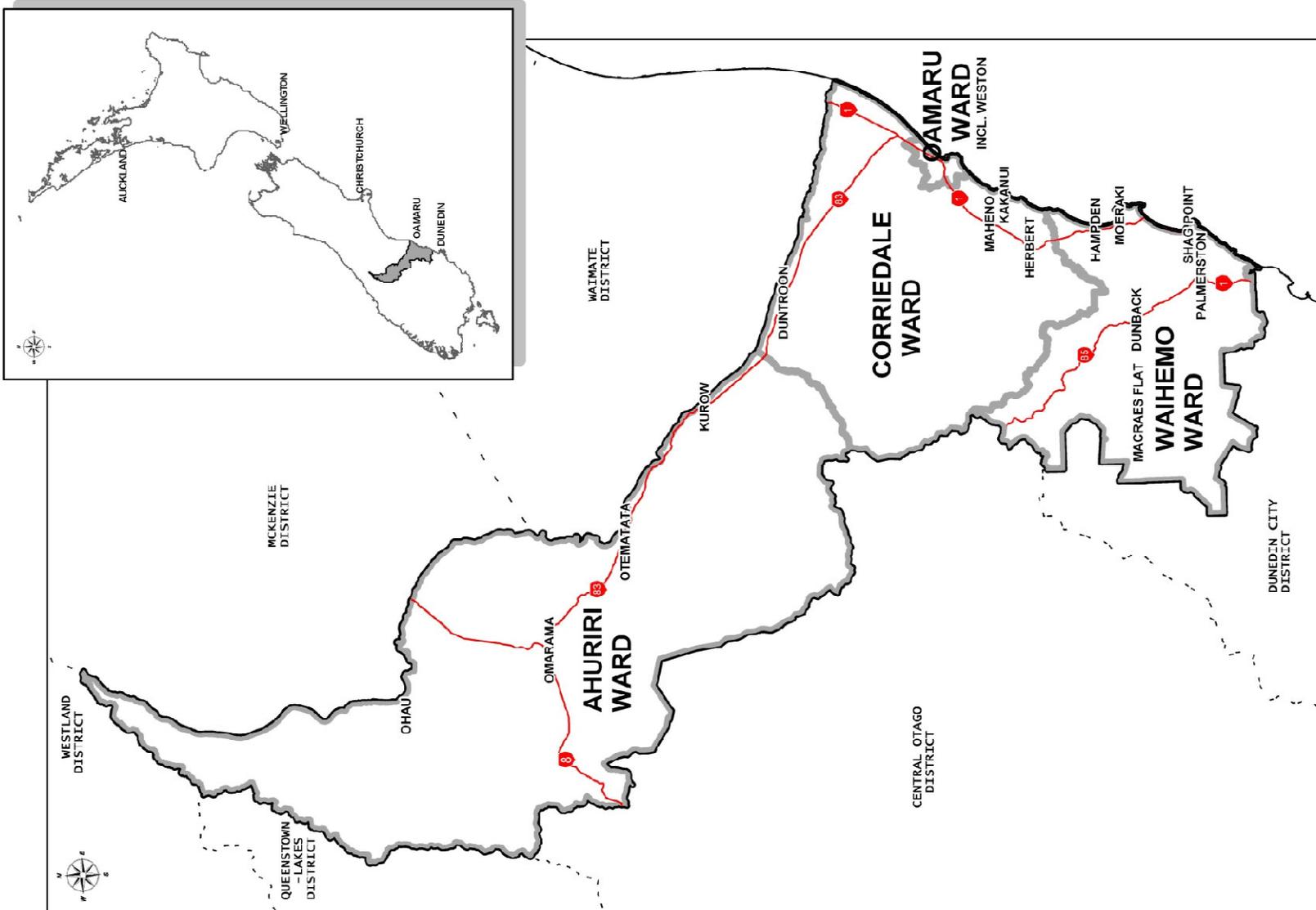
Source: BERL Regional Database, Statistics NZ

## Waitaki District long-term performance

	%pa for 1997-2007	
	Waitaki District	New Zealand
Resident population growth	-0.5	1.2
Real Value Added (GDP) growth	1.5	3.0
GDP per capita growth	2.0	1.8
Employment growth	0.6	2.4
Productivity growth	1.0	0.8
Business units growth	1.1	3.5
Business size growth	-0.5	-1.0

Source: BERL Regional Database, Statistics NZ

<sup>5</sup> All data from Business and Economic Research (BERL), Waitaki District Economic Performance 1997-2007, Wellington, April 2008 if not stated otherwise





# GLOSSARY OF TERMS

These definitions are intended to define terms used in the Waitaki Community Plan in plain English. For legal definitions see the Local Government Act 2002 and the Rating Powers Act 1988.

