

# **Long Term Plan 2018-2028**

## **Financial Policies and Other Policies**

**DRAFT FOR AUDIT - 14 December 2017**



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|--------------------------|--------------|
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| <b>Adopted:</b>          | n/a          |
| <b>Review timeframe:</b> | Three-yearly |

## Purpose

- 1 This Funding Needs Analysis provides the background and analysis to explain the funding decisions made by Council. It is guided by the financial principles documented in the Financial Strategy.
- 2 Council must comply with the Local Government Act (2002) (LGA) section 101(3). For each activity Council must determine the appropriate sources of funding that will meet the funding needs of each activity. Council will take into consideration:
  - The community outcomes to which the activity primarily contributes.
  - The distribution of benefits between the community as a whole, any identifiable part of the community and individuals.
  - The period in or over which those benefits are expected to occur.
  - The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.
  - The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

Once the above analysis is done Council must then consider the overall impact of any allocation of liability for revenue needs on the community.
- 3 The application of these requirements is subjective and provides Council with considerable latitude for judgement. The legislation places no more or less weight or priority on any one of the factors. Appendix one contains a general assessment of operating and capital funding against these factors.

## Previous reviews

- 4 Council has incorporated a review of its Revenue and Financing Policy into every Long Term Plan process. The funding needs analysis to date has been incorporated in its entirety in the previous Revenue and Financing Policy.
- 5 At each review, Council may choose to reconsider all of the options for funding each activity or some particular activities. The Funding Needs analysis is now planned to be adopted in support of the Revenue and Financing Policy, rather than fully incorporated.



## Funding bands

- 6 The Revenue and Financing Policy is intended to be in place for the next three years before it is reviewed. Current good practice is to set bands rather than specific funding percentages to allow for minor changes over time e.g. a one off subsidy or grant.
- 7 The Revenue and Financing Policy will use the bands in table 2 below. The final setting of rates will be based on the Funding Impact Statements for the relevant year.

**Table 2: Funding bands**

| Name          | Percentage range |
|---------------|------------------|
| Nil           | 0%               |
| Very Unlikely | 0% - 20%         |
| Unlikely      | 20% - 40%        |
| Moderate      | 40% - 60%        |
| Likely        | 60% - 80%        |
| Very Likely   | 80% - 100%       |
| All           | 100%             |

## Activity analysis

- 8 Council must consider the funding for each activity in a way that relates exclusively to that activity. Distinct funding enables ratepayers or payers of user charges to assess more readily whether or not the cost of the service provided to them either directly or indirectly represents good value for money.
- 9 Appendix two contains an assessment of the proposed funding bands for each activity. This assessment identifies the most likely sources of income for each activity. In all cases, general rates fund the balance of the activity after all other sources have been maximised.
- 10 Overall, the biggest proposed changes are for passenger transport and emergency management. Passenger Transport is proposed to have increased targeted rates and no general funds for Tauranga, Rotorua, Western Bay and Eastern Bay passenger transport. Bay of Plenty Civil Defence Emergency Management is proposed to change from a 50/50 share between regional council general funds and grants from district/city councils to 100% targeted rate. The detailed changes in funding sources for these activities are shown in table 3 below.

**Table 3: Proposed changes to funding sources**

| Activity  | Current funding sources<br>(as per Annual Plan 17/18)                                       | Proposed funding sources<br>(average over the LTP 2018-2028)                               |
|---|---|--|
| <b>Passenger Transport</b>  |   |  |
| Tauranga Passenger Transport  | Grants and subsidies 39%<br>Fees and charges 25%<br>Targeted rates 20%<br>General funds 16% | Grants and subsidies 38%<br>Fees and charges 28%<br>Targeted rates 34%<br>General funds 0% |
| Rotorua Passenger Transport   | Grants and subsidies 31%<br>Fees and charges 36%<br>Targeted rates 20%<br>General funds 13% | Grants and subsidies 32%<br>Fees and charges 33%<br>Targeted rates 35%<br>General funds 0% |
| Western Bay Passenger Transport                                       | n/a   | Grants and subsidies 43%<br>Fees and charges 15%<br>Targeted rates 42%                     |
| Eastern Bay Passenger Transport                                       | n/a   | Grants and subsidies 17%<br>Fees and charges 32%<br>Targeted rates 51%                     |
| Regional Passenger Transport  | Grants and subsidies 29%<br>Fees and charges 7%<br>General funds 64%                        | Grants and subsidies 32%<br>Fees and charges 0%<br>General funds 68%                       |
| <b>Emergency Management</b>   |   |  |
| Bay of Plenty Civil Defence Emergency Management Group (sub-activity) | Grants and subsidies 50%<br>General funds 50%   | Targeted rates 100%  |
| <b>Data Services</b>  |   |  |
| Data Services   | Overhead allocated  | General funds 79%<br>Fees and charges 21%  |

- 11 Applying the principles will, at times, be challenging. For example, paying for benefits received may call for a high degree of user pays for an activity, but this must be balanced against affordability. The Council must apply good judgment in assessing many options to determine the appropriateness of funding sources for each activity.
- 12 In practice, after Council applies the Financial Principles and guidance to assess how to fund each activity, the Council should then consider the overall impact of any allocation of liability on the community.



## Overall funding consideration

- 13 Council is required by section 101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the community. It allows Council, as a final measure, to modify the overall mix of funding in response to these considerations.
- 14 Council may waive or discount fees and charges where it considers it appropriate to do so.
- 15 Council may remit rates where it considers it appropriate to do so and as documented in the Rates Remissions Policy. These policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (e.g. additional or no provision of some services).
- 16 Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years for the purpose of smoothing the cost to users and ratepayers.

## Other relevant policies

- 17 Revenue and Financing Policy

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## Appendix One Legislative assessment of funding considerations

The following table outlines the general considerations for funding against the legislative requirements of the Local Government Act (2002) section 101(3)(a). This has been used to contribute towards the activity specific funding considerations in Appendix Two.

**Table 4: Legislative assessment of funding considerations**

| LGA s101(3)(a)           | Operating funding considerations   | Capital funding considerations  |
|--------------------------|--|---|
| Community outcomes       | Council determines which of its four community outcomes an activity contributes to. Council has an indirect link between community outcomes and funding sources based on the specific considerations for each activity.  | A capital project is expected to contribute to the community outcomes in the same way as the activity in which it is funded, unless Council resolves otherwise.   |
| Distribution of benefits | Determining distribution of benefit is subjective and is for Council to determine. Council will consider how the benefit of an activity applies to households, businesses and the community as a whole. Generally individual benefits lead to fees and charges, location based benefits lead to targeted rates, and wide community benefits leads to general rates.  | The distribution of benefits is expected to be the same as that for the operating expenditure of the activity in which it is funded, unless Council resolves otherwise.<br>Council may choose to target those people or organisations who primarily benefit through lump sum options or targeted rates.           |
| Period of benefit        | For most operating expenditure the benefit is received in the year the expense is incurred. For most activities Council will cash fund depreciation (an operating expense) from revenue sources and this, along with other surplus cashflow, will be used to fund capital expenditure for asset renewal or debt repayments.<br>Some operational expenditure (provisions) may have a benefit over multiple years and so Council may choose to fund the activity over that period. | For most capital projects the benefit is received over the life of the asset. Council will have regard to the equitable distribution of costs to each generation for the building and renewal of the asset. Funding depreciation and interest are the primary ways to spread the cost of the asset over its life. |
| Who creates the need     | Some things Council must do because the actions or inactions of individuals or groups creates the need to undertake the activity.<br>Council may choose to target these people or organisations through fines, charges or rates.   | Some capital projects are required by the actions or inactions of individuals or groups creates the need to undertake the activity.<br>Council may choose to target these people or organisations through targeted rates.   |



| LGA s101(3)(a)          | Operating funding considerations   | Capital funding considerations   |
|-------------------------|--|--|
| <p>Separate funding</p> | <p>Council must consider the practicalities of separate funding along with transparency and accountability. In some cases while it may be desirable to charge individuals there may be no practical way of doing so.</p> <p>With regard to the rates contribution, the costs and benefits of separate rating mechanisms for separate activities should be weighed up. Council does not wish to make a complex rating system which is expensive to maintain and confusing to interpret as this will not contribute to improved transparency and accountability.</p> | <p>Council must consider the practicalities of separate funding along with transparency and accountability.</p> <p>In some cases while it may be desirable to charge individuals there may be no practical way of doing so</p> |

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## Appendix Two Long Term Plan 2018-2028 Revenue and Financing Policy – Draft funding analysis for each activity

### Integrated Catchment Management

#### 1 Activity – Tauranga Harbour

The Tauranga Harbour activity integrates the environmental work we do in the Tauranga Harbour and its catchments, from Waihī to Pāpāmoa Beach and inland through the Kaimai Range. The catchment includes Tauranga City, the largest urban centre in the Bay of Plenty. We work with our partners and community to ensure a healthy and thriving harbour and catchment that contributes to our wellbeing today and in the future.

The Tauranga Moana Programme has been established to coordinate, prioritise and deliver on all our work related to improving the health of the harbour and its catchment. Tauranga City Council, Western Bay of Plenty District Council and the Regional Council are partners in the Programme, allowing an adaptive and collaborative management approach. The Programme is overseen by the Tauranga Moana Advisory Group which includes representatives from Tauranga Moana Iwi Collective and Councillors from the three councils.

| Revenue policy on operating and capital expenditure |  |
|---|--|
| Link to community outcomes                          | <input checked="" type="checkbox"/> A healthy environment<br><input type="checkbox"/> Freshwater for life  |
| Who benefits?                                       | The benefits of the activity are distributed evenly across the community. Regional benefits arise from protection and restoration of the Harbour and improved scientific knowledge of the coastal environment. Local benefits accrue to residents in the sub-region due to their immediate proximity and access to the Harbour. The activity provides benefits to individual landowners, Māori, rural industry sectors and communities across the region. The wider community and future generations will get enhanced economic, environmental, social and cultural value from these improvements. |
| Time frame of benefits                              | The benefits of expenditure, relating to current planning and delivery of protection work, are both short and long-term, with cumulative benefits as environmental well-being improves over time. The activity is provided continuously, with the Biodiversity sub-activity Standard Operating Procedures being implemented, monitored and reviewed as work progresses.  |
| Individuals and groups creating demand for service  | A wide range of community sectors drive the need for this activity, including people who interact with the water in the Harbour, and the landowners in the wider catchment who cause nutrients and contaminants to reach waterways that feed into the Harbour.   |
| Rationale for funding mix                           | The coastal environment is a public asset and activities to manage it provide regional benefits. However, it is clear that those living on or near the coast receive a greater benefit from sustainable coastal management than those living   |



|                       |  |
|-----------------------|--|
|                       | <p>inland.</p> <p>The advice provided to individual landowners provides public good arising from sustainable land management across the region. It is not considered efficient to recover costs from individual beneficiaries as it may discourage landowners from obtaining advice.</p>   |
| Operating funding mix | <p>80-100 percent general funds; 0-20 percent other revenue.</p> <p>This means that funding via general rates based on land values (which are highest on the coast) provides the closest match between benefits and costs. Benefits accrue to the regional community from sustainable land use. Benefits to property indicates value-based rate.</p> |
| Capital funding mix   | <p>There are no significant capital costs.</p>   |

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## 2 Activity – Rotorua Lakes

The Rotorua Lakes activity integrates the delivery of services within the Rotorua Lakes catchments including implementing lake water quality action plans, investigating lake restoration options, supporting ongoing research and monitoring interventions.

The Rotorua Te Arawa Lakes Programme has been established to coordinate, prioritise and deliver on all our work related to improving the health of the Rotorua Lakes. Te Arawa Lakes Trust, Rotorua Lakes Council and the Regional Council are partners in the Programme, which is part-funded through a Deed of Funding Agreement with the Crown.

| Revenue policy on operating and capital expenditure |   |
|---|---|
| Link to community outcomes                          | <input type="checkbox"/> A healthy environment<br><input checked="" type="checkbox"/> Freshwater for life   |
| Who benefits?                                       | <p>This activity provides a mix of national, regional, local and individual benefits. National and regional benefits arise where a nationally-significant water body is protected or restored. Local and individual benefits arise for those who live near or adjacent to lakes protected or restored.</p> <p>The activity provides benefits to individual landowners, Māori, rural industry sectors and communities across the region. The wider community and future generations will get enhanced economic, environmental, social and cultural value from these improvements.</p>  |
| Time frame of benefits                              | <p>The benefits of the current expenditure, relating to current planning and delivery of protection work, are both short and long-term, with cumulative benefits as environmental well-being improves over time. The activity is provided continuously with the Biodiversity sub-activity Standard Operating Procedures being implemented, monitored and reviewed as work progresses. Long-term benefits arise from capital expenditure on physical works such as structures to restore the Rotorua lakes.</p>  |
| Individuals and groups creating demand for service  | <p>Exacerbators include a range of land uses (particularly the primary sector) and households with septic tanks plus those individuals or groups of individuals who act in ways that are incompatible with sustainable management of our water resources. A significant component of exacerbation is historic land use, with some natural contributions from geothermal discharge. Regulatory controls are now in place to cap the current level of discharge from rural activities. Past and present landowners have contributed to a need to improve land management practices. Current landowners require advice to sustainably manage land.</p> <p>Examples include over-extraction from our water resources in periods of drought or discharges of contaminants that have more than minor adverse environmental effect</p> |
| Rationale for funding mix                           | <p>Since the activity benefits a range of sectors described above, a combination of sources are required to fund the costs of services provided by the activity.</p>  |



Revenue policy on operating and capital expenditure

|                              |  |
|------------------------------|--|
|                              | <p>The advice provided to individual landowners provides public good arising from sustainable land management across the region. It is not considered efficient to recover costs from individual beneficiaries as it may discourage landowners from obtaining advice.</p> <p>While all residents of the region benefit from sustainable water management, resource users receive greater benefits than other landowners. Where possible beneficiaries and exacerbators of the work undertaken on the investigation and management of our water resources are recovered via Resource Management Act (RMA) Section 36 charges.</p>   |
| <p>Operating funding mix</p> | <p>Projects not covered by the Rotorua Lakes Deed are funded 40-60 percent general funds and 40-60 percent targeted rates from the Rotorua District (differentiated by land area).</p> <p>Projects on the four priority lakes - Rotorua, Rotoiti, Rotoehu and Ōkāreka - are funded from reserves.</p> <p>Benefits accrue to the regional community from sustainable land use. Benefits to property indicates value-based rate.</p> <p>Expenditure for projects covered by the Deed that is carried forward from previous years will be funded from the Rotorua Lakes Deed Funding reserve. Operating costs for land use change to reduce nutrients in the catchments of the Rotorua Lakes will be funded from the investment reserve.</p> <p>This funding mix recognises the equal benefit of the Lakes activity to those in the Rotorua district (local and individual) and those outside (regional and national). At the same time it also recognises that, while those within the district contribute more to the need for the activity, some of the adverse effects have been caused over many years in the past, or by geothermal influences.</p> <p>The Rotorua Lakes targeted rate model is based on land area differential applying fixed rates to each of three land area categories (0-1.999 hectares, 2-9.999 hectares and greater than 10 hectares).</p> |
| <p>Capital funding mix</p>   | <p>Capital is funded from the investment fund reserve, or the asset replacement reserve, through the cash surplus created by depreciation, or by loans.</p>  |

### 3 Activity – Kaituna

The Kaituna activity integrates the environmental work we do in the catchments of the Kaituna River and Te Awa o Ngatoroirangi / Maketu Estuary, the Pongakawa River and Waihi Estuary, and the Waitahanui Stream. The activity includes implementation of the prioritised actions identified in the Kaituna River and Ongatoro/Maketū Estuary Strategy (2009), and will implement priorities in Te Maru o Kaituna River Authority's new Kaituna River Document.

| Revenue policy on operating and capital expenditure |  |
|---|--|
| Link to community outcomes                          | <input checked="" type="checkbox"/> A healthy environment<br><input type="checkbox"/> Freshwater for life  |
| Who benefits?                                       | <p>The benefits of the activity are distributed evenly across the community. Regional benefits arise from sustainable management of natural and physical resources, and achievement of community outcomes, in an integrated way within the region. Local benefits arise from addressing issues associated with water and soil quality and quantity, biodiversity, coastal protection and enhancement through landowner / occupier agreements, tangata whenua, industry partnerships and community care group activity.</p> <p>The activity benefits individual landowners, Māori, rural industry sectors and communities across the region. The wider community and future generations will get enhanced economic, environmental, social and cultural value from these improvements.</p> |
| Time frame of benefits                              | <p>The benefits of the current expenditure, relating to current planning and delivery of protection work, are both short and long-term in nature, with cumulative benefits accruing as environmental well-being improves over time. The activity is provided on a continuous basis with the Biodiversity sub-activity Standard Operating Procedures being implemented, monitored and reviewed as work progresses.</p>  |
| Individuals and groups creating demand for service  | <p>Present landowners and occupiers; pastoral, horticulture, forestry, rural, urban regional community require advice to protect and enhance biodiversity, water and soils, and the coastline.</p> <p>The political and legislative landscape including obligations to Māori created by the Treaty of Waitangi settlements, iwi and hapū management plans, the RMA and LGA.</p> <p>The National Policy Statement on Fresh Water (NPSFW) directs local government to manage water and land use in an integrated and sustainable way, allowing economic growth to occur within set water quality and quantity limits.</p>  |
| Rationale for funding mix                           | <p>The coastal environment is a public asset and activities to manage it provide regional benefits. However, it is clear that those living on or near the coast receive a greater benefit from sustainable coastal management than those living inland.</p> <p>The advice provided to individual landowners provides public good arising from sustainable land management across the region. It is not considered efficient to recover costs from individual beneficiaries as it may discourage landowners</p>   |



Revenue policy on operating and capital expenditure

|                       |   |
|-----------------------|---|
|                       | <p>from obtaining advice.</p> <p>While all residents of the region benefit from sustainable water management, resource users receive greater benefits than other landowners.</p>  |
| Operating funding mix | <p>80-100 percent general funds; 0-20 percent grants and subsidies.</p> <p>Project costs for Kaituna/Maketū Estuary Strategy implementation are funded through investment reserves.</p> <p>This means that funding via general rates based on land values (which are highest on the coast) provides the closest match between benefits and costs. Benefits accrue to the regional community from sustainable land use. Benefits to property indicates value-based rate.</p> |
| Capital funding mix   | <p>The capital work for the Kaituna River diversion in the Ongatoro/Maketū Estuary will provide protection long-term. Capital is funded from the investment fund reserve, or the asset replacement reserve, through the cash surplus created by depreciation, or by loans.</p>  |

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#### 4 Activity – Eastern catchments

The Eastern Catchments activity integrates the environmental work we do in the multiple catchments from Ōtamarākau east. In particular it supports Ōhiwa Harbour Strategy, the Tarawera, the Rangitāiki, and the Waiōtahe catchments, and the Eastern Coast Care programme.

| Revenue policy on operating and capital expenditure |   |
|---|---|
| Link to community outcomes                          | <input checked="" type="checkbox"/> A healthy environment<br><input type="checkbox"/> Freshwater for life   |
| Who benefits?                                       | <p>The benefits of the activity are distributed evenly across the community. Regional benefits arise from sustainable management of natural and physical resources, and achievement of community outcomes, in an integrated way within the region. Local benefits arise from addressing issues associated with water and soil quality and quantity, biodiversity, coastal protection and enhancement through landowner / occupier agreements, tangata whenua, industry partnerships and community care group activity.</p> <p>The activity benefits individual landowners, Māori, rural industry sectors and communities across the region. The wider community and future generations will get enhanced economic, environmental, social and cultural value from these improvements</p> |
| Time frame of benefits                              | <p>The benefits are both short and long-term. The activity is provided continuously, with the Biodiversity sub-activity Standard Operating Procedures being implemented, monitored and reviewed as work progresses. Cumulative benefits also accrue as environmental well-being improves over time.</p>   |
| Individuals and groups creating demand for service  | <p>Present landowners and occupiers; pastoral, horticulture, forestry, rural, urban regional community require advice to protect and enhance biodiversity, water and soils and the coastline. The political and legislative landscape including obligations to Māori created by the Treaty of Waitangi settlements, iwi and hapū management plans, the RMA and LGA. The National Policy Statement on Fresh Water (NPSFW) directs local government to manage water and land use in an integrated and sustainable way, allowing economic growth to occur within set water quality and quantity limits.</p>  |
| Rationale for funding mix                           | <p>The coastal environment is a public asset, and activities to manage it provide regional benefits. However, it is clear that those living on or near the coast receive a greater benefit from sustainable coastal management than those living inland. The advice provided to individual landowners provides public good arising from sustainable land management across the region. It is not considered efficient to recover costs from individual beneficiaries as it may discourage landowners from obtaining advice. While all residents of the region receive benefits from sustainable water management, resource users receive greater benefits than other landowners.</p>  |
| Operating funding mix                               | <p>80-100 percent general funds; 0-20 percent other revenue, 0-20 percent grants and subsidies.</p>   |



|                            |   |
|----------------------------|---|
|                            | <p>This means that funding via general rates based on land values (which are highest on the coast) provides the closest match between benefits and costs. Benefits accrue to the regional community from sustainable land use. Benefits to property indicates value-based rate.</p> |
| <p>Capital funding mix</p> | <p>There are no significant capital costs.</p>  |

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## 5 Activity – Regional Integrated Catchment Management

The Regional Integrated Catchment Management (ICM) activity delivers the regional work associated with sustainable water and land use, including biodiversity. This activity facilitates the sustainable management of natural and physical resources, and achievement of community outcomes in an integrated way within the region.

| Revenue policy on operating and capital expenditure |  |
|---|--|
| Link to community outcomes                          | <input type="checkbox"/> A healthy environment<br><input checked="" type="checkbox"/> Freshwater for life  |
| Who benefits?                                       | <p>The benefits of the activity are distributed evenly across the community. Regional benefits arise from sustainable management of natural and physical resources, and achievement of community outcomes, in an integrated way within the region. Local benefits arise from addressing issues associated with water and soil quality and quantity, biodiversity, coastal protection and enhancement through landowner / occupier agreements, tangata whenua, industry partnerships and community care group activity.</p> <p>The activity provides benefits to individual landowners, Māori, rural industry sectors and communities across the region. The wider community and future generations will get enhanced economic, environmental, social and cultural value from these improvements.</p> |
| Time frame of benefits                              | <p>The benefits are both short and long-term. The activity is provided continuously, with the Biodiversity sub-activity Standard Operating Procedures being implemented, monitored and reviewed as work progresses. Cumulative benefits also accrue as environmental well-being improves over time.</p> <p>Short-term - relating to current planning and delivery of restoration and protection work.</p>  |
| Individuals and groups creating demand for service  | <p>Present landowners and occupiers; pastoral, horticulture, forestry, rural, urban regional community require advice to protect and enhance biodiversity, water and soils and the coastline.</p> <p>The political and legislative landscape including obligations to Māori created by the Treaty of Waitangi settlements, iwi and hapū management plans, the RMA and LGA.</p> <p>The National Policy Statement on Fresh Water (NPSFW) directs local government to manage water and land use in an integrated and sustainable way, allowing economic growth to occur within set water quality and quantity limits.</p>   |
| Rationale for funding mix                           | <p>The advice provided to individual landowners provides public good from sustainable land management across the region. It is not considered efficient to recover costs from individual beneficiaries as it may discourage landowners from obtaining advice.</p> <p>While all residents of the region receive benefits from sustainable water management, resource users receive greater benefits than other landowners.</p>  |



|                              |   |
|------------------------------|---|
| <p>Operating funding mix</p> | <p>100 percent general funds.<br/>                 This means that funding via general rates based on land values (which are highest on the coast) provides the closest match between benefits and costs. Benefits accrue to the regional community from sustainable land use. Benefits to property indicates value-based rate.</p> |
| <p>Capital funding mix</p>   | <p>There are no significant capital costs.</p>  |

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## Flood Protection and control

### 6 Activity – Rivers and Drainage Schemes

The Rivers and Drainage activity involves ownership, management and maintenance for the five major and 37 minor rivers and drainage schemes. The activity also comprises other programmes such as the Kopeopeo Canal Remediation Project.

Our river and drainage scheme responsibilities include providing flood protection stop banks, flood pump stations, floodgates and erosion control structures and constructing flood ways. We also carry out regular maintenance of structures, stream clearing and lake level monitoring and management of Lakes Rotorua and Rotoiti.

| Revenue policy on operating and capital expenditure |  |
|---|--|
| Link to community outcomes                          | <input type="checkbox"/> A healthy environment<br><input type="checkbox"/> Freshwater for life<br><input checked="" type="checkbox"/> Safe and resilient communities<br><input type="checkbox"/> A vibrant region  |
| Who benefits?                                       | The river scheme sub-activities have public (local, regional and national) and private benefits. The private benefits accrue to individual landowners and occupiers through the protection of lives, livelihoods and property. Local benefits occur because a range of public facilities, infrastructure and services receive security from flooding. Private and local benefits account for the greatest proportion of benefit from the sub-activity. Regional and national benefits arise because productive land, in flood prone areas provides an economic benefit through the multiplier effect to the wider region and nation. |
| Time frame of benefits                              | The benefits are both short and long-term. The activity is provided continuously, with the Asset Management Plan being implemented, monitored and reviewed over time. Long-term benefits arise from on-going protection of land from anticipated future increases in flood events. Cumulative benefits also accrue as land management practices (for example, soil conservation and stream protection works) improve in the scheme catchment over time.  |
| Individuals and groups creating demand for service  | People whose actions or inaction cause damage to scheme works are exacerbators. The Council has a regulator mechanism – the Floodway and Drainage Bylaw – to control these exacerbators. The land use practices of landowners that increase the amount of rainfall runoff into the catchment’s network of waterways increase the required capacity of the schemes to cope with flood events.   |
| Rationale for funding mix                           | A mix of funding tools is required to reflect the wide range of benefits that the schemes provide to different groups and individuals. The significant amount of activity-specific capital costs suggests a need for a mix of short and long-term funding tools.   |



Revenue policy on operating and capital expenditure

|                              |  |
|------------------------------|--|
|                              | <p>These benefits are drained land for production.</p> <p>Those within a scheme who, in addition to their share of national and regional benefits, also receive local or individual benefits from the scheme should contribute additional funding to reflect those benefits. These local and individual benefits make up the vast proportion of the benefits from the scheme, and a targeted rate is therefore the best funding tool to recover the associated costs.</p> <p>The targeted rate based on where the land is situated within the scheme and land area within each rating unit would most accurately match the apportionment of benefits.</p> <p>The general rate is value-based as the benefits are to the property as well as regionally.</p>  |
| <p>Operating funding mix</p> | <p>River Schemes; 20 percent general funds; 80 percent targeted rate to catchment- land area differential.</p> <p>Targeted rates recognise the private benefits to properties in the catchment. They are struck on the basis of a given per hectare rate that has been calculated for each of a number of sub catchments. The general funding component reflects economic benefit from protection of productive property and infrastructure falling equally to people across the region.</p> <p>Rangitāiki Drainage Scheme; 100 percent targeted rate for the land area differential. The targeted rate land area differential reflects private benefits in proportion to property land area.</p> <p>The Minor Drainage Schemes are funded 100 percent from targeted rates.</p> <p>Minor River Schemes; 80-100 percent targeted rates and 0-20 percent general funding. Three of the Minor River Schemes in the Ōpōtiki area have 20 percent general funding to recognise the regional benefit from protection of the transport network, and 80 percent targeted funding to reflect private benefit.</p> <p>Non Scheme works; 0-20 percent general funding; 80-100 percent grants and subsidies.</p> <p>Project costs for the Kopeopeo Canal project are to be funded through reserves</p> |
| <p>Capital funding mix</p>   | <p>River and drainage capital expenses provide long-term protection and are funded through the investment fund reserve, loans, the asset replacement reserve, through the cash surplus created by depreciation, or capital grants. Major flood repair projects will be funded from borrowing and some insurance recoveries are forecasted.</p>   |



**7 Activity – Regional Flood Risk Coordination**

The Regional Flood Risk Coordination Activity provides leadership, management, information and advice to manage flood risks and flood hazards in the Bay of Plenty.

| Revenue policy on operating and capital expenditure |   |
|---|---|
| Link to community outcomes                          | <input type="checkbox"/> A healthy environment<br><input checked="" type="checkbox"/> Safe and resilient communities  |
| Who benefits?                                       | The activity provides region-wide benefits by providing advice on flood management throughout the region.   |
| Time frame of benefits                              | The benefits are both short and long-term. The activity is provided continuously. Long-term benefits from flood management manuals, and the design of structural and non-structural flood mitigation measures.  |
| Individuals and groups creating demand for service  | No major exacerbators.  |
| Rationale for funding mix                           | Flood risk co-ordination provides benefits across the region. The majority of the costs should be met by the region as a whole. Where specific advice is provided for private benefit of an individual or organisation, the Council will seek to recover the portion of the cost that is a private benefit. Owners of high-value land have more to lose from poor catchment management than owners of low value land. The land value general rate is therefore an appropriate funding tool for this sub-activity. |
| Operating funding mix                               | 100 percent general funds.<br>The general funding component reflects economic benefit from protection of productive property and infrastructure falling equally to people across the region - land area differential.   |
| Capital funding mix                                 | There are no significant capital costs.   |



## Resource Regulation

### 8 Activity – Biosecurity

The Biosecurity activity manages pests in the region through the Regional Pest Management Plan (RPMP), providing regional leadership in pest plant and pest animal management. The activity also supports national initiatives under agreements with external agencies, including Ministry for Primary Industries and Department of Conservation.

| Revenue policy on operating and capital expenditure |   |
|---|---|
| Link to community outcomes                          | <input checked="" type="checkbox"/> A healthy environment<br><input type="checkbox"/> A vibrant region  |
| Who benefits?                                       | This activity provides a mix of national, regional, local and individual/land owner benefits. National benefits arise from the prevention of pest spread to other regions. The regional benefit arises through protecting community values, including biodiversity and ecosystem services. Landowners also obtain a private benefit through having threats to their production removed.   |
| Time frame of benefits                              | The benefits are both short and long-term. The activity is provided on a continuous basis and is monitored and reviewed over time. Cumulative benefits accrue as environmental well-being is maintained or improves over time.  |
| Individuals and groups creating demand for service  | Past and present landowners have contributed to a need to improve land management practices. Current landowners require advice to effectively manage pests. Regulatory tools are used to control and mitigate the effects of potential exacerbators.<br><br>Central Government through the Biosecurity Act 1993.  |
| Rationale for funding mix                           | For initiatives that provide national benefits, the Council will seek recovery from the Ministry for Primary Industries (MPI) and Biosecurity NZ on a cost recovery basis. Substantial benefits to some landowners and occupiers through productivity gains and to the greater community through protecting biodiversity and ecosystem services.  |
| Operating funding mix                               | 80-100 percent general funds, 0-20 percent other fees and charges.<br><br>Benefits accrue to the national and regional communities from sustainable land use. The benefits to property indicates value-based rate. Note: The 0-20 percent nominated above is an average recovery of costs for the activities. It does not constitute a target cost recovery but indicates an on-going average level of funding from other public funding. |
| Capital funding mix                                 | There are no significant capital costs.   |



**9 Activity – Air Quality**

The Air Quality activity focuses on regional air quality through regional planning for air management under the Resource Management Act 1991, monitoring of air issues and operating the Rotorua Clean Air programme.

| Revenue policy on operating and capital expenditure |   |
|---|---|
| Link to community outcomes                          | <ul style="list-style-type: none"> <li>■ A healthy environment</li> </ul>   |
| Who benefits?                                       | A significant proportion of the benefits are distributed across the Rotorua community. There are also wider regional public benefits from reduction in air pollution, particularly public health and regional amenity benefits for Rotorua as a domestic and international destination.   |
| Time frame of benefits                              | The benefits are both short and long-term. The activity is provided continuously. The main period of benefit is the present to 2020 where there are no more than three exceedances of the air quality standard after 1 September 2016, and no more than one exceedance after 1 September 2020.  |
| Individuals and groups creating demand for service  | Exacerbators are predominantly homes with inefficient heating appliances, and to a lesser extent, air discharges from industry or business  |
| Rationale for funding mix                           | While the exacerbators can be identified, it is not practical to levy them directly based on their activities other than for the cost of resource consents, including monitoring compliance (these costs are part of the Regional Natural Environment Monitoring activity). There is a direct benefit to Rotorua residents but there is also a regional responsibility for air quality, therefore the Council has reduced the level of targeted rate to be paid by Rotorua residents. |
| Operating funding mix                               | 40-60 percent general funds, 40-60 percent uniform targeted rate to the Rotorua urban area.<br>A uniform targeted rate (a fixed charge per property in the Rotorua urban area) is the best proxy for equal individual benefit across the area. General funds reflect wider benefits and a regional commitment to address significant problems wherever in the region these occur.   |
| Capital funding mix                                 | There are no significant capital costs that are specific to the above activity. Hot Swap loans are funded from external or internal loans and recovered through a targeted rate for properties within the Rotorua Airshed area that have received a loan from the Council under the Clean Heat Conversion scheme.   |



## 10 Activity – Resource Consents

The Resource Consent activity processes and makes decisions on resource consent applications under the Resource Management Act 1991 and/or rules in our regional plans, ensuring statutory requirements are fulfilled and a fair process for decision-making on regional natural resource use is followed.

| Revenue policy on operating and capital expenditure |   |
|---|---|
| Link to community outcomes                          | <input checked="" type="checkbox"/> A healthy environment<br><input type="checkbox"/> Freshwater for life   |
| Who benefits?                                       | <p>Those who benefit most directly from this activity are the consent applicants who seek resource consent (a resource allocation). They pay a direct charge (actual and reasonable costs) for this service.</p> <p>This activity benefits the Bay of Plenty region. It ensures through allocation that the development and use of the natural and physical resources in the region is sustainable for ratepayers and residents.</p>  |
| Time frame of benefits                              | <p>The benefits are both short and long-term. The activity is provided continuously. The duration of benefits for individuals is determined by the term of the consent issued. The long-term benefit is the sustainable management of scarce natural resources balancing competing demands for future generations.</p>  |
| Individuals and groups creating demand for service  | <p>Those individuals and businesses who undertake activities that require resource consents are exacerbators.</p>   |
| Rationale for funding mix                           | <p>Consent processing provides substantial benefits to consent holders. The benefits, separately funded through user fees and charges (Section 36 charges), exceed the costs. The remaining benefits from providing information and advice to the public about the consents process and rules in our plans are spread evenly across the regional community.</p>   |
| Operating funding mix                               | <p>40-60 percent general funds; 40-60 percent user fees and charges.</p> <p>The Council's aim is to ensure user fees and charges under Section 36 of the RMA are set to the level that maximises recovery of actual and reasonable costs of the private good component of this activity. This currently equates to approximately 40-60 percent user charges. This is an average recovery of costs for the whole activity. It does not constitute a target cost recovery but indicates an on-going average level of funding from fees and charges. The balance of costs after user charges (approximately 40-60 percent of the total activity cost) is met by general funding. General funds are used to recover costs which deliver a public good, those which cannot be recovered for statutory reasons and other costs which cannot be recovered efficiently from private beneficiaries</p> |
| Capital funding mix                                 | <p>There are no significant capital costs.</p>  |



### 11 Activity – Regulatory Compliance

The Regulatory Compliance activity is made up of three main components; compliance monitoring of resource consents, responding to environmental complaints and enforcing compliance with the Resource Management Act, Regional Plans and National Regulations and Standards. The aim of the activity is to ensure development activities involving water, geothermal, air, land and coastal resources do not negatively impact on the natural environment or put people’s health at risk.