## **Annual Plan**

A plan that describes what activities the Council will do, the reasons for doing them, the performance measures used and how much revenue and expenditure it needs to undertake each activity.

## **Activities**

All the things that the Council does. This Funding Policy lists 51 separate activities.

## **Bequest Values**

Values that attach to the fact that leaving some facility in place for future generations may be of considerable and (inestimable) value to them and in itself an act to be valued. (Examples are collections of art Gallery and Museum).

## **BERL**

Business and Economic Research Limited

## **Black water**

Black water is water contaminated by human or animal wastes such as toilet water.

## **Building Act**

Building Act 2004

## **Burials and Cremation Act**

Burials and Cremation Act 1964 (and amendments)

## **Capital Expenditure**

Expenditure that will increase the value of the Council's assets.

## **Capital Value**

Market value of the land plus improvements at the time of valuation.

## **Civil Defence Act**

Civil Defence Act 1983

## **Community Boards**

Local elected bodies set up under the Local Government Act 2002. Community Boards are consulted by the Council and can represent community concerns to the Council. Waitaki District Council has two Community Boards, Ahuriri and Waihemo.

## **Community Centres**

Public halls, community halls. Any facility or group of facilities for social, recreational, cultural or educational purposes or for the physical or intellectual wellbeing and enjoyment of the residents of the district, or any group or section of them, whether alone or together with other persons.

## **Community Outcomes**

A set of statements owned and developed by the community with Waitaki District Council assistance, found in the Waitaki Tomorrow - Community Outcomes document. They exist to guide decisions made by the Council and to engage with other agencies about how they will invest in the community's future.

## **CV**

Capital Value

## **Development Contributions (Dev. Con.){DC}**

A development contribution / financial contribution is a charge that is levied against sub-dividers and developers to help pay the cost of the new, upgraded, or extended water supply infrastructure that has to be provided to service their new sub-divisions or developments. Such contributions are payable in addition to the requirement that the owners reticulate all of the new sections or buildings at their cost.

**Depr**

Depreciation

**Differential Rates**

Council may make and levy rates based on differentials. This means that rates on specified types or groups of property may vary from rates on other types or groups of properties. Differentials can be based on:

- Property use or uses.
- Activities that are permitted, controlled or discretionary under an Operative District Plan.
- Activities that are permitted, controlled or discretionary under a Proposed District Plan.
- Land area.
- Where land is situated.
- Such other distinctions as the local authority thinks fit.

**Dog Control Act Dog**

Control Act 1996 and Dog Control Amendment Act 2003

**Economic Allocation**

Deciding the percentage of public good and private good for an activity by applying economic theory.

**Efficiency**

A test of whether a system of funding tool uses a reasonable amount of resources to allocate costs.

**Exacerbator**

An entity that directly causes negative effects that cost money to control.

**Excludability**

Benefits are to particular users; others can be excluded. An excludable function is likely to be a private good.

**Existence Values**

Values that relate to the fact that values can be attached to the mere existence of certain facilities even if the person who values them may never contemplate seeing or using them personally.

**Fire fighting capabilities**

There is no public fire fighting capabilities available within the rural water schemes. Council will continue to advise and encourage storage facilities on private properties within the rural schemes. Private water storage for fire fighting will be addressed in the Rural Fire Activity Management Plan.

**Fire Service Act**

Fire Service Act 1975

**Food Act**

Food Act 1981

**General Rates**

A rate levied for the general purpose of the local authority. Council may make and levy a general rate on every rateable property. This may be:

- A uniform rate in the dollar of property value on all properties; or
  - A differential rate in the dollar of property value on all properties;
- and
- A uniform annual general charge per separately rateable property.

**GR**

General Rates

**Grey water**

Grey water is water contaminated by household processes such as dishwashing, laundry and bathing

**Health Act**

Health Act 1956

**Impounding Act**

Impounding Act 1955

**Indicator**

Flag or signal. Summary data that represent an issue of concern or which measure progress toward achieving an objective or outcome.

**Infrastructure**

Roads, bridges, water supplies, drainage systems, buildings, landfills and transfer stations.

**Intergenerational Equity**

The idea that the cost of a service should be fairly spread over the life of the assets, so that all people who benefit contribute a fair share.