| Revenue policy on operating and capital expenditure |  |
|---|--|
| Link to community outcomes                          | <input checked="" type="checkbox"/> A healthy environment<br><input type="checkbox"/> Freshwater for life  |
| Who benefits?                                       | The activity provides a mix of national, regional, local and individual benefits. National and regional benefits arise from minimising the potential impact on people and the natural environment caused by contaminated land. Local and individual benefits arise because adjacent resource users.  |
| Time frame of benefits                              | The activity provides both immediate short-term benefits (for example, compliance monitoring and enforcement) and long-term benefits (for example, managing contaminated sites). The activity is provided on a continuous basis.   |
| Individuals and groups creating demand for service  | Identified exacerbators include consent holders for individuals, industries and businesses, and previous landowners who have contaminated land.  |
| Rationale for funding mix                           | <p>Monitoring resource consent compliance is 100 percent cost recovered through Section 36 charges. If enforcement is required for a breach of a regional plan and a resource consent is not involved, costs may be recovered through infringement notices and prosecutions.</p> <p>The bulk of our response and proactive activities are not currently recovered although the Council endorses the 'polluter pays' principle. The most cost-effective funding method is user charges. General funds will be used where costs cannot be recovered by other means</p> |



|                              |  |
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| <p>Operating funding mix</p> | <p>80-100 percent general funds; 20-40 percent fees and charges.</p> <p>The Council's aim is to ensure user fees and charges under Section 36 of the RMA are set to the level that maximises recovery of actual and reasonable costs of the private good component of this activity. This currently equates to approximately 20-40 percent user charges. This is an average recovery of costs for the whole activity. It does not constitute a target cost recovery but indicates an on-going average level of funding from fees and charges.</p> <p>The balance of costs after user charges (approximately 80-100 percent of the total activity cost) is met by general funding. General funds are used to recover costs which deliver a public good, those which cannot be recovered for statutory reasons and other costs which cannot be recovered efficiently from private beneficiaries. Regulatory compliance costs that are a result of current consent holder or polluter activities are not subsidised from general funding. The Council aims to recover 100 percent of private good or exacerbator driven costs</p> |
| <p>Capital funding mix</p>   | <p>No significant capital costs.</p>   |

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## 12 Activity – Maritime Operations

The Maritime Operations activity ensures navigation safety and maritime oil spill response is provided 24/7 in the Bay of Plenty region as required by regulations and Council requirements. Our goal is to ensure that all our users operate safely and in harmony with one another and the environment to ensure our waters are available for the prosperity and enjoyment of future generations.

| Revenue policy on operating and capital expenditure |   |
|---|---|
| Link to community outcomes                          | <ul style="list-style-type: none"> <li>Safe and resilient communities</li> </ul>  |
| Who benefits?                                       | The activity provides a mix of national, regional, local and individual benefits. National and regional benefits arise from minimising the likelihood of maritime accidents that have an impact on people and the natural environment, including oil pollution response. Local and individual benefits arise because navigation aids help commercial and recreational vessels to avoid accidents and the associated financial and personal costs.   |
| Time frame of benefits                              | The benefits are both short and long-term. The short-term initiatives are providing immediate mitigation and response to maritime incidents to immediately benefit the community. Long-term benefits include providing designated areas (such as shipping channels, mooring areas, and recreational use) in Council’s frameworks.   |
| Individuals and groups creating demand for service  | Individuals who carry out unsafe navigation safety practices are potential causes of accidents. The exacerbators of the marine oil pollution are those who use or transport petrochemical products in the marine environment. The activity is a necessary 'insurance policy' against the possibility of oil spills.   |
| Rationale for funding mix                           | <p>To reflect the national and regional benefits for both people and the environment from ensuring safe use of the region’s navigable waterways, a regional contribution towards the costs of navigation safety is required.</p> <p>To reflect the individual and private privileges from mooring commercial operations, boat owners/operators pay a representative proportion of the costs of the activity. The most appropriate tools to recover these costs are fees and charges on owners and operators.</p> <p>The polluter of maritime oil incidents will meet the majority of the costs of Council's oil spill response.</p> |



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| <p>Operating funding mix</p> | <p>60-80 percent general funds; 20-40 percent fees and charges; 0-20 percent grants and subsidies.</p> <p>Benefits are evenly spread across the region’s population. General funds are the best available proxy for benefit to all people in the region. User charging through mooring charges and Port levies are set to the level that fully recovers the actual and reasonable costs of the private good component of this activity.</p> <p>Note: The 20-40 percent nominated above is an average recovery of costs for the activities. It does not constitute a target cost recovery but indicates an on-going average level of funding from user charges.</p> |
| <p>Capital funding mix</p>   | <p>There are some capital costs associated with purchasing and maintaining maritime safety equipment to provide the services of the activity. Capital is funded from the asset replacement reserve, through the cash surplus created by depreciation, or by loans.</p>   |

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## Transportation

### 13 Activity – Passenger Transport

The Passenger Transport activity enables and makes available a range of safe and reliable transport options to improve economic efficiency and environmental sustainability.

| Revenue policy on operating and capital expenditure |   |
|---|---|
| Link to community outcomes                          | <input type="checkbox"/> A healthy environment<br><input checked="" type="checkbox"/> A vibrant region  |
| Who benefits?                                       | <p>This activity provides a mix of national, regional, local and individual benefits. National and regional benefits arise because passenger transport services allow all people (both residents and visitors) to move from place to place through the efficient use of transport networks, and by reducing the economic and social costs of congestion.</p> <p>Local benefits from passenger transport services arise for those who live in close proximity to the services. Differential local benefits also arise depending on the level of service available in local communities.</p> <p>Private benefits accrue to those using passenger transport services.</p> <p>The rural service national and regional benefit arise from improved mobility and efficient transport networks. Local benefit is uneven across the region, as some rural centres have higher levels of service. There is also individual benefit to users.</p> |
| Time frame of benefits                              | <p>The benefits are both short and long-term. The services are provided continuously. Cumulative benefits accrue over time as shifts take place from private vehicles to passenger transport and as people travel more by passenger transport.</p>  |
| Individuals and groups creating demand for service  | <p>Increased population generally contribute to the need for additional passenger transport services. However, there are no identifiable exacerbating individuals or groups beyond users charged through the fare box.</p>  |
| Rationale for funding mix                           | <p>The urban service has a mix of funding tools appropriate to recognise local benefits from access to and efficient networks resulting from regular passenger services. The services provide significant benefits to Tauranga and Rotorua residents, therefore a targeted rate is appropriate.</p> <p>Regional benefit from access to efficient networks resulting from regular passenger services is reflected by general funding. Private beneficiaries (in this instance passenger transport users) are charged directly.</p> <p>The Urban service provides different levels of benefit to communities across the region based on their level of service. However, it would be inefficient to identify the level of benefit and charge these groups directly. There is also significant benefit to all residents in the region from efficient use of the transport network and congestion reduction.</p>                            |



Revenue policy on operating and capital expenditure

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|                              | <p>General funds reflect wider economic and social benefits to the region of managing transport demand in the major regional centres. As a significant component of the need for the services and direct benefits arise and fall in the Tauranga and Rotorua urban areas, a targeted rate is applied to each rating unit to reflect the level of service in each area.</p>   |
| <p>Operating funding mix</p> | <p>Tauranga Passenger Services:<br/>20-40 percent grants and subsidies; 20-40 percent fees and charges; 20-40 percent targeted rates.</p> <p>Rotorua Passenger Services:<br/>20-40 percent grants and subsidies; 20-40 percent fees and charges; 20-40 percent targeted rates.</p> <p>Western Bay Passenger Services:<br/>40-60 percent grants and subsidies; 0-20 percent fees and charges; 40-60 percent targeted rates</p> <p>Eastern Bay Passenger Services:<br/>0-20 percent grants and subsidies; 20-40 percent fees and charges; 40-60 percent targeted rates</p> <p>Regional Services:<br/>20-40 percent grants and subsidies; 60-80 percent general funds</p> |
| <p>Capital funding mix</p>   | <p>Capital is funded through loans, or the asset replacement reserve, through the cash surplus created by depreciation.</p>  |



**14 Activity – Transport Planning**

The Transport Planning activity provides for regional land transport planning mandated by the Land Transport Management Act 2003 (LTMA).

| Revenue policy on operating and capital expenditure |  |
|---|--|
| Link to community outcomes                          | <input type="checkbox"/> A healthy environment<br><input checked="" type="checkbox"/> A vibrant region   |
| Who benefits?                                       | This activity provides benefits that are evenly distributed across the region. It plans for a safe, integrated, sustainable and responsive land transport system that provides benefits to all people (both residents and visitors). National benefits also arise because the benefits of transport planning in the Bay of Plenty are received by visiting land transport users from outside the region. |
| Time frame of benefits                              | The benefits of are both short and long-term. The activity is provided continuously, with transport planning documents regularly reviewed and updated. Cumulative benefits accrue over time as well-being increases due to improvements to the quality of land transport networks and services in the Bay of Plenty.   |
| Individuals and groups creating demand for service  | Business groups, industry, residents, visitors all expect a safe and efficient transport network.  |
| Rationale for funding mix                           | The evenly spread nature of the benefits from this activity across the region mean that the costs should be evenly distributed across the region’s population. The funding tool that most closely approximates this is a UAGC on individual dwellings.   |
| Operating funding mix                               | 60-80 percent general funds; 20-40 percent grants and subsidies.<br>Benefits are evenly spread across the region’s population. General Funds are the best available proxy for benefit to all people in the region.   |
| Capital funding mix                                 | There are no significant capital costs.  |

## Regional Development

### 15 Activity –Regional Infrastructure

The Regional Infrastructure activity provides funding for infrastructure projects by third parties in the Bay of Plenty. Funding assistance is provided for projects that were successful through the contestable Regional Infrastructure Fund process that was run in 2014 and through direct funding to local Councils for sewerage reticulation and treatment systems, and transport infrastructure.

| Revenue policy on operating and capital expenditure |  |
|---|--|
| Link to community outcomes                          | <input type="checkbox"/> Freshwater for life<br><input checked="" type="checkbox"/> A vibrant region   |
| Who benefits?                                       | The activity has a can include projects with either regional or local benefit if they deliver Council’s community outcomes. The assessment framework will ensure that the appropriate beneficiaries of each project are defined, which may be region-wide or sub-regional. |
| Time frame of benefits                              | The benefits are both short and long-term. Short-term benefits include the increased ability to seek other funding sources and economic benefits from construction. Cumulative benefits arise over time as funded projects deliver their expected outcomes.                |
| Individuals and groups creating demand for service  | No identifiable exacerbator for Regional Infrastructure Grants.<br>Third party infrastructure funding benefits individuals within the area the infrastructure is provided.   |
| Rationale for funding mix                           | Council has a strong balance sheet and can provide bridging funding to third parties to get the infrastructure project completed. The benefit of the funding is specific to the group benefiting from the infrastructure so a targeted rate will be applied.               |
| Operating funding mix                               | The direct cost of the grants will be paid from reserves or debt.<br>Third party infrastructure funding allocated from 2018 onwards will be targeted rated for interest and principle repayments.<br>Costs to administer the activity are managed within other activities. |
| Capital funding mix                                 | There are no capital costs.  |



**16 Activity – Regional Economic Development**

The Regional Economic Development activity provides leadership, facilitation and support across the region for economic development. The focus of this programme is our economic development strategy, Bay of Connections. The activity works with industry, local and central government and other key stakeholders across the region and the country to implement the portfolio of sector strategies, including the Regional Growth Programme, in partnership with central government. There are currently 13 key industry areas, and we work with additional industry sectors as the need arises.

| Revenue policy on operating and capital expenditure |   |
|---|---|
| Link to community outcomes                          | ■ A vibrant region  |
| Who benefits?                                       | The activity provides benefits across the region by coordinating sustainable development actions regionally. It also provides national benefits by increasing the Bay of Plenty’s contribution to the national economy. |
| Time frame of benefits                              | The benefits are both short and long-term. The activity is provided on a continuous basis. Cumulative benefits arise over time as economic well-being improves.   |
| Individuals and groups creating demand for service  | No identifiable exacerbator.  |
| Rationale for funding mix                           | While it may be desirable for transparency reasons to fund the activity separately through an equal charge across the region, the size of the activity does not warrant separate funding.                               |
| Operating funding mix                               | 100 percent general funds.<br>General funds are used as economic development in the region provides a benefit proportionate to existing wealth, where property value is used as a proxy for wealth.                     |
| Capital funding mix                                 | There are no significant capital costs.   |



### 17 Activity – Regional Parks

The Regional Parks activity provides ownership and management of Regional Parks; currently Pāpāmoa Hills Regional Park and Onekawa Te Māwhai Regional Park, for cultural heritage protection and recreation purposes.

| Revenue policy on operating and capital expenditure |  |
|---|--|
| Link to community outcomes                          | <input type="checkbox"/> A healthy environment<br><input type="checkbox"/> Freshwater for life<br><input checked="" type="checkbox"/> A vibrant region   |
| Who benefits?                                       | This activity provides benefits across the region. Visitors to the region also benefit from being able to enjoy and use the regional parks.  |
| Time frame of benefits                              | The benefits of current expenditure are both short and long-term. Short-term benefits arise from the current park operation, and long-term benefits arise because assets are available for present and future generations.                             |
| Individuals and groups creating demand for service  | The demand for this service is considered to be community-wide, with no one particular group or organisation creating the demand.  |
| Rationale for funding mix                           | The evenly spread nature of the benefits from this activity across the region mean that the costs should be evenly distributed across the region’s population. The funding tool that most closely approximates this is a UAGC on individual dwellings. |
| Operating funding mix                               | 80-100 percent general funds, 0-20 percent user fees and charges.<br>Benefits are evenly spread across the region’s population. General funds are the best available proxy for benefit to all people in the region.                                    |
| Capital funding mix                                 | Capital is funded through loans, or the asset replacement reserve, through the cash surplus created by depreciation.   |



## Regional Planning and Engagement

### 18 Activity – Regional Planning

The Regional Planning activity provides the Council with planning and policy advice. It includes development of strategies, policies and plans to identify how the natural and physical resources in the region are to be managed. This activity sets the Bay of Plenty Regional Council's strategic direction.

| Revenue policy on operating and capital expenditure |   |
|---|---|
| Link to community outcomes                          | <input checked="" type="checkbox"/> A healthy environment<br><input checked="" type="checkbox"/> Freshwater for life<br><input type="checkbox"/> Safe and resilient communities<br><input type="checkbox"/> A vibrant region  |
| Who benefits?                                       | Benefits are distributed evenly across the regional community. All members of the regional community can access the same information and contribute to the Council's strategic direction on resource management matters.  |
| Time frame of benefits                              | The benefits are short-term. The Council's statutory policy is regularly reviewed as new information comes to hand or when required by legislation.   |
| Individuals and groups creating demand for service  | Where the sustainable management of natural resources are put at risk, there is need for planning responses. Council also has a statutory responsibility under the Resource Management Act to sustainably manage natural resources.                                   |
| Rationale for funding mix                           | The evenly spread nature of the benefits from this sub-activity across the region mean that the activity's costs should be evenly distributed across the region's population. The funding tool that most closely approximates this is a UAGC on individual dwellings. |
| Operating funding mix                               | 100 percent general funds.<br>Benefits are evenly spread across the region's population. General funds are the best available proxy for benefit to all people in the region.  |
| Capital funding mix                                 | There are no significant capital costs.   |

**19 Activity – Māori Policy**

The Māori Policy activity provides strategic advice, support and leadership on Māori relationship management, engagement and policy, to ensure we meet our statutory responsibilities to Māori in the region.

We have some 37 iwi entities, over 260 hapū and 224 marae. There are approximately 1,800 management structures covering over 5,000 Māori land blocks. As of 2017, there are 17 comprehensive Treaty claims settled and several more in progress.

| Revenue policy on operating and capital expenditure |  |
|---|--|
| Link to community outcomes                          | <input checked="" type="checkbox"/> A healthy environment<br><input type="checkbox"/> Freshwater for life  |
| Who benefits?                                       | The Māori Policy activity benefits the regional community by ensuring that Māori are effectively engaged in decision making to meet our statutory obligations.   |
| Time frame of benefits                              | The benefits are region-wide, both immediate and into the future. This activity is provided continuously.  |
| Individuals and groups creating demand for service  | Demand for this activity has come from Māori as they seek to be more actively involved in the Council's decision making.   |
| Rationale for funding mix                           | <p>The evenly spread nature of the benefits from this activity across the region mean that the costs should be evenly distributed across the region's population. The funding tool that most closely approximates this is a UAGC on individual dwellings.</p> <p>There are no particular costs or benefits for separate funding of this activity. Each is separately reported and budgeted for reasons of transparency and accountability.</p> |
| Operating funding mix                               | <p>100 percent general funds.</p> <p>Benefits are evenly spread across the region's population. General funds are the best available proxy for benefit to all people in the region.</p>  |
| Capital funding mix                                 | There are no capital costs.  |

**20 Activity – Geothermal**

The Geothermal activity provides co-ordination of the geothermal programme and the development of a second generation Geothermal Planning framework under the Resource Management Act (RMA). The Regional Policy Statement requires development of System Management Plans (SMPs) for Tauranga and Rotorua systems, and development of broader regional plan provisions to clarify the status of several systems. These SMPs will provide the basis for plan changes to the Regional Water and Land Plan, which are needed to enhance our ability to sustainably manage the region's geothermal resource.

| Revenue policy on operating and capital expenditure |  |
|---|--|
| Link to community outcomes                          | ■ A healthy environment  |
| Who benefits?                                       | The benefits are region wide, both immediate and into the future. There is some private benefit to individual geothermal users.                                      |
| Time frame of benefits                              | The benefits are both short and long-term and the activity is provided continuously. Cumulative benefits also accrue as environmental well-being improves over time. |
| Individuals and groups creating demand for service  | Exacerbators include those individuals or groups of individuals who act in ways that are incompatible with sustainable management of our geothermal resources.       |
| Rationale for funding mix                           | Benefits distributed evenly over regional community.   |
| Operating funding mix                               | 100 percent general funds.<br>Value basis is used to reflect the protection and preservation of property.  |
| Capital funding mix                                 | There are no capital costs.  |

## 21 Activity – Community Engagement

The Community Engagement activity leads planning, facilitation and advice support across the Council, advising on legislative procedure requirements. Community engagement through specific programmes builds awareness, involvement, engagement and education to help achieve Council’s objectives across the community, inclusive of all ages and sectors. A key focus for the activity is the water programme, working across the wider community.

The activity manages the Community Fund which includes the Environmental Enhancement Fund (EEF) and the Community Initiatives funding (CIF). EEF provides seed funding for community groups to improve the environment, raise environmental awareness and use the enthusiasm and skills of the community. The EEF programme also includes the He Mātāpuna Akoranga ā Hāwea Vercoe – Hāwea Vercoe Commemoration Fund, which has been set up to provide seed funding to Bay of Plenty Kura Kaupapa Māori, Kohanga Reo and bilingual schools for projects that achieve environmental outcomes.

| Revenue policy on operating and capital expenditure |   |
|---|---|
| Link to community outcomes                          | <input checked="" type="checkbox"/> A healthy environment<br><input type="checkbox"/> Freshwater for life<br><input type="checkbox"/> A vibrant region  |
| Who benefits?                                       | This activity supports and advises Councillors and staff within the Regional Council and works alongside the region’s seven territorial authorities, Māori, community members, young people in families and schools . Businesses, community groups, schools and individuals from across the region all benefit from this activity. EEF activities benefits community groups, residents, schools and other stakeholders throughout the region.           |
| Time frame of benefits                              | Although EEF and CIF projects are often completed within relatively short time-frames (typically within a 12 month cycle) with immediate benefits for the environment and community, there are often additional benefits to the environment and community as the project becomes more established as a result of the seed funding. Much of the work undertaken is in a support role with benefits that can take a significant amount of time to realise |
| Individuals and groups creating demand for service  | The demand for this service is considered to be community-wide, with no one particular group or organisation creating the demand. Individuals and community groups seeking funding and support for community projects have driven the demand for this activity.   |
| Rationale for funding mix                           | The evenly spread nature of the benefits from this activity across the region mean that the costs should be evenly distributed across the region’s population. The funding tool that most closely approximates this is a UAGC on individual dwellings.  |





|                       |  |
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| Operating funding mix | 100 percent general funds.<br>Benefits are evenly spread across the region’s population. General funds are the best available proxy for benefit to all people in the region. |
| Capital funding mix   | There are no significant capital costs.  |

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## 22 Activity – Governance Services

The Governance Services activity supports the democratic structure and processes of the Council. The activity assists the Council in decision-making processes and supports elected members in providing good governance in an open and transparent manner. Governance Services are responsible for the representation structure, the administration of the triennial elections, elected members' remuneration and expenses and ensuring Council, committee and co-governance meetings comply with legislative requirements. Costs associated with the Chief Executive's office are included in the Governance activity.

| Revenue policy on operating and capital expenditure |  |
|---|--|
| Link to community outcomes                          | ■ A vibrant region   |
| Who benefits?                                       | Benefits are distributed evenly across the regional community. The elected members of Bay of Plenty Regional Council represent all members of the region's community.  |
| Time frame of benefits                              | The benefits are short-term. Governance Services are provided continuously   |
| Individuals and groups creating demand for service  | While lobby groups could be considered exacerbators, it is not practical to determine the extent to which these groups increase the cost of governance.  |
| Rationale for funding mix                           | The evenly spread nature of the benefits from this activity across the region mean that the costs should be evenly distributed across the region's population. The funding tool that most closely approximates this even spreading of costs would be a UAGC on individual dwellings. |
| Operating funding mix                               | 100 percent general funds.<br>Benefits are evenly spread across the region's population. General funds are the best available proxy for benefit to all people in the region.   |
| Capital funding mix                                 | There are no significant capital costs.  |



## Emergency Management

### 23 Activity – Emergency Management

The Emergency Management activity provides Civil Defence Emergency Management (CDEM) services to the Council, as well as regional emergency management leadership.

Along with all Councils in the region, Bay of Plenty Regional Council is a member of the Bay of Plenty Civil Defence Emergency Management Group and the administering authority for the Group. This Group establishes and maintains arrangements that ensure co-ordination and communication happens, and that support is available when it's needed.

Alongside the CDEM Group, Emergency Management Bay of Plenty is a shared service arrangement between Councils in the region which delivers some CDEM activities and works with our communities to increase understanding and awareness of our hazard-scape.

| Revenue policy on operating and capital expenditure |  |
|---|--|
| Link to community outcomes                          | <ul style="list-style-type: none"> <li>Safe and resilient communities</li> </ul>   |
| Who benefits?                                       | This activity provides benefits to all people and property owners in the region, as emergencies can occur anywhere in the region. It enables co-ordinated planning and response to regional civil defence emergencies, which can occur at any location at any time. There is also national benefit arising from protection of nationally significant infrastructure.   |
| Time frame of benefits                              | The benefits of current expenditure are short-term in nature. Civil Defence Emergency Management is provided on a continuous basis. The CDEM Group needs the ability to prepare for and respond to emergency events now and in the future.   |
| Individuals and groups creating demand for service  | The demand for the CDEM Group's service is considered to be community-wide, with no one particular group or organisation creating the demand.<br>Emergency Management BOP's services are provide as requested by territorial authorities.  |
| Rationale for funding mix                           | The CDEM Group provides benefits that are distributed evenly across the regional community.<br>Regional Council funding of Civil Defence Emergency Management is a statutory requirement and is matched by territorial authorities in the region based on the CDEM Group Plan.<br>Emergency Management BOP assists with services requested by territorial authorities in the region. They enable co-ordinated planning and response to regional civil defence emergencies. |



|                              |   |
|------------------------------|---|
| <p>Operating funding mix</p> | <p>Bay of Plenty Civil Defence Emergency Management Group<br/>100 percent targeted rates</p> <p>Emergency Management Bay of Plenty<br/>40-60 percent targeted rate; 40-60 percent grants and subsidies</p> <p>Lifelines<br/>100% other revenue</p> <p>A separate differential targeted rate is applied to each rating per territorial authority location to fund this activity to make it clear to ratepayers how much they are contributing for this activity.</p> |
| <p>Capital funding mix</p>   | <p>Capital is funded through loans, or the asset replacement reserve, through the cash surplus created by depreciation.</p>   |

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## Technical Services

### 24 Activity – Geospatial

The Geospatial activity provides maps, other visual aids, mapping applications and data analysis to support decision making and aid in understanding issues facing our community. The activity supports Council to perform its regulatory function across a number of activities including: Integrated Catchment Management, Civil Defence and Emergency Management, Kotahitanga, Rotorua Lakes, Regional Flood Risk Coordination, Regulatory Compliance and various planning activities.

| Revenue policy on operating and capital expenditure |  |
|---|--|
| Link to community outcomes                          | <input type="checkbox"/> A healthy environment<br><input type="checkbox"/> Freshwater for life<br><input type="checkbox"/> Safe and resilient communities<br><input type="checkbox"/> A vibrant region               |
| Who benefits?                                       | The activity provides region-wide benefits by providing mapping services throughout the region.  |
| Time frame of benefits                              | The benefits are both short and long-term as the activity is provided continuously.  |
| Individuals and groups creating demand for service  | The demand for this service is considered to be community-wide, with no one particular group or organisation creating the demand.  |
| Rationale for funding mix                           | The activity provides region-wide benefits in both short and long-term. Regional benefits are from mapping services on historical and new development areas. Solutions often cross territorial authority boundaries. |
| Operating funding mix                               | 100 percent general funds.   |
| Capital funding mix                                 | Capital is funded through loans, or the asset replacement reserve, through the cash surplus created by depreciation.   |



**25 Activity – Engineering**

The Engineering activity provides technical advice and support across Council, ensuring that Council assets are well planned and designed and development is undertaken in a manner that does not create unnecessary risk or adverse effects. The activity is responsible for maintaining and updating asset management plans and the Council’s infrastructure strategy.

| Revenue policy on operating and capital expenditure |   |
|---|---|
| Link to community outcomes                          | <input type="checkbox"/> A healthy environment<br><input type="checkbox"/> Freshwater for life<br><input checked="" type="checkbox"/> Safe and resilient communities<br><input type="checkbox"/> A vibrant region   |
| Who benefits?                                       | The activity provides region-wide benefits by providing advice on integrated catchment management throughout the region.  |
| Time frame of benefits                              | The benefits are both short and long-term. The activity is provided continuously.<br>Regional benefits by providing advice on natural hazard mitigation to existing and new development areas. Solutions often cross territorial authority boundaries.                                |
| Individuals and groups creating demand for service  | The impact of on-going and intensive land development is the most significant contributor to the need for the activity.   |
| Rationale for funding mix                           | The activity provides region-wide benefits by providing advice on integrated catchment management throughout the region.  |
| Operating funding mix                               | 100 percent general funds.<br>The benefits are both short- and long-term. The activity is provided continuously.<br>Regional benefits by providing advice on natural hazard mitigation to existing and new development areas. Solutions often cross territorial authority boundaries. |
| Capital funding mix                                 | There are no significant capital costs.   |

**26 Activity – Data Services**

The Data Services activity supports Council activities through the collection, analysis and monitoring of a range of natural resources data in the Bay of Plenty. These data enable Council to meet the increasing standards, data management and reporting requirements arising from new legislation, particularly the National Policy Statement for Freshwater and the National Objectives Framework. The activity facilitates assessment of the region’s performance against such national guidelines and standards, as well as the efficiency and effectiveness of our Regional Policy Statement and regional plans.

| Revenue policy on operating and capital expenditure |   |
|---|---|
| Link to community outcomes                          | <input type="checkbox"/> A healthy environment<br><input type="checkbox"/> Freshwater for life<br><input type="checkbox"/> Safe and resilient communities   |
| Who benefits?                                       | The benefits of Data Services activity are distributed across the regional community, with landowners potentially receiving the largest benefit from the monitoring of environmental issues.  |
| Time frame of benefits                              | The benefits are both short and long-term as the activity is provided continuously.   |
| Individuals and groups creating demand for service  | The demand for this service is considered to be community-wide, with no one particular group or organisation creating the overall demand.<br>Identified exacerbators include consent holders for individuals, industries and businesses, and previous landowners who have contaminated land..   |
| Rationale for funding mix                           | The activity provides region-wide benefits in both the short and long-term. Regional benefits are from monitoring environmental issues in existing and new development areas. Solutions often cross territorial authority boundaries.<br>Monitoring resource consent compliance is 100 percent cost recovered through Section 36 charges. |
| Operating funding mix                               | 60-80 percent general funds; 0-20 percent fees and charges.<br>The Council’s aim is to ensure user fees and charges under Section 36 of the RMA are set to the level that maximises recovery of actual and reasonable costs of the private good component of this activity.   |
| Capital funding mix                                 | Capital is funded through loans, or the asset replacement reserve, through the cash surplus created by depreciation.  |



**27 Activity – Science**

The Science activity provides accessible, relevant and trusted science that empowers others to make informed decisions on water, air, land use and geothermal, for our region's well-being. The activity supports projects across Council by providing clear direction, sound tools and methods, the right expertise, good information management and linkages that enable the sustainable development of natural resources across the region.

| Revenue policy on operating and capital expenditure |   |
|---|---|
| Link to community outcomes                          | <input type="checkbox"/> A healthy environment<br><input type="checkbox"/> Freshwater for life<br><input type="checkbox"/> Safe and resilient communities   |
| Who benefits?                                       | The benefits of the Science activity are distributed across the regional community, with landowners potentially receiving the largest benefit from the identification and monitoring of environmental issues. However, monitoring of the state of and trends in the natural environment provide input to regional environmental management on behalf of all the region's residents. |
| Time frame of benefits                              | The benefits of current expenditure are short-term - current expenditure relates to current monitoring. The activity is provided continuously, based on the understanding that the value of the data, and the investment in collecting it, is enhanced as more data is collected.   |
| Individuals and groups creating demand for service  | Consent holders who hold consents to discharge contaminants or extract resources are exacerbators. They also benefit from regional knowledge about the state or quality of resources.   |
| Rationale for funding mix                           | Natural environment regional monitoring benefits consent holders as well as the general public. The most effective funding method is therefore to fund a proportion of costs from consent holders (Section 36 RMA charges) and a proportion of costs from general rates.  |





|                              |  |
|------------------------------|--|
| <p>Operating funding mix</p> | <p>80-100 percent general funds, 0-20 percent fees and charges.</p> <p>The Council's aim is to ensure user fees and charges under Section 36 of the RMA are set to the level that maximises the recovery of actual and reasonable costs of the private good component of this activity. This currently equates to approximately 0-20 percent user charges. This is an average recovery of costs for the whole activity. It does not constitute a target cost recovery but indicates an ongoing average level of funding from fees and charges. The balance of costs after user charges (approximately 80-100 percent of the total activity cost) is met by general funds. General funds are used to recover costs which deliver a public good, those which cannot be recovered for statutory reasons and other costs which cannot be recovered efficiently from private beneficiaries.</p> |
| <p>Capital funding mix</p>   | <p>Capital is funded through loans, or the asset replacement reserve, through the cash surplus created by depreciation.</p>  |

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# Bay of Plenty Regional Council's Treasury Policy



|                          |              |
|--------------------------|--------------|
| <b>Status:</b>           | Draft        |
| <b>Adopted:</b>          | n/a          |
| <b>Review timeframe:</b> | Three-yearly |

## Purpose

- 1 The purpose of this Treasury Policy (Policy) is to outline Bay of Plenty Regional Council's (Council) principles for the treasury activity. The formalisation of such policies and procedures will enable treasury risks within Council to be prudently managed.

## Scope and Objectives

### Scope

- 2 This document identifies the policies of Council in respect of treasury management activities. The scope includes Council's **Investment Policy** as well as the **Liability Management Policy**, as required under Sections 102, 104 and 105 of the Local Government Act (2002) (LGA).

### Statutory objectives

- 3 All external borrowing, investments and incidental financial arrangements (e.g. use of interest rate hedging financial instruments) will meet requirements of the LGA and incorporate the Investment Policy and Liability Management Policy. Council is governed by the following relevant legislation:
  - LGA, in particular Part 6 including sections 101,102, 104 and 105.
  - Local Government (Financial Reporting and Prudence) Regulations (2014), in particular Schedule 4.
  - Trustee Act (1956). When acting as a trustee or investing money on behalf of others, the Trustee Act highlights that trustees have a duty to invest prudently and that they shall exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others. Details of relevant sections can be found in the Trustee Act (1956) Part II Investments.
- 4 All projected external borrowings are to be approved by Council as part of the Annual Plan or the Long Term Plan process, or resolution of Council before the borrowing is undertaken.
- 5 All legal documentation in respect to external borrowing and financial instruments will be subject to legal review prior to the transaction being executed.
- 6 Council will not enter into any borrowings denominated in a foreign currency.
- 7 Council will not transact with any Council Controlled Organisation (CCO) or Council Controlled Trading Organisation (CCTO) on terms more favourable than those achievable by the Council itself.



- 8 A resolution of Council is not required for hire purchase, credit or deferred purchase of goods if:
- The period of indebtedness is less than 91 days (including rollovers); or
  - The goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, an amount determined by resolution of Council.

### General Objectives

- 9 The objective of this Policy is to control and manage costs and investment returns that can influence operational budgets, public equity and the setting of debt levels. Specific objectives are as follows:

- To manage investments to optimise returns in the long term whilst balancing risk and return considerations.
- To manage debt to optimise the cost of funding within risk management parameters acceptable to Council. Monitor, evaluate and report on treasury performance.
- Borrow funds, invest funds and transact risk management instruments within an environment of control and compliance under this Policy to protect Council's financial assets and costs.
- Maintain liquidity levels and manage cash flows within Council to meet known and reasonable unforeseen funding requirements.
- Arrange and structure appropriate funding for Council at the lowest achievable interest margin from debt lenders. Manage the spread of debt maturities within the funding risk limits established by this Policy.
- To maintain equity between the amounts available for distribution to present and future generations of ratepayers.
- Any externally managed funds will comply with the a formal Statement of Investment Policy and Objectives (SIPO), which is to be read in conjunction with, but is separate from this Policy document.
- Monitor and report on financing/borrowing covenants and ratios under the obligations of Council's lending/security arrangements.
- Monitor Council's return on investments.
- To minimise exposure to credit risk by dealing with and investing in credit worthy counterparties only as detailed in the credit risk section of this Policy.
- Ensure that all statutory requirements of a financial nature are adhered to.
- To ensure adequate internal controls exist to protect the Council's financial assets and to prevent unauthorised transactions.
- Develop and maintain relationships with financial institutions, the LGFA and investors.
- Regular result and control reporting to Council and Chief Executive (CE).



## Council Responsibilities

Council has ultimate responsibility for ensuring that there is an effective policy for the management of its risks. In this respect, Council decides the level and nature of risks that are acceptable.

Council is responsible for approving this Treasury Policy and any changes required from time to time. While the policy can be reviewed and changes recommended by other persons, the authority to make or change policy cannot be delegated.

In this respect, Council has responsibility for:

- Approving the long term financial position of the Council through the Long Term Plan and Annual Plan.
- Approving new debt/funding via resolution of the Annual Plan.
- Approving the Treasury Policy, incorporating the following delegated authorities:
  - Council may delegate all or any of the treasury monitoring to a Council specified committee or the CE
  - borrowing, investing and dealing limits and the respective delegated authority levels
  - counterparties and credit limits
  - risk management methodologies and benchmarks
  - guidelines for the use of financial instruments
- Approving budgets and high level performance reporting.
- Reviewing and approving this Policy every three years.

Council will also ensure that:

- It receives appropriate information from management on risk exposure and financial instrument usage in a form that is understood.
- Issues raised by auditors (both internal and external) in respect of any significant weaknesses in the Treasury Function are resolved immediately.
- Approval will be gained for any transactions falling outside Policy guidelines.
- Monitor performance measurement criteria for treasury activity.
- Monitor six-monthly performance against benchmarks.
- Oversee the implementation of Council's treasury management strategies and monitor and review the effective management of the treasury function.
- Ensure that the information presented to the Council is timely, accurate and identifies the relevant issues and is represented in a clear and succinct report.

Discuss treasury matters on a six-monthly basis (and informally as required).



## Investment Policy – Purpose

10 To present Council's policy for investments including:

- Investment objectives,
- Mix of investments,
- Acquiring new investments,
- Outline of how investments are managed and reported to Council, and
- Outline of how risks associated with investments are assessed and managed.

## Investment Policy – General Policy and Objectives

- 11 Council recognises that as a responsible public authority all investments held should be have an appropriate balance between the capital risk accepted and the return received. Council recognises that this approach generally means lower potential returns.
- 12 In its financial investment activity, Council's primary objective is protecting its investments. This means only creditworthy counterparties are acceptable. Within the credit constraints applicable, Council also seeks to:
- Optimise investment returns over the long term,
  - Ensure investments are balanced with liquidity requirements,
  - Manage potential capital losses due to interest rate movements, if investments need to be liquidated before maturity, and
  - Hold certain investments for strategic benefits as well as for the financial benefits to the region.
- 13 Council's mix of investments will take into account working capital needs, including the divestiture of different assets if/when Council transitions to being a net borrower.
- 14 Council is accountable to its stakeholders to take care of the environment, meet community needs and deliver acceptable financial results. All potential investment opportunities must be evaluated against these high level objectives taking into account environmental, social and governance considerations.