**Land Transport Management Act**

Land Transport Management Act 1998

**Land Value**

Market value of the land at time of valuation.

**LN**

Loan

**The Litter Act**

The Litter Act 1979

**Local Electoral Act**

Local Electoral Act 2001

**Local Government Act 1974**

Several sections of the LGA 1974 still apply although the LGA 2002 is in force.

**Local Government Act 2002 (LGA)**

The law that defines the powers and responsibilities of territorial local authorities like Waitaki District Council.

**Local Government Commission**

A body appointed by Government to decide on proposals to reorganise councils or to change their basis of election.

**LTCCP**

Long Term Council Community Plan. The Waitaki LTCCP is called Waitaki Community Plan (see also WCP).

**LV**

Land Value.

**Non-excludability**

Benefits may be to particular users, but it is not possible or practicable to identify and charge them. This is a practicable reason for public good funding.

**Non-rivalness**

Once a benefit is provided a large number of people can use it at little or no extra cost. Non-rivalness is an indicator of public good.

**NZ GAAP and NZ IFRS**

A set of accounting standards that Council is required to observe in its public reports

**NZTA**

New Zealand Transport Agency

**OBPC**

Oamaru Blue Penguin Colony

**Operating Expenditure**

Expenditure for the normal services of the Council.

**Option Values**

Values that relate to the value that non-users put on the availability of a service. For instance, people can value the fact that they have the option of using a recreation centre even if they never actually make use of it.

**Outcome**

A desired state of affairs.

**People-based benefit**

A benefit that people can enjoy without owning property.

**PPE**

Property, Plant and Equipment

**Practicability**

A test of whether a funding tool is lawful and whether it will allocate costs in the desired way.

**Prestige Values**

Values that attach to the fact that some object or function may contribute to a sense of civic pride felt by individuals whether or not the facility is ever seen or used by them. (Stadiums or civic centres are potential examples).

**Private Good**

The extent to which a service directly benefits individuals rather than the community as a whole. Private good is an indicator that users should pay.

**Property-based benefit**

A benefit that accrues to people because they own property. It may be a service to property or an activity that benefits property values.

**Public Good**

The extent to which a service benefits the community as a whole rather than individuals. Public good is an indicator that ratepayers should pay.

**Rates**

Funds collected by the Council from levies on property. These are based on capital value or land value of the property but the term is often used to include Targeted Rates

**Reserves Act**

Reserves Act 1977

**Reticulated Services**

Water supplies, sewerage systems and stormwater drainage systems.

**Rivalness**

Rivalness exists where consumption of a service by an individual reduces the amount of service available to others and the service provider needs to produce more outputs to satisfy other users. Rivalness is an indicator of private good.

**RMA**

Resource Management Act 1991 and RMA Amendment Act 1993

**Targeted Rates (TR)**

A rate levied for undertaking a specified function or for providing any specified service for the benefit of all or part of the district. Targeted Rates must be applied only for the purpose for which they are levied. Targeted Rates may be in the form of:

- A uniform rate in the dollar of property value on all properties
- A differential rate in the dollar of property value on all properties
- A Targeted Rate per separately rateable property (TR)

**Sale of Liquor Act**

Sale of Liquor Act 1989

**Separately Used or Inhabited Part (SUIP)**

Each part of the Rating Unit that has a separate use (i.e. each dwelling or business).

**Social and equity modification**

Changing the economic allocation of costs for reasons of fairness, or to implement another policy, or to avoid sudden changes to the allocation of costs.

**Solid Waste Disposal**

Disposal of waste at landfills and transfer stations

**Stormwater**

Stormwater is rain water and snow melt that does not soak into the ground and become surface runoff.

**STP**

Sewer Treatment Plant

**Transparency**

A test of whether people who pay for activities can see where their money is allocated.

**TR**

Targeted Rate.

**UAGC**

Uniform annual general charge.

**Uniform Annual General Charge (UAGC)**

Income to the Council for general use by a levy of an equal amount on each rateable property (this charge does not vary with value of the property).

**User Charges**

Income to the Council by fees paid by those who use specific services provided by the Council.

**User Recoveries**

Income to the Council by user charges and volunteer contributions.

**Utilities**

Telecommunication lines, power lines, water and sewer pipes.

**Wastewater**

Wastewater is a combination of liquid wastes which may include chemicals, house wastes, laundry wastes, toilet wastes, animal and vegetable matter in suspension or solution and other wastes discharged from residential, business and industrial establishments.

**WCP**

Waitaki Community Plan (see also LTCCP)