## Investment Policy – Responsible investments

15 Council will only make investments where the primary activity:

- Does not prevent Council from achieving the purpose of Local Government which is:
- To enable democratic local decision-making and action by, and on behalf of, communities, and
- To meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.



16 In the LGA, good-quality – in relation to local infrastructure, local public services, and performance of regulatory functions – means infrastructure, services, and performance that are:

- Efficient,
- Effective, and
- Appropriate to present and anticipated future circumstances

## Investment Policy – Mix of investments

17 Council maintains investments in financial assets including:

- Significant equity investments via Quayside Holdings Limited (“Quayside”), a 100% owned Council Controlled Organisation (CCO). Quayside investments include a majority stake in the publicly listed Port of Tauranga Limited, Port of Tauranga Limited’s subsidiaries and associate companies as it may from time to time incorporate, and other equity investments,
- Property investments including land and buildings, and
- Treasury investments; incorporating cash, infrastructure advances, long term and liquid investments.

18 Council’s policy is to maintain an investment mix that:

- Meets its current expenditure requirements,
- Falls within Council’s risk parameters,
- Is consistent with Council’s strategic direction of maintaining ownership of Quayside and through Quayside, the majority shareholding in Port of Tauranga Limited, and
- Is consistent with Council’s strategic direction of supporting the region by maintaining a shareholding of the Local Government Funding Agency (LGFA).

## Investment Policy – Equity investments

19 Council maintains equity investments and other minor shareholdings, which fulfil various strategic, economic development and financial objectives as outlined in the LTP.

20 Council seeks to optimise the rate of return on all its equity investments consistent with the nature of the investment and their stated philosophy on investments.

21 Council’s long term view of its equity investments ensures asset protection and growth, and enables the use of the proceeds for present and future generations.



## Investment Policy – Investment Fund (PPS)

- 22 For the Perpetual Preference Share (PPS) Investment Fund monies, the Council oversees the performance of the fund and adopts an appropriate balance between capital risk accepted and the return received. This means that it will only accept investments with a minimal risk of capital loss or non-payment of income over the investment's life. The Council accepts that this may result in lower returns.
- 23 PPS related funds are to be used in line with the conditions set out in the Inland Revenue Binding Ruling.

## Investment Policy – Regional Fund

- 24 The Regional Fund is created through the replenishment of advances made to regional infrastructure projects. These funds are invested until required for the Council's projects.
- 25 Council's primary objective when investing this fund is to protect its investment. This means only creditworthy counterparties are acceptable as detailed in this policy or within a Statement of Investment Policy and Objectives (SIPO) if the funds are externally managed.
- 26 Within the above credit constraints, Council seeks to:
- Optimise investment returns, and
  - Ensure investments are liquid.
- 27 Where Regional Funds are managed internally, the Investment Parameters, Approved Financial Instruments and Counterparty Credit Limit sections of this Policy apply. Where funds are externally managed, the specific Council agreed parameters contained within the SIPO agreed with the external investment manager apply.

## Investment Policy – Toi Moana Fund

- 28 The Toi Moana Fund was established with a primary objective of providing optimised long term investment returns without the restraint of liquidity requirements.
- 29 Council's secondary objective when investing this fund is to protect its investment in the longer term.
- 30 Within the above credit constraints, Council seeks to:
- optimise returns through longer termed investments
- 31 Where Toi Moana Funds are managed internally, the Investment Parameters, Approved Financial Instruments and Counterparty Credit Limit sections of this Policy apply. Where funds are externally managed, the specific Council agreed parameters contained within the SIPO agreed with the external investment manager apply.
- 32 Quayside would be considered an external manager if specific Council funds such as the Toi Moana Fund were managed and all external manager controls and requirements would apply





## Investment Policy – Property Investments

- 33 Council's overall aim is to own property that is only essential to achieving its strategic direction. Generally, Council will not have a property investment where it is not essential to service delivery or does not relate to a primary output of Council. Property ownership is reviewed based on a cost analysis and ownership benefits, versus achieving the same results through other arrangements. Council uses similar assessment criteria for new property investments.

## Investment Policy – Reserves and Scheme Ratepayer's funds

- 34 Council establishes reserves for specific purposes – usually on behalf of limited ratepayer groups – and are primarily from the proceeds of separate scheme rates. These reserves are used to reduce borrowings and avoid a negative spread of interest rates between borrowed and invested money. Interest is paid, or charged internally on reserve balances at an annually fixed interest rate, based on the Council's average cost of funds.

## Investment Policy – Externally Managed Funds (Including Quayside)

- 35 Where any of Council's funds are to be managed externally by a suitably qualified investment manager, these funds are to be managed in line with a separate SIPO document. External fund managers will be appointed in the knowledge of and operate the portfolio according to, the investment guidelines outlined in the SIPO.
- 36 Council will be responsible for the following:
- Setting the Fund's Investment Strategy, including the level of risk and investment performance objectives, and investment policies.
  - Determining the appropriate number of investment managers, and selecting and changing those managers as appropriate after having taken advice from the Investment Consultant.
  - Reviewing the SIPO annually, including the Investment Strategy, Policies and manager configuration, and instructions to the investment manager.
  - Ensuring that the level of redemptions from the Fund is consistent with the Fund's objective to maintain equity, in terms of amounts available for distribution, between present and future generations.
  - Providing cash flow information to the investment manager with respect to future deposits and redemptions.
  - Appointing the external investment manager.
- 37 Financial instruments and credit restrictions for funds under management in externally managed funds are separate to those detailed in this Policy and are controlled as per the Council approved SIPO.

## Investment Policy – Risk management

- 38 Council seeks to protect its investments and manage its risk. This means Council has determined it will apply the 'prudent person' principle for managing risk and return on its investments. For cash, the Council seeks to minimise its risk by:



- Investing only in institutions that have a high degree of security and/or an investment grade credit rating from S&P Global Ratings, Moody's or Fitch, and
- Limit maximum exposures through control features detailed in this policy.

- 39 Council's investments can have a direct exposure to interest rate changes that can impact on the return and capital value of its fixed-rate investments.
- 40 The CFO and other delegated authorities execute Council's interest rate risk management strategy by regularly monitoring interest rate markets, taking appropriate advice, evaluating the outlook and deciding the interest rate profile to adopt for investments.

## Investment Policy – Investment Parameters

- 41 Treasury Investments and PPS Investment Funds are covered by the Investment Parameters detailed below.
- 42 Council's financial investment activity will be conscious of:
- Ensuring investment maturities coincide with meeting future cash flow projections
  - Forecast debt requirements associated with future capital expenditure programs as outlined within the LTP.
- 43 Council must only invest in acceptable financial instruments and with counterparties, as covered in the Approved Financial Instruments and Counterparty Credit Limits sections of this Policy.

## Liability Management Policy – Purpose

- 44 This Policy covers Council's management of all borrowing, as defined in Section 112 of the LGA and the Local Government Borrowing Act 2011 (LGBA), as well as management of other liabilities. Section 113 of the LGA prohibits Council from borrowing or entering into incidental arrangements in denominations other than New Zealand currency. Section 11 of the LGBA provides an exemption for LGFA transactions.

## Liability Management Policy – General Policy

- 45 As required under the Act, Council may borrow in New Zealand dollars as it considers appropriate, and exercises flexible and diversified funding power. Council approves the borrowing requirement for each financial year as part of the annual planning process. Arrangements for precise terms and conditions of borrowing are delegated to the CE. (refer to the Treasury Procedures Manual for delegations made by the CE).
- 46 Council may raise debt for the following primary purposes:
- Fund capital expenditure requirements,
  - Scheme debt to fund river and drainage scheme renewals expenditure and capital expenditure requirements, and
  - Manage timing differences between cash inflows and outflows and to maintain Council's liquidity and, if necessary, to fund emergency expenditure.



- 47 Council considers the impact on borrowing limits, the size and the economic life of the asset that is being funded, and its consistency with the current Annual and Long Term plans before approving new debt.
- 48 Council is able to borrow through a variety of market mechanisms. These include issuing stock and debentures, commercial paper (CP), direct bank borrowing or loans with private placement investors, internal reserves or special funds or accessing the short-term and long-term capital markets directly.
- 49 In evaluating strategy for new borrowing (in relation to source, term, size and pricing), Council considers:
- Available terms from banks, capital markets and loan stock issuance (including LGFA),
  - Prevailing interest rates and margins relative to markets comparative to term for loan stock issuance, capital markets and bank borrowing,
  - The liquidity, funding and interest rate risk-management parameters as detailed in this policy,
  - Legal documents and financial covenants, together with credit rating considerations, and
  - An assessment of the outlook for credit margins and interest rate movements.
- 50 Council's ability to readily attract cost-effective borrowing from a wide range of sources is largely driven by its ability to rate meaning Councils effectively sit just below Central Government in relation to the credit characteristics assumed by investors and financial institutions.
- 51 Council can use short-term and long-term funding to achieve an appropriate borrowing mix and to balance the requirements of liquidity and funding risk management.

## Liability Management Policy – Liquidity and Funding Limits

- 52 Cash flow deficits in various future periods, based on long-term financial forecasts, are reliant on the maturity structure of cash, financial investments, loans, and bank facilities. Liquidity risk management focuses on the ability to access committed funding at that future time to fund the gaps.
- 53 Funding risk management centres on the ability of Council to re-finance or raise new debt at a future time and the ability at that time to achieve the same or more favourable pricing (fees and borrowing margins) and terms compared to existing facilities/debt. Because of the high level of creditworthiness of Council given its ability to rate the key funding risk faced relates to pricing risk rather than the ability to access funds in the future.
- 54 Liquid funds (including cash and cash equivalents) and committed funding (capital markets, bank debt) must be maintained as detailed in to the following section – Debt Ratios and Limits
- 55 Council has the ability to pre-fund up to 12 months of forecast debt requirements including re-financings. Debt re-financings that have been pre-funded, will remain included within the funding maturity profile until their maturity date.



- 56 The CFO has the discretionary authority to re-finance existing debt on more favourable terms that does not extend the term of the debt. Such action is to be reported to Council at the earliest opportunity. If re-financing on more favourable terms extends the term of the debt this must be ratified by Council before formal acceptance of the offer.
- 57 A key factor of funding risk management is to spread and control the risk by reducing the concentration of funding maturities at any one point in time. So if a one-off internal or external negative credit events occur, the overall interest cost through adverse credit margins movements is not unnecessarily increased, or term availability and general flexibility reduced. After taking advice from its external Treasury Advisor Council has determined that an appropriate funding risk control limit is to have no more than \$100 million of debt mature over the next 12 months or any 12 month period thereafter.
- 58 Liquid funds (including cash and cash equivalents) and committed funding (capital markets, bank debt) must be maintained as detailed in to the following section – Debt Ratios and Limits.

## Liability Management Policy – Debt Ratios and Limits

Total external debt levels in place will be managed within the limits detailed in the following table.

| Ratio   |       |
|---|-------|
| Net interest / Total revenue  | <20%  |
| Net debt /Total revenue   | <250% |
| Net interest / Annual rates and levies (debt secured under debenture) | <30%  |
| Liquidity (liquid funds + committed funding to total external debt)   | >110% |

- 59 Revenue is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue.
- 60 Revenue excludes non-government capital contributions (e.g. developer contributions and vested assets)
- 61 Net debt is defined as total external debt less liquid financial deposits/investments.
- 62 Liquid funds are cash and cash equivalents defined as being:
- Overnight bank cash deposits
  - Wholesale/retail bank term deposits no greater than 30 days
  - Bonds or floating rate notes that have a long term credit rating of at least 'A-' and mature within 12 months. Wholesale/ retail bank term deposits linked to pre-funding of maturing term debt exposures.
- 63 Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or re-negotiated as and when appropriate.
- 64 Financial covenants are measured on the Council only, not the consolidated group.
- 65 Disaster recovery requirements will be met through the liquidity ratio and contingency reserves.



## Liability Management Policy – Interest Rate Risk Management

66 The following risk control limits will only be activated once forecast core external debt exceeds \$100 million. Until this level is reached any hedging is at the discretion of the CFO.

67 Exposure to interest rate risk is managed and mitigated through the controls below where:

- “**Core debt**” is all core external debt (existing and forecast) at the respective debt-ending periods.
- “**Fixed Rate Debt**” is all debt or fixed interest rate derivatives with an interest rate repricing beyond 6 months. Any debt or fixed interest rate derivatives with an interest rate repricing within 6 months is defined as floating rate debt.
- “**Floating Rate Debt**” is defined as an interest rate re-pricing within 6 months. This includes any Floating Rate Note (FRN) with a maturity date beyond 6 months that is not swapped to a fixed rate.

68 Fixed rate debt must be within the following interest rate repricing bands:

| Fixed Rate Maturity Profile* |                  |                  |
|------------------------------|------------------|------------------|
| Period                       | Minimum Fixed    | Maximum Fixed    |
| Year 1                       | 50               | 100%             |
| Years 2 and 3                | 30%              | 100%             |
| Years 4 and 5                | 15%              | 80%              |
| Years 6 to 12                | 0%               | 60%              |
| Year 13 and longer           | Council approval | Council approval |

*\*Delegated authorities to position the interest rate risk portfolio within the above ranges out to a maximum period of 12 years are detailed in the Treasury Procedures Manual.*

69 A fixed rate maturity profile that is outside the above limits, but self corrects within 90-days is not in breach of this Policy. However, maintaining a maturity profile beyond 90-days requires specific approval by Council.

## Liability Management Policy – Security

70 Council's external borrowings and interest rate management instruments will generally be secured by way of a charge over rates and rates revenue offered through a Debenture Trust Deed. Under a Debenture Trust Deed, Council's borrowing is secured by a floating charge over all Council rates levied under the Rating Act. The security offered by Council ranks equally or *pari passu* with all lenders. A Debenture Trust Deed is required to borrow funds through the LGFA.

71 Security may be offered over specific assets, but only with the Council's prior approval.



## Liability Management Policy – Repayment

72 Council repays borrowings from rates, 'decline in relative service potential' funds, surplus funds, and proceeds from investment and asset sales. It is Council's policy to repay debts as they fall due, using one or more of:

- Surplus operating funds,
- Rating revenues established for that purpose,
- Surplus proceeds from investment or asset sales,
- Regular instalments of principal and interest, especially within internal scheme capital works loans, and
- Re-financing with new debt.

## Liability Management Policy – Guarantees/contingent liabilities and other financial arrangements

73 Council may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, Trusts, or Business Units, when the purposes of the loan are in line with Council's strategic objectives.

74 Council is not allowed to guarantee loans to Council Controlled Trading Organisations under Section 62 of the LGA.

## Liability Management Policy – Reserves

75 With rivers and drainage scheme activities, there are special reserves that provide for unforeseen disaster-type events. These reserves are managed to reduce the scheme activities borrowings and avoid negative spread on interest rates between borrowed and invested money.

## Approved Financial Instruments

76 Approved interest rate instruments are as follows:

| Category                                | Instrument  |
|---|---|
| Cash management and external borrowings | Bank overdraft<br>Committed bank loans (short term and long term loan facilities)<br>Uncommitted money market facilities<br>Loan stock/private placement<br>Fixed Rate Note (Medium Term Note/Bond) and FRN issuance<br>Commercial paper (CP) |
| Treasury Investments                    | Short term bank term deposits TD's<br>Stock, bonds, FRNs with approved counterparties. Commercial paper from approved counterparties.<br>LGFA borrower notes  |

|                               |  |
|-------------------------------|--|
| Interest rate risk management | <p>Interest rate swaps including:</p> <ul style="list-style-type: none"> <li>Forward start swaps (start date &lt;12 months, unless linked to existing maturing swap/collar with notional amount amounts not exceeding maturing swap/collar)</li> <li>Amortising swaps (whereby notional principal amount reduces)</li> </ul> <p>Interest rate options on:</p> <ul style="list-style-type: none"> <li>Bank bill rate (BKBM) (purchased caps and one for one collars)</li> <li>Interest rate swaptions (purchased swaptions and one for one collars with matching notionals only)</li> </ul> |
| Foreign exchange management   | <p>Spot foreign exchange</p> <p>Forward exchange contracts)</p> <p>Purchased currency options</p>  |

77 Interest rate options must not be sold outright. However, 1:1 collar option structures are allowable whereby the sold option is matched precisely by amount and maturity to the simultaneously purchased option. During the term of the option only the 'sold' side of the collar can be closed out by itself, leaving the Council with a purchased cap only.

78 Interest rate caps with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 3.00% above the current underlying swap rate, cannot be counted as part of the fixed rate cover percentage calculation.

79 The forward start period on swap/collar strategies is to be no more than 12 months, unless the forward starting swap/collar starts on the expiry date of an existing fixed interest rate instrument (i.e. either derivative or fixed rate borrowings) and has a notional amount which is no more than that of the existing fixed interest rate instrument.

## Counterparty Credit Limits

80 Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where Council is a party. The credit risk to Council in a default event will be weighted differently depending on the type of instrument entered into.

81 Treasury related transactions would only be entered into with organisations specifically approved by Council within this policy or with specific Council approval before the transaction is completed.

82 The following table details the credit limits for investments and derivative transactions.

| Limits for Approved Investment Instruments |  |                               |                               |
|--|--|-------------------------------|-------------------------------|
| Counterparty                               | Rating - S&P or Moodys or Fitch equivalent | Individual Counterparty Limit | Category Limit % of portfolio |
| NZ Govt Guaranteed                         | N/A  | \$500M                        | 100%                          |
| LGFA                                       | N/A  | \$100M                        | 50%                           |
| Local Authorities                          | A+ or better                               | \$50M                         | 50%                           |
|  | A or below/Unrated                         | \$25M                         |                               |
| NZ Registered Banks                        | AA- or better                              | \$100M                        | 100%                          |
| NZ Registered Banks                        | A to A+                                    | \$50M                         |                               |
| Subordinated Debt (NZ Reg Banks)           | BBB- or better                             | \$20M                         | deducted from senior limit    |
| Corporates                                 | AA- or better                              | \$50M                         | 50%                           |
| Corporates                                 | BBB or better                              | \$10M                         | 30%                           |
| SOE's                                      | BBB or better                              | \$10M                         | 30%                           |
| Limits for Approved Derivative Instruments |  |                               |                               |
| Counterparty                               | Rating - S&P or Moodys or Fitch equivalent | Individual Counterparty Limit | Category Limit % of portfolio |
| NZ Registered Banks                        | AA- or better                              | \$50M                         | deducted from senior limit    |
| NZ Registered Banks                        | A to A+                                    | \$10M                         | deducted from senior limit    |



83 In determining the usage of the above limits, the following product weightings will be used:

- Investments (such as Bank Deposits) – 100% of Face Value including accrued interest Derivatives - Marked to Market (“MTM”) value plus Potential Credit Exposure (PCE).
- Interest Rate Risk Management – (e.g. swaps/swaptions)  $MTM + (FV * \text{remaining tenure} * 2\%)$ .
- Foreign Exchange instruments\* (e.g. Forward Exchange Contracts/Options) –  $MTM + (FV * \text{square root} [\text{remaining tenure} (y)] * 5\%)$ .

MTM is defined as positive if the position is “in the money” for Council and negative if it is “out of the money” for Council. For each instrument, if  $MTM + PCE$  is negative, a nil value is assigned.

## Foreign Currency Risk Management

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

85 All individual amounts in excess of NZD1 million equivalent for foreign exchange (excluding any foreign exchange risk in any externally managed funds) must be hedged using foreign exchange contracts or options, once the expenditure has been approved and the foreign currency amount and timing of payment are known.

86 Council cannot borrow within or outside New Zealand, in a currency other than the New Zealand dollar.

## Measuring Treasury Performance

87 In order to determine the success of Council’s treasury management function, benchmarks and performance measures are detailed in the Treasury Procedures Manual.

## Review of Policy

88 In line with the LGA, section 102(5) there are no mandatory consultation requirements for Council’s Liability Management Policy or Investment Policy.

89 It must be reviewed on a no less than three-yearly basis by an appropriate independent external party although amendments can be made through Council resolution any time within the three-yearly period.

## Other Relevant Documents

1. Financial Strategy
2. Significance and Engagement Policy Related Policies
3. Treasury Procedures Manual
4. Statement(s) of Investment Policy and Objectives



# Bay of Plenty Regional Council's Third Party Infrastructure Funding Policy



|                          |              |
|--------------------------|--------------|
| <b>Status:</b>           | Draft        |
| <b>Adopted:</b>          | 14 Dec 2017  |
| <b>Review timeframe:</b> | Three-yearly |

## Purpose

- 1 The purpose of this Third Party Infrastructure Funding Policy is to:
  - Inform potential applicants of the process, key considerations, and limitations of funding for applications to the Council for a contribution towards new infrastructure costs,
  - Guide staff analysis and Council decision making processes on applications for Council to contribute funding for new assets that are not owned by Council,
  - Ensure that Council decision making meets the requirements of the Local Government Act and is consistent with other relevant Council policies.

## Introduction

- 2 Council has previously provided funding for third party infrastructure. This funding has generally been used to enable economic development, small scale sewerage, and transport security projects.
- 3 Council recognises working in partnership allows for a wider range of projects than could be delivered by itself. Working in partnership allows Council to maximise the delivery of projects to achieve its Community Outcomes and Objectives; and joint-funding enables Council to achieve more within its available funding.
- 4 This Policy seeks to set a framework to guide applicants and for evaluation of proposals that may be received.

## Policy Objectives

- 5 One of the ways Council can optimise the delivery of its Community Outcomes is to work in partnership with others. This allows Council to consider the benefits and costs of a wider range of projects than could be delivered by itself, enable or accelerate delivery of projects that would not otherwise be funded, and leverage the funds of multiple parties to achieve the best results.
- 6 Council seeks to minimise risk by completing an appropriate level of due diligence for each project and will have appropriate contractual protection in place.
- 7 Council works in an open, transparent, and democratically accountable manner. Releasing this draft policy and application guide allows for feedback on the policy to be considered and applications to be made from a common basis of understanding.



## Policy

- 8 Council is the sole decision maker for funding requests.
- 9 Council has no legislative obligation to provide funding for third party owned infrastructure. As such, Council will only budget for specific projects. Potential Council funding must not replace other organisations core responsibilities.
- 10 Council's primary consideration for providing funding towards third party infrastructure is to maximise the delivery of its Community Outcomes and Objectives. This includes the affordability of the project for regional and local ratepayers.
- 11 Project funding should leverage Council funds with an appropriate share of costs and benefits with the applicant. Risks will generally be borne by the applicant. Council may use grants, loans (including interest free or deferred payment) or equity investment; other types of funding will be considered on a case by case basis.
- 12 Council will analyse the party requesting funding to confirm the level of financial need. This will include the financial limits of the applicant (either self-imposed, required by financial covenants or required by statute) and the potential for other funding to be applied for.
- 13 All third party infrastructure funding will require an initial application, a full business case depending on level of complexity, and a detailed funding agreement.
- 14 Council may consider third party infrastructure funding requests at any time, however, may decide to defer decisions until the next Long Term Plan or Annual Plan process. Funding decisions will include consideration of the Significance and Engagement policy to determine the appropriate level of community input that is required.
- 15 Any decisions will be made by resolution of a full Council meeting unless explicitly delegated by full Council. All decisions will be in line with decision making requirements of the Local Government Act (2002).

## Funding Limitations

- 16 Council will allocate funding within the limits of its Financial Strategy. The availability of reserves or debt capacity for funding does not necessarily mean that any funds will be allocated.
- 17 Council will only consider funding projects that are in the Bay of Plenty Region or have significant direct benefits to communities of the Bay of Plenty.
- 18 Council will only fund direct infrastructure costs and will not fund investigation, business case development, design, consenting, project management or preliminary and general costs. Council funding can only be applied to new infrastructure costs with adequate evidence including cost certificates and proof that all relevant consents have been granted.
- 19 Council will not fund replacement or renewal of existing infrastructure, or increasing capacity of network infrastructure to allow for growth.
- 20 Council will generally pay on completion of the project and will only consider providing interim payments for projects that are delivered over multiple financial years.
- 21 The applicant will be wholly responsible for the project including any ensuring legislative compliance, liabilities, health and safety risks, or other risks.
- 22 Any Council funding is for a defined maximum sum and Council has no obligation to provide for cost increases.
- 23 Council has no obligation to provide for ongoing operating/maintenance/replacement costs.



## Types of funding available

- 24 Council will generally require some form of repayment of the principle investment, and may require some form of payment of the actual cost to Council of interest impacts of the investments.
- 25 Council may use equity investments to take an ownership stake in the infrastructure being developed. This form of funding will only be used in exceptional circumstances where there are compelling strategic and commercial reasons for part ownership by Council. Council will expect a suitable financial return on equity investments.
- 26 Council may use interest bearing loan to third parties. The applicant will be required to repay interest and principal as determined by Council. This may be advantageous if Council can borrow at a lower rate than the applicant.
- 27 Council may decide to set an interest free period on loans. Interest free periods may be used if there is strong community benefit but the applicant does not expect to make commercial returns in the short-term. Council will bear the cost of interest, however, may choose to pass on interest costs to the beneficiaries of the project through either targeted or general rates.
- 28 Council may decide to use a pure grant for projects which have strong community benefit. Council will bear the costs on interest, however, may choose to recover the investment principal amount and pass on interest costs to the beneficiaries of the project through either targeted or general rates.

## Evaluation of Applications

- 29 In order to assess funding requests, Council will take the following factors into account:
  - a. Alignment with Council's Community Outcomes and Objectives.
  - b. Demonstration that the project delivers benefits in a more efficient way or that cannot be achieved directly by Council.
  - c. The level of benefit and how this is shared, including any potential financial returns.
  - d. The impact if council does not fund this project i.e. whether the project and benefits will not be delivered or delayed.
  - e. The funding model and affordability of the project.
  - f. Sources of funding other than Council and potential repayment or financial returns.
  - g. The level of certainty of costs, benefits and risks.
- 30 Council staff will conduct a full due-diligence review of the applicant. This due-diligence review will cover at least:
  - a. The financial position of the applicant, available capital or debt capacity, and why funding is required.
  - b. Potential for other funding sources to be applied for.
  - c. The applicant's track record for delivery of projects of similar scale and complexity.
- 31 In addition, Council funding decisions will include consideration of long-term financial prudence and sustainability, long-term equity of funding allocated; and any potential precedent that may be set. Council is the sole decision maker and may decline any funding application or set conditions as it deems appropriate.



## Funding documentation

- 32 Third Party Infrastructure funding will generally follow a robust approach to due diligence at the project level. The key due diligence steps are:
- a. Initial funding application. This is a relatively short 10 page application and is attached to this policy. This application should be submitted without further supporting documentation and stay within the suggested 10 page format. Council will request further information if required.  
  
If Council approves the initial application, the applicant may be requested to provide a business case by a set date and funding will be conditionally allocated. If BOPRC has proactively identified the project requirement, staff will prepare the initial funding application and, if approved, seek funding partners to prepare competitive business cases.
  - b. Business Case. This is a detailed outline of the project. Costs, benefits and risks are expected to be relatively certain by this stage and supported by a quantity surveying estimate or similar. Community engagement should have been conducted as appropriate. If Council approves the business case, details of the funding requirements and any outstanding conditions will be formalised through a funding agreement.
  - c. Funding Agreement. The funding agreement will use a standard Council template and include delivery conditions for the key components of the business case. Key conditions may be linked to immediate repayment requirements or cancellation of Council funding if they are not met. It is not expected that any key conditions will be re-negotiated through the Funding Agreement and approval will generally be delegated to the Chief Executive.
  - d. Completion report (and ongoing monitoring). The applicant will prepare a final project report to Council that outlines what the project has delivered compared to the business case. Some projects may have a component of ongoing monitoring, particularly where Council holds an equity position.

## Other relevant policies

- 33 Funding decisions will take into account the following policies and strategies:
- a. Council's Strategic Framework to ensure alignment with Strategic Challenges, Community Outcomes, and Objectives.
  - b. Council's Financial Strategy to ensure that long term financial impacts remain financially prudent.
  - c. Council's Revenue and Financing Policy if rates mechanisms are required to fund the project.
  - d. Council's Significance and Engagement Policy to determine if Council needs to undertake public consultation and the extent of this.

# Bay of Plenty Regional Council Third Party Infrastructure Funding Request

Applicant: Insert legal name

Key contact: Insert name and email of person to contact for further information

Project: Insert project name

Total Project Cost: Insert Cost                      Amount Requested: Insert Cost

Funding type requested: Select from equity, loan, interest free loan, grant

## Executive Summary

Provide a summary of key points of the funding request. Keep this section to the first page only.

In all other sections condense and summarise material to stay within the 10 page limit, using the page layout of the template as a guide to the level of detail required.. Do not include other supporting material. If BOPRC requires additional information it will be requested from the key contact person

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## 1. Problem/Opportunity

Briefly outline the problem or opportunity that this project seeks to address. Describe the level of urgency of this project i.e. must it be done now, what is the impact if it is delayed.

## 2. Strategic Alignment

Describe how this project aligns with the BOPRC strategy framework. Include reference to at least the community outcome and objective, and if appropriate strategic challenge and the way we work.

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### 3. Options

Describe the preferred option and why this is the best option. Briefly discuss at least two other options (one higher cost, one lower cost) and why they were not selected. Show the cost for each option.

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## 4. Funding model

### 4.1 Internal Funding

Describe the funding/debt limits of your organisation and why your organisation cannot/should not fund the full cost. Describe what will happen if this funding request is unsuccessful.

### 4.2 Other party funding

Describe which other parties have been approached, or will be approached for funding, the amounts requested, and their response.

Describe how you have determined the amount of funding to be requested from BOPRC.

### 4.3 Rates Impact

For council requests only. Describe the rates impact of this project on general and targeted rates.

|  | <b>BOPRC funding approved</b>                       | <b>BOPRC funding not approved</b>                   |
|--|---|---|
| <b>General rates (number of ratepayers)</b>  | \$x total GR<br>\$y per ratepayer<br>z% of total GR | \$x total GR<br>\$y per ratepayer<br>z% of total GR |
| <b>Targeted rates (number of ratepayers)</b> | \$x total TR<br>\$y per ratepayer<br>z% of total TR | \$x total TR<br>\$y per ratepayer<br>z% of total TR |





## 5. Project Scope/Deliverables

Outline the scope of the project, separating infrastructure and non-infrastructure components.

## 6. Benefits

Describe who benefits from the project, and wherever possible measurable benefit indicators.

| Benefit measure | Current | Target |
|-----------------|---------|--------|
|                 |         |        |
|                 |         |        |
|                 |         |        |

Describe what will be measured, how, and who it will be reported to.



## 7. Project key milestones

List key milestones for delivery.

| Milestone                              | Date    |
|--|---------|
| Community engagement completed         | mm/yyyy |
| Full business case completed           | mm/yyyy |
| Full business case approved by Council | mm/yyyy |
| Design completed                       | mm/yyyy |
| Consents granted                       | mm/yyyy |
| Main contractor engaged                | mm/yyyy |
| Construction commence                  | mm/yyyy |
| Construction complete                  | mm/yyyy |

## 8. Delivery Record

Describe similar project that your organisation has completed, and their performance against original time/cost/scope estimates. Describe how this track record has been incorporated into project planning.

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## 9. Risks

Describe the main risks to the project outcome/benefits and delivery. Describe how the risks have been factored into benefit measures, project budgets and timeline, and how they will be mitigated.

| Description | Type | Impact | Likelihood | Mitigation |
|-------------|------|--------|------------|------------|
|             |      |        |            |            |
|             |      |        |            |            |
|             |      |        |            |            |
|             |      |        |            |            |
|             |      |        |            |            |
|             |      |        |            |            |

Type: Select either outcome, delivery time, delivery cost, public, political

Impact: Select High/Medium/Low to describe current risk level. Low = under 5% variance, medium = 5-15 % variance, High = greater than 15% variance

Likelihood: Select Almost Certain/Likely/Unlikely to describe current risk level. Almost certain = greater than 65% likelihood, likely = 35-65% likelihood, unlikely = under 35% likelihood



## 10. Project Costs

|                                 | 2018/19<br>\$000 | 2019/20<br>\$000 | 2020/21<br>\$000 | 2022/23<br>\$000 | 2023/24<br>\$000 | Later<br>years<br>\$000 |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------------|
| <b>Non Infrastructure costs</b> |                  |                  |                  |                  |                  |                         |
| Community engagement            |                  |                  |                  |                  |                  |                         |
| Design and consents             |                  |                  |                  |                  |                  |                         |
| Construction project management |                  |                  |                  |                  |                  |                         |
| Construction P&G                |                  |                  |                  |                  |                  |                         |
| <b>TOTAL Non-Infrastructure</b> |                  |                  |                  |                  |                  |                         |
| <b>Infrastructure Costs</b>     |                  |                  |                  |                  |                  |                         |
| Key component 1                 |                  |                  |                  |                  |                  |                         |
| Key component 2                 |                  |                  |                  |                  |                  |                         |
| Key component 3 etc             |                  |                  |                  |                  |                  |                         |
| <b>TOTAL Infrastructure</b>     |                  |                  |                  |                  |                  |                         |
| <b>GRAND TOTAL</b>              |                  |                  |                  |                  |                  |                         |

Describe the level of certainty you have over these costs. E.g. costs have been reviewed by a quantity surveyor based on detailed design or costs are preliminary engineers estimates based on high level concept etc.



## 11. Funding Model

### 11.1 Non-Infrastructure Funding

Note: BOPRC will not contribute to non-infrastructure costs for the project or any ongoing operating costs.

|   | 2018/19<br>\$000 | 2019/20<br>\$000 | 2020/21<br>\$000 | 2022/23<br>\$000 | 2023/24<br>\$000 | Later<br>years<br>\$000 |
|---|------------------|------------------|------------------|------------------|------------------|-------------------------|
| <b>TOTAL Non-Infrastructure</b>         |                  |                  |                  |                  |                  |                         |
| <b>Funded BY</b>                        |                  |                  |                  |                  |                  |                         |
| Funding Source 1 e.g. general rates     |                  |                  |                  |                  |                  |                         |
| Funding Source 2 e.g. targeted rates    |                  |                  |                  |                  |                  |                         |
| Funding Source 3 e.g. grant from xxx    |                  |                  |                  |                  |                  |                         |
| <b>TOTAL NON-INFRASTRUCTURE FUNDING</b> |                  |                  |                  |                  |                  |                         |

### 11.2 Infrastructure Funding

|  | 2018/19<br>\$000 | 2019/20<br>\$000 | 2020/21<br>\$000 | 2022/23<br>\$000 | 2023/24<br>\$000 | Later<br>years<br>\$000 |
|--|------------------|------------------|------------------|------------------|------------------|-------------------------|
| <b>TOTAL Infrastructure</b>                      |                  |                  |                  |                  |                  |                         |
| <b>Funded BY</b>                                 |                  |                  |                  |                  |                  |                         |
| Funding Source 1 Debt                            |                  |                  |                  |                  |                  |                         |
| Funding Source 2 Development contributions       |                  |                  |                  |                  |                  |                         |
| Funding Source 3 Grant from xxx                  |                  |                  |                  |                  |                  |                         |
| Funding Source 4 e.g. Grant requested from BOPRC |                  |                  |                  |                  |                  |                         |
| <b>TOTAL INFRASTRUCTURE FUNDING</b>              |                  |                  |                  |                  |                  |                         |



## 12. Limitations and warranties

As part of this application it is acknowledged that:

- This application is correct to the best current knowledge of the applicant. Any material changes prior to BOPRC funding decisions will be reported to BOPRC.
- Funding decisions are at the sole discretion of BOPRC.
- If successful, BOPRC may require a detailed business case to be prepared.
- BOPRC will require a Funding Agreement to be entered into. The Funding Agreement will be prepared on standard BOPRC terms and conditions and based on this funding request and/or detailed business case.
- Any major variations to the project may need BOPRC approval, as specified in the Funding Agreement or other documentation.
- BOPRC funding can only be applied to new infrastructure costs with adequate evidence including cost certificates and proof that all relevant consents have been granted.
- BOPRC will generally pay on completion of the project and will only consider providing interim payments for projects that are delivered over multiple financial years.
- The applicant will be wholly responsible for the project including any ensuring legislative compliance, liabilities, health and safety risks, or other risks.
- Any BOPRC funding is for a defined maximum sum and BOPRC has no obligation to provide for cost increases.
- BOPRC has no obligation to provide for ongoing operating/maintenance/replacement costs.

I have the appropriate management delegations to approve this funding request on behalf of the applicant legal name.

**Signed**

**Date:**

Insert signatory name

Insert signatory position

**For** insert applicants legal name

# Bay of Plenty Regional Council's Development Contributions and Financial Contributions Policy



|                          |              |
|--------------------------|--------------|
| <b>Status:</b>           | Draft        |
| <b>Adopted:</b>          | n/a          |
| <b>Review timeframe:</b> | Three-yearly |

## Introduction

- 1 Under section 102(2)(d) of the Local Government Act 2002 Bay of Plenty Regional Council (Council) is required to have a policy on financial contributions and development contributions.
- 2 Only territorial authorities have the statutory ability to charge development contributions therefore Council cannot and will not be charging development contributions. This policy summarises Council's specific policies for financial contributions. Council has a number of regional plans, four of which have provisions for charging financial contributions. These are:
  - Operative Bay of Plenty Regional River Gravel Management Plan
  - Operative Bay of Plenty Regional Coastal Environment Plan
  - Operative Bay of Plenty Regional Natural Resources Plan
  - Operative On-Site Effluent Treatment Regional Plan
- 3 The Regional Natural Resources Plan and On-Site Effluent Treatment Regional Plan have provisions for charging financial contributions that meet the Resource Management Act 1991 (RMA) requirements. Until the financial contributions provisions of the other plans are updated, Council will only require financial contributions under the Regional Natural Resources Plan and the On-Site Effluent Treatment Regional Plan.
- 4 When Council grants resource consent under the rules of either of these two plans, it may impose a condition requiring a financial contribution for the purposes specified in the plan.
- 5 The term 'financial contribution' is defined in Section 108(9) of the RMA to mean a contribution of:
  - money, or
  - land, including an esplanade reserve or esplanade strip (other than in relation to a subdivision consent), but excluding Maori land within the meaning of the Te Ture Whenua Maori Act 1993 unless that Act provides otherwise, or
  - a combination of money and land.
- 6 Under Section 108(10) of the RMA a consent authority must not include a condition in a resource consent requiring a financial contribution, unless:

- the condition is imposed in accordance with the purposes specified in the plan or proposed plan (including the purpose of ensuring positive effects on the environment to offset any adverse effect), and
  - the level of contribution is determined in the manner described in the plan or proposed plan
- 7 Financial contributions may be required for various purposes, including to ensure positive effects on the environment to offset any adverse effects, and to mitigate adverse effects on the environment through use and development (environmental compensation).
- 8 Under section 106(2) of the LGA 2002, Council does not require financial contributions to fund any capital expenditure, to meet increased demand for community facilities resulting from growth.
- 9 The RMA requires Council to specify in any regional plan that makes provisions for requiring financial contribution:
- The circumstances when the contributions may be imposed
  - The purposes for which the contributions may be required
  - The manner in which the amount of the contribution will be determined
  - Matters that the Council will have regard to when deciding whether to impose a financial contribution and how to use any financial contribution that is collected

## The Operative Regional Natural Resources Plan

- 10 Provisions relating to the requirement for financial contributions under the Operative Regional Natural Resources Plan are set out in Appendix 2 of the plan. The circumstances when financial contributions may be imposed under this plan are:
- **Protecting aquatic habitats of indigenous species and trout**  
The purpose is to restore or enhance aquatic habitats at the site or to provide environmental compensation by restoring or enhancing aquatic habitat characteristics at another suitable location where avoiding, remedying or mitigating adverse effects at the site is not practicable or effective.
  - **Protection of riparian vegetation**  
The purpose is to offset the loss of vegetation by planting, transplanting or maintaining new or existing vegetation, either at, or adjacent to, the site concerned or elsewhere in the same general locality.
  - **Protection of wetlands**  
The purpose is to enhance another suitable wetland or similar habitat where such a wetland is available, or create a new wetland at an appropriate site or enhance another part of the wetland that is adversely affected.
  - **Protection of the environment from stormwater discharges**  
The purpose is to provide on-site or off-site mitigation measures, remediation works in other areas, or other appropriate works, including but not limited to riparian planting to mitigate the effects of the stormwater discharge.



- **Protection, restoration or enhancement of river and lake beds**  
The purpose is to mitigate or offset the adverse effects of the activity by protecting, restoring or enhancing river and lake beds, including but not limited to, maintenance and planting of vegetation, sediment replenishment, erosion protection works, fencing and including contribution to such measures elsewhere in the same general locality.
- **Protection of water quality from land use and discharges of contaminants to land**  
The purpose is to provide the retirement and vegetation of riparian areas, or other suitable measures, that will mitigate the effects of the activity on water quality.
- **Protection of lake water quality**  
The purpose is to mitigate or offset the increased export of nitrogen or phosphorous from the property by acquiring and retiring production land within the same lake catchment as the property or other nutrient management measures within the catchment.
- **General mitigation works**  
The purpose is to provide works on or adjacent to the site for the purpose of offsetting the adverse effects of the activity, including protecting, restoring or enhancing natural and physical resources elsewhere in the same general locality.

The financial contribution amount for the above will be determined by reference to the matters set out in the General Provisions section contained in Appendix 2 and will usually be sufficient to provide mitigation measures and/or remediation works.

Council will take into account a number of matters when making decisions about the imposition of and use of financial contributions. An assessment will be made on a case by case basis.

## The Operative On-Site Effluent Treatment Regional Plan

11 Provisions relating to the requirement for financial contributions under the On-Site Effluent Treatment Regional Plan are set out in Chapter 6 of the plan. The circumstances when a financial contribution may be imposed under this plan are:

- **Protection of Water Quality from Discharges of Contaminants to land** – where a point–source discharge of contaminants to land is likely to cause or contribute, to adverse effects on the surface water quality of the surrounding environment.

The purpose is to provide for the retirement and vegetation of riparian areas, or other suitable measures, that will mitigate the effects of the activity on water quality.

- **Protection of Lake Water Quality** – where the discharge is within the affected catchment specified in a nutrient management programme, and the activity is likely to result in the export of nitrogen or phosphorus from the activity site, and on-site mitigation cannot otherwise be achieved.

The purpose is to remedy or mitigate effects (including cumulative effects) on the environment caused by the discharge of nutrients, including the discharge of nitrogen or phosphorus into the affected catchment.

- **General mitigation works** – Where the activity for which a resource consent is granted will cause or contribute to adverse effects on the environment, which will not be adequately mitigated by any of the types of contribution described elsewhere in the plan.

The purpose is to provide works for the purpose of off-setting the adverse effects of the activity, including protecting, restoring or enhancing natural and physical resources elsewhere in the same general locality.

The financial contribution amount is calculated by using the formula contained in section 6. The formula is provided to ensure that a financial contribution can be fairly calculated to remedy or mitigate the effects on the environment, caused by the discharge of contaminant and nutrients, in particular nitrogen into a Rotorua Lakes catchment. The formula is outlined below:

$$\text{Dwelling occupancy} \times 15 \text{ gram per person per day} \times 365 \text{ days per year} / 1000 \times \text{dollar cost to remove 1 kilogram of nitrogen} \times \text{nutrient treatment factor.}$$

Council will take into account a number of matters when making decisions about the imposition of and use of financial contributions. An assessment will be made on a case by case basis.

## Other regional plans

- 12 The Regional River Gravel Management Plan, and the Regional Coastal Environment Plan include provisions for financial contributions, but none of them have provisions that fully meet the RMA requirements. Council will not require financial contributions under these plans until the financial contributions provisions are updated through a plan review or change process.

## Review of policy

- 13 In line with the LGA 2002, Council's Policy on Development Contributions and Financial Contributions will be reviewed at least once every three years. The extent of public consultation will be determined in accordance with the Local Government Act and the Significance and Engagement Policy.

## Related policies

- 14 Significance and Engagement Policy

# Bay of Plenty Regional Council's Remission and Postponement of Rates Policy



|                          |              |
|--------------------------|--------------|
| <b>Status:</b>           | Draft        |
| <b>Adopted:</b>          | n/a          |
| <b>Review timeframe:</b> | Three-yearly |

## Introduction

- 1 The Council may remit rates in accordance with a rates remission policy as set out in Section 85 of the Local Government (Rating) Act 2002.
- 2 The region's seven city and district councils collect regional rates. The rating information database for each council is maintained by the relevant council.
- 3 This policy covers:
  - Environmental Loan Scheme remissions
  - Forestry and Bush remissions
  - Edgumbe Urban River Scheme rates remissions
  - Rates remissions
  - Rates postponements
  - Remission and postponement of rates on Māori freehold land

## Environmental Loan Repayment Scheme remission

### 4 Background

The Environmental Loan repayment scheme helps upgrade clean heating devices and install insulation by providing an interest free loan for zero emission products and interest bearing loans for low emission burners and insulation to homeowners. Loan repayments are made via targeted rates.

### 5 Objective

To provide a measure of relief, by way of remission, to assist those people on low incomes who are required to convert to a clean heat source and/or install insulation.

Council recognises that some homeowners on very low incomes might have difficulty meeting the rates payments under the Environmental Loan repayment scheme.

### 6 Criteria and conditions

Ratepayers who take up the Environmental Loan Scheme targeted rates assistance (as listed in Table 1) and who qualify for the Government Rates Rebate Scheme qualify for a remission on the loan repayments of the targeted 'Environmental Loan Scheme' rate.

**Table 1**

| Environmental programme              | Maximum loan value | Eligibility                    | Amount   |
|--------------------------------------|--------------------|--------------------------------|--|
| <b>Rotorua Hot Swap (clean heat)</b> | \$6,785 incl GST   | Government Rates Rebate Scheme | Full amount of targeted rate (for annual loan repayment for financial year)* |

*\*If your loan is for a wood or pellet burner, or insulation then the loan interest is still payable each year.*

Ratepayers who believe they are eligible for rates remission under this policy will need to first contact Rotorua Lakes Council to apply for the Rates Rebate Scheme. Council will then apply the remission automatically on the ratepayer's behalf once it is notified that the ratepayer is eligible for the Government Rates Rebate Scheme.

## Forestry and Bush remission

### 7 Background

Where a rating unit has been planted in exotic forest, or is covered in indigenous vegetation or wetlands, it is considered to have the lowest nitrogen loss of any land use type. Reducing nitrogen loss from land use is a central platform for the Rotorua Lakes Protection and Restoration Action programme.

For this reason, a remission of the Rotorua Lakes Activity Targeted Rate is available for rating units of 10ha and over in the areas that meet the criteria and conditions specified below.

### 8 Objective

To recognise the lesser impact that exotic forestry and indigenous vegetation have on nutrient discharges to water.

### 9 Criteria and conditions

The amount of the remission is the difference between the amount assessed to the rating unit and the amount the rating unit would be liable for if it was assessed in the 0 – 1.99999ha category.

Remission will be considered where an entire rating unit is covered in any or a mix of the following:

- indigenous vegetation
- wetlands
- exotic forestry.

The remission will only apply where stock are excluded from the rating unit.

Ratepayers who believe they are eligible for rates remission will need to apply in writing before the 31st March in the year before the financial year in which they seek that the rate be remitted. They will need to provide evidence to support their application for remission including a current aerial photograph showing the rating unit that remission is sought for.

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions on remission of the Rotorua Lakes Activity Targeted Rate.



## Edgcumbe Urban River Scheme remission

### 10 Background

The Rangitāiki-Tarawera River Scheme targeted rates are calculated on land area. In the case of residential rating units in the Edgcumbe area, this led to a small number of urban properties with large land area incurring extremely high and disproportionate annual rates compared to other urban properties.

For this reason, a remission of the Rangitāiki-Tarawera Rivers Scheme targeted rate is available for Edgcumbe residential urban properties of larger than 4,000 square metres that meet the following criteria and conditions.

Scheme rating maps for all major river and drainage schemes are available from Bay of Plenty Regional Council. For detail on how to access these maps visit our website [www.boprc.govt.nz](http://www.boprc.govt.nz).

### 11 Objective

The objective of the Edgcumbe Urban River Scheme Rate Remission is to:

- i. provide rates relief and ensure the rates assessed to undeveloped commercial urban properties, in the targeted rate U1 category, with large land area are comparable to other rating units in the Rangitāiki-Tarawera Rivers Scheme,
- ii. provide rates relief and ensure the rates assessed to residential urban properties with large land area are comparable to other residential rating units in the Rangitāiki-Tarawera Rivers Scheme targeted rate U2 category.

### 12 Criteria and conditions

This policy will apply to identified Rangitāiki-Tarawera Rivers Scheme targeted rate U1 and U2 category properties from 1 July 2018.

This remission is conditional on the properties remaining urban undeveloped commercial, urban residential or urban life-style as the principal use.

The amount of the remission is the difference between the amount assessed to the rating unit, and the amount the rating unit would be liable for if it was assessed in the U1 or U2 category (as applicable) for the first 4,000m<sup>2</sup> of land area and the A1 category for the balance of the rating unit's land area.

Council will each year apply the remission automatically for the identified properties.

## General remission and postponement

13 The rates remission and postponement policies in the following section for each constituent district of the region are the same as those of the territorial authorities for the relevant constituent district.

14 There are insufficient differences between the city and district council policies to warrant separate treatment for the usually lesser level of Regional Council rates. The Bay of Plenty

Regional Council therefore aligns its policies on the remission and postponement of rates with the policies and objectives of each of the seven city and district councils.

- 15 Where city and district councils may provide temporary remission for some properties to accommodate a one-off or a short-term specific purpose, such as a transitional change in its own rating system from land-value-based rating to capital-value-based rating, a remission of Regional Council rates will not apply.
- 16 The seven city and district councils are authorised to implement the Bay of Plenty Regional Council's decisions on the remission and postponement of its rates, as per the agreements reached.

## Kawerau

### *Rates Relief for Development*

#### 17 Policy objectives

The objective of this policy is to encourage land development in the Kawerau District to stimulate employment opportunities and enhance the economic wellbeing of the community.

#### 18 Definitions

##### **Development**

The development or re-development of any land in the District:

- By constructing, erecting, or altering any one or more buildings on the land for the purpose of providing at least 10 new, or 9 additional household units; or
- By constructing, erecting, or altering any building or buildings, fixed plant and machinery, or other works, intended to be used solely or principally for industrial or commercial or administrative purposes (including hotels, motels and other transient accommodation), or any combination of those purposes; but
- Does not include the sub-division of land.

##### **Employment opportunities**

Employment creation, employment growth, or employment retention in the Kawerau District.

#### 19 Policy statement

##### **Eligibility criteria**

Council will consider any application for development in the District which can demonstrate that it will be likely to lead to employment opportunities.

##### **Form of rates relief**

Council may remit or postpone (or a combination of these), part or all of the rates otherwise payable on a property for any period subject to an annual application being made.

Council may impose conditions on the remission of rates and may cancel any remission for non-compliance, or if a project ceases to operate. In those circumstances, Council may require

payment of full rates in respect of any year in which rates have been remitted. Council does not consider that granting rates relief according to a strict formula or code is either practical or desirable. This policy is considered to constitute adequate guidelines for the consideration of applications.

### **Factors to be considered**

Council will have regard to the following matters when considering applications for rates relief:

- Whether and to what extent, the development will create employment opportunities. (NB: While actual job creation will be a strong factor in favour of granting rates relief, potential for job creation will also be a positive factor).
- Whether and to what extent, the granting of rates relief would be of material benefit to the development and the developer.
- Such other matters as Council may consider relevant.

Council does not consider rates to be of themselves a significant factor in a decision to carry out a new development. However, Council shall take into account the fact that rating relief may use this policy to assist the viability of a development and may use this policy to assist in expediting such a development.

### **Procedures**

Applications for rates relief should be addressed to the Chief Executive Officer. Applications will be required to provide statements of intent, supporting critical statistics and such other information as is reasonably necessary to enable Council to assess the application in relation to this policy. Every decision of Council shall be publicly notified and the notice shall include:

- The reasons for the decision to approve or decline the application; and
- If the application is approved, the identity of the occupier of the land and the estimated amount of the rates remitted or postponed.

### **Council policy affecting applications**

The provisions of this policy constitute guidelines for the consideration of applications, as the granting of rates relief according to a strict formula is neither practical nor desirable. The ability of an applicant to meet the above requirements does not in itself constitute a right to rates relief. Council will consider each application on its merits.

## ***Rates Remission and Postponement for Māori Freehold Land***

### **20 Policy objectives**

The objective of this policy is to ensure the fair and equitable collection of rates from all ratepayers, recognising that certain Māori owned lands have particular conditions, features, ownership structures or other circumstances which make it appropriate to provide relief from rates.

## 21 Principles

The principles which underpin this policy are:

- That, as provided by section 91 of the Local Government (Rating) Act 2002, Māori freehold land is liable for rates in the same manner as if it were general land.
- That Council will decide on the provision of rate relief on Māori Freehold Land should any applications be received.
- That the policy does not provide for the permanent remission or postponement of rates on the land concerned.

## 22 Definitions

### Māori freehold land

Means land whose beneficial ownership has been determined by the Māori Land Court by freehold order (that is; the Court has created a title for the land and determined the beneficial owners to that land).

## 23 Background

The LGA requires Council to adopt a policy on the remission and postponement of rates on Māori freehold land. A policy adopted under this requirement does not need to provide for the remission and postponement of rates on Māori freehold land, but in determining a policy, Council must consider the following matters:

- The desirability and importance within the District of each of the objectives listed below.
- Whether and to what extent, the attainment of any of those objectives could be prejudicially affected if there is no remission of rates or postponement of the requirement to pay rates on Māori freehold land.
- Whether and to what extent, the attainment of those objectives is likely to be facilitated by the remission of rates or postponement of the requirement to pay rates on Māori freehold land.
- The extent to which different criteria and conditions for rates relief may contribute to different objectives.

The objectives that Council must consider are:

- Supporting the use of the land by the owners for traditional purposes.
- Recognising and supporting the relationship of Māori and its culture and traditions with its ancestral lands.
- Avoiding further alienation of Māori freehold land.
- Facilitating any wish of the owners to develop the land for economic use.
- Recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes.



- Recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere).
- Recognising and taking account of the importance of the land for community goals relating to:
  - The preservation of the natural character of the coastal environment.
  - The protection of outstanding natural features.
  - The protection of significant indigenous vegetation and significant habitats of indigenous fauna.
- Recognising the level of community services provided to the land and its occupiers.
- Recognising matters related to the physical accessibility of the land.

## 24 Policy statement

Applications for rates remission or postponement should include the following information:

Details of the rating unit or units involved.

Documentation that shows that the land qualifies as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court.

Council may, of its own volition, investigate and grant remission or postponement of rates on any Māori freehold land in the District.

Relief and the extent thereof, are at the sole discretion of the Council and may be cancelled and reduced at any time.

Council will give a remission or postponement of up to 100% of all rates for the year for which it is applied, based on the extent to which the remission or postponement of rates will achieve objectives described in the background section of this policy. In addition, Council will consider how an application would provide for an efficient collection of rates and the removal of rating debt.

## *Rates Penalty Remission Policy*

### 25 Policy objectives

The objective of this policy is to enable Council to act fairly and reasonably when considering applications for the remission of penalties on rates that have not been received by Council.

### 26 Background

Council presently charges the following penalties on unpaid rates:

- Penalties on current rates that not paid by the due date during the year.
- Further penalties on rates charged in the previous year, which remain outstanding on the 1 October and 1 April each year.

Council has adopted the following remission policy to remit rates penalties as long as specific criteria are met and the ratepayer has settled the outstanding rates.

## 27 Policy statement

All applications for the remission of rates penalties must be in writing.

Rates must be paid in full before Council remits the penalties charged.

Council will consider applications for the remission of rates penalties in circumstances where:

- Significant disruption to the ratepayer such as the death of a family member; or
- Matters outside the ratepayers' control such as a late sales notice, have contributed to a late payment and it is reasonable to remit the penalty; or
- The ratepayer is new to the District and for whatever reason did not receive a rate invoice; or
- The ratepayer (that is in arrears) entered into an acceptable payment arrangement and complied with those arrangements for the payment of all current rates and arrears.

(NB: A ratepayer who has been in arrears and has had penalties remitted will not be eligible for a further remission of rate penalties for a period of 3 years.)

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

## Ōpōtiki

### *Rates Remission on General Land*

#### 28 Introduction

The Rates Remission on General Land policy identifies the circumstances where the council will consider rates relief on general land.

### *Community, sporting and other organisations*

#### 29 Preamble

Section 8 of the Local Government (Rating) Act 2002 provides for certain categories of land to have rates assessed not exceeding 50% of the rates that would have otherwise been assessed. These categories of land are more specifically detailed in the Act as:

Part 2:

Land 50% non-rateable:

- Land owned or used by a society incorporated under the Agricultural and Pastoral Societies Act 1908 as a showground or place of meeting.
- Land owned or used by a society or organisation of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.
- Land owned or used by a society or organisation of persons (whether incorporated or not) for the purpose of any branch of the arts.

Notes:

For the purposes of this part, unless the context otherwise requires, land does not include land used for the private pecuniary profit of any members of the society or association. Land, in clause 2, excludes land in respect of which a club licence under the Sale of Liquor Act 1989 is for the time being in force.

However, in addition there are other groups which Council believes should have a remission.

### 30 Objectives

To facilitate the ongoing provision of non-commercial (business) community services and non-commercial (business) recreational opportunities for the residents of Ōpōtiki district.

The purpose of granting rates remission to an organisation is to:

- assist the organisation's survival; and
- make membership of the organisation more accessible to the general public, particularly disadvantaged groups – these include children, youth, young families, aged people, and economically disadvantaged people.

### 31 Conditions and criteria

This part of the policy will apply to land owned by Ōpōtiki District Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.

The policy does not apply to organisations operated for private pecuniary profit.

The policy will also not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

Rate remission under this policy will be limited to 50% of the general or targeted rates. No remission will be granted on the targeted rates for water supply, sewage disposal or refuse collection.

Applications for remission must be made on the prescribed form.

The application for rate remission must be made to the Council prior to April 1 for the next rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

Council reserves the right to apply this remission to properties it feels fit the criteria.

Organisations making application should include the following documents in support of their application:

- statement of objectives; and
- financial accounts; and
- information on activities and programmes; and
- details of membership or clients

The policy shall apply to such organisations as approved by the Council as meeting the relevant criteria.

Decisions under this policy are delegated to the General Manager Corporate Performance and the Finance Manager.

### ***Uniform charges on rating units owned by the same owner***

#### **32 Preamble**

Section 20 of the Local Government (Rating) Act 2002 provides for two or more rating units to be treated as 1 unit for setting a rate if those units are:

- owned by the same person or persons; and
- used jointly as a single unit; and
- contiguous or separated only by a road, railway, drain, water race, river or stream.

However, sub-divided land owned by a developer while contiguous is not held for the same purpose as each lot can be sold separately to a different purchaser. This has had additional implications where properties of more than one lot are now treated as separate properties. Further there is ownership of properties which to all intent and purposes is similar and which Council consider should have relief under this policy.

#### **33 Objectives**

To provide for relief from uniform charges on land held by a developer or what was formerly a single property but now treated as two or more properties and properties to which the ownership, to all intents and purposes, is similar.

#### **34 Conditions and criteria**

Rating units that meet the criteria under this policy may qualify for a remission of uniform annual general charges and any targeted rate set on the basis of a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of charge.

The rating units on which remission is made must to all intents and purposes have the same owner. Only one of the units may have any residential dwelling situated on the rating unit.

The application for rate remission must be made to the Council prior to April 1 for the next rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

Council reserves the right to apply this remission to properties it feels fit the criteria.

Ratepayers wishing to claim a remission should make an application on the required form (available from the Council Office).

The policy shall apply to such organisations approved by the Council as meeting the relevant criteria. The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

## **Penalties**

### **35 Preamble**

Council has large rate arrears and it can be an incentive to collection of back years' arrears if some concession is made in collection of these penalties. Further where owners are prepared to enter into formal payment arrangements any penalties incurred through timing of payments should be waived. There are also other extenuating circumstances where it may be just and equitable to waive penalties.

### **36 Objectives**

The objective of this part of the remissions policy is to:

- enhance the collection of back years' rates;
- enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control.

### **37 Conditions and criteria**

Automatic remission of the penalties incurred on instalments one and two will be made where the ratepayer pays the total amount due for the year on or before the penalty date of the third instalment.

Remission of one penalty will be considered in any one rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness, or accident of a family member, as at the due date.

Remission of the penalty will be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

## **Economic development**

### **38 Preamble**

The Ōpōtiki District is one where employment opportunities have been few and far between. Council is also concerned that raw products from farming and forestry in the District leave the District for further processing. The Council wishes to attract investment in processing-type industries, and considers that rate remissions during the development phase of investment projects will assist in achieving this objective.

### **39 Objectives**

To promote employment and economic development within the district by assisting new business.

#### 40 Conditions and criteria

This part of the policy applies to commercial and/or industrial development that involves the construction, erection or alteration of any building or buildings, fixed plant and machinery, or other works intended to be used for industrial, commercial or administrative purposes.

Horticultural and residential development may qualify for remission under this part of the policy.

In considering applications for remission under this part of the policy, Council will have regard to the following criteria:

- the likely financial advantage to the district
- employment opportunities
- the extent to which developments of the particular type or types are likely to be promoted or prejudicially affected by the granting of rates remissions

Applications must be made in writing and must be supported by:

- a description of the development
- a plan of the development (where possible)
- an estimate of costs
- an estimate of the likely number of jobs created by the development

Applications for remission for economic development will be considered by Council. In considering applications, Council may decide to seek independent verification of any information provided on an application.

Council will decide what amount of rates will be remitted on a case by case basis, subject to a maximum amount of 50 percent of rates owing, and a maximum remission period of five years from the commencement of the development. For the purposes of this part of the policy, a project will be viewed as having commenced when resource consent is issued.

In granting remissions under this part of the policy, Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

#### ***Land used for natural, historic or cultural and conservation purposes***

##### 41 Objectives

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

##### 42 Conditions and criteria

Ratepayers who own rating units which have some feature of cultural, natural or historic heritage which are voluntarily protected may qualify for remission of rates under this part of the policy.

Land that is non-rateable under section 8 of the Local Government (Rating) Act and is liable only for rates for water supply, sewage disposal or refuse collection will not qualify for remission under this part of the policy.

Applications must be made in writing. Applications should be supported by documentary evidence of the protected status of the rating unit, e.g. a copy of the Covenant or other legal mechanism.

Applications for the remission for protection of heritage will be considered by Council. In considering any application for remission of rates under this part of the policy, Council will consider the following criteria:

- the extent to which the preservation or natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit
- the degree to which features of natural, cultural or historic heritage are present on the land
- the degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land
- the extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.

Council will decide what amount of rates will be remitted on a case by case basis.

In granting remissions under this part of the policy, Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

### ***Rates remission for a rating unit affected by a calamity***

#### **43 Objectives**

The objective of this remission policy is to permit the Council to remit part or whole of the rates charged in any financial year on any land that has been detrimentally affected by erosion, subsidence, submersion, or other calamity.

#### **44 Conditions and criteria**

The Council may remit the rates charged on a rating unit if:

- Land is detrimentally affected by erosion, subsidence, submersion, or other natural calamity or
- The land is unable to support the activity for which it was used prior to the calamity, for example a residence or commercial building that is unable to be occupied as a result of a calamity.

Rates remissions will only be considered and made following the receipt of an application by a qualifying property to the financial year in which the application was received. There will be no backdating of rates remissions. Rates remissions (for part or all) may be applied to all rates charged on the qualifying properties`

## ***Policy rate remission for extreme financial hardship***

### **45 Objectives**

The objective of the policy is to assist ratepayers experiencing extreme financial hardship which affects their ability to pay rates and it is considered that the postponement policy for the same purpose is not appropriate.

### **46 Conditions and criteria**

Remissions of rates in part or in whole may be given in cases of extreme financial hardship where it is considered by Council that the postponement policy for the same purpose is not appropriate.

The ratepayer must make application to Council on the prescribed form.

The rating unit which is the subject of the application must be used solely as a domestic residence, be the normal place of residence of the ratepayer and the ratepayer must not own any other property in the Ōpōtiki or any other district. (An interest in Māori freehold land in multiple ownership is not included in this exclusion)

The policy does not apply to vacant land.

The remission will be granted to natural persons only.

Council must be satisfied that extreme financial hardship exists or would be caused by requiring payment of the whole or part of the rates.

The ratepayer must provide any evidence that the Council deems appropriate to support the claim for extreme financial hardship.

The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

## ***Postponement of Rates in Cases of Extreme Hardship***

### **47 Background**

The Council as a large portion of its ratepayers on fixed incomes and is concerned that a portion of these people may have difficulty meeting rates. In particular, elderly ratepayers who are asset rich but income poor. Council considers that the best way of dealing with the issue is postponement of rates until death, and recovering unpaid rates from the estate.

### **48 Purpose**

The Postponement of Rates in Cases of Extreme Financial Hardship policy outlines the circumstances and conditions under which a rates postponement is considered. The policy is to assist ratepayers with financial circumstances that affect their ability to pay rates.

### **49 Policy statement**

#### **Objective**

The objective of this part of the policy is to assist ratepayers experiencing extreme financial circumstances which affect their ability to pay rates.



### Conditions and criteria

Only rating units used solely for residential purposes (as defined by Council) will be eligible for consideration for rates postponement for extreme financial circumstances.

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

The ratepayer (or authorised agent) must make an application to council on the prescribed form (copies can be obtained from Council's Office).

The Council will consider, on a case by case basis, all applications received that meet the criteria described in the first two paragraphs under this section. The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

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
- family circumstances

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

Where Council decides to postpone rates the ratepayer 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 Council

Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Council's administrative and financial costs and may vary from year to year. The fee that will be charged each financial year is \$50.

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

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

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

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

## **50 Delegations**

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

## ***Rates Postponement on Māori Land Policy***

### **51 Background**

The Rates Postponement on Māori Land policy explains the circumstances where rate relief can be granted.

### **52 Purpose**

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 and establishment of pasture or crop.

### **53 Policy statement**

#### **Conditions and criteria**

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

Application should be made prior to commencement of the development. Applications made after the commencement of the development may be accepted at the discretion of Council.

Making application should include the following information in their applications:

- details of the property
- the objectives that will be achieved by providing 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, sewage disposal, or refuse collection.

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

#### 54 Delegations

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

## Taupō

#### 55 General considerations

When considering any remission Council will take into account the circumstances at the time the rates are set. Rates may be fully or partially remitted where there are a small number of properties where Council considers that their different characteristics warrant a remission.

#### *Rates remission for Lake Taupō Lakebed and Lakeshore Reserve*

#### 56 Policy objectives

- To continue to provide ratepayers with an incentive to maintain Lake Taupō and the environs in a natural state
- To recognise the special characteristics and the immense value of Lake Taupō to the district
- To recognise owners of lakeshore properties who are making a contribution toward lake and lake catchment environmental protection
- To support the Long Term Plan community outcome: 'A vibrant region'.

#### 57 Conditions and criteria

In relation to the Lake Taupō lakebed land:

- Remission is available to rating units which contain in full or in part the Lake Taupō lakebed where the title for the lakebed is in private ownership.
- Remission is available to the rating unit where the owners recognise the significance of public access to the lake and environs and operate the land as if it was a public reserve.
- 100% remission of all rates and charges shall be given to qualifying rating units and parts of rating units
- Approval relating to remission qualification is delegated to Council officers.

In relation to Lakeshore reserve"

- Remission is available to land that was previously designated as part of the proposed lakeshore reserve scheme
- Remission is available to the rating unit where the owners recognise the objectives of this policy and the land meets the qualifying criteria

- Land must be unoccupied, undeveloped, and have no source of income derived from it
- If any part of the land is or becomes used or occupied that portion may be demarcated and treated as a rating unit for the purpose of assessing rates
- Use of land will be continually monitored
- Annual declaration forms will be issued to ensure criteria is still met and remission should still apply
- The signed declaration form must be received by Council within the time frame given on the form
- Rates must be paid until the ratepayer is advised that their application has been granted.
- 100% remission of all rates and charges shall be given to qualifying rating units and parts of rating units
- The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

### ***Rates remission for community, sporting and other organisations***

#### **58 Policy objectives**

- To provide rates remission that will assist non-commercial, not-for-profit-organisations to provide care, relief or assistance to any person in the community that is in need for free.
- To facilitate the ongoing provision of non-commercial, not-for profit, voluntary, community and sporting services to any person in the community.
- To assist the organisation's survival.
- To make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, students, young families, aged people and economically disadvantaged people.
- To support the Long Term Plan community outcome: 'A vibrant region'.

#### **59 Conditions and criteria**

- Remission is available to land occupied or used by a not-for-profit organisation (including a society, association or organisation, whether incorporated or not) which:
  - is non-commercial and
  - is carried on for the free maintenance (care), relief or assistance of persons in need or provides voluntary community or voluntary sporting services and
  - is available to any person in the community
- The organisation's purpose meets the objective.

- 100% remission of rates and charges, excluding those for water (including water by meter), sewerage and refuse disposal, will apply for rating units without a permanent liquor licence.
- 50% remission of rates and charges, excluding those for water (including water by meter), sewerage and refuse disposal, will apply for rating units with a permanent liquor licence.
- Applications for remission must be made on the approved declaration form, and the supporting information required must be relevant to the rating unit (or part of the rating unit) that the application for rate remission is for.
- An application must include:
  - a signed statement from the organisation's treasurer that declares no profit is derived from its activity and
  - full financial accounts including the balance sheet, income statement, and the cash flow statement and
  - a statement of objectives and
  - information on activities and programmes and
  - details of volunteers, and paid employees and
  - details of members and membership criteria and
  - documentation clarifying liquor licence status
- Applications for remission must be completed every two years
- Rates must be paid until the ratepayer is advised that their application has been granted.
- The policy does not apply to organisations operated for private pecuniary profit
- The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

### ***Rates postponement for extreme financial hardship***

#### **60 Policy objectives**

- To provide rating relief to ratepayers experiencing extreme financial hardship
- To support the Long Term Plan community outcome: 'A vibrant region'.

#### **61 Conditions and criteria**

- The policy does not apply to vacant land and only applies to residential properties owned by natural persons- not companies, trusts, organisations or other similar ownership structures
- Rates postponement is available to ratepayers who are receiving national superannuation or a pension e.g. widow's benefit, or are 65 years of age or older

- Application for postponement can only be made by the legal owner of the property and they must have owned a residential property, and therefore have been a residential ratepayer in the Taupō District for at least 10 years
- The applicant must not own any other properties in the Taupō District or any other district
- The postponed rates are the total of the difference between 90% of the annual rates for the rating year prior to the commencement of the postponement and the rates set annually thereafter for the property until the postponement ceases. (Qualifying applicants shall pay 90% of the annual rates assessed in the rating year immediately prior to the first year of postponement qualification. This amount shall then remain fixed until postponement ceases)
- Age, physical or mental ability, injury, illness and family circumstances are considered when deciding on postponement eligibility. Any postponed rates will be postponed until the:
  - death of the ratepayer(s); or
  - ratepayer(s) ceases to be the owner or occupier of the rating unit; or
  - ratepayer(s) ceases to use the property as his/her residence; or
  - date specified by the Council in the postponement agreement; or
  - ratepayer does not meet qualifying criteria as set out in the declaration form which must be completed and returned to Council every two years for review.
- The postponed rates or any part thereof may be paid at any time. The ratepayer may elect to postpone the payment of a sum lesser than that which the ratepayer would be entitled to have postponed under this policy
- Postponed rates will be registered as a charge on the rating unit under the Statutory Land Charges Registration Act 1928. No dealing with the land may be registered by the ratepayer while the charge is in place, except with the consent of the local authority
- All rates that have been postponed will become payable when qualification of postponement ceases
- Ratepayers applying for rates postponement on the grounds of extreme financial hardship must provide evidence of their financial circumstances by completing the declaration form.
- When an application to postpone rates has been approved, a formal postponement agreement will be entered into by both the ratepayer and Council that shall:
  - State the amount of postponement
  - State the time frame or conditions upon which the postponed rates will become due and payable
  - Acknowledge that the postponed rates will be registered as a charge against the land

- Require the applicant to have sought legal or other professional advice prior to signing the agreement
  - Be signed by both parties.
- When rates postponement payment obligations have been met by the ratepayer, Council will undertake to remove the land charge from the registered title of the rating unit
- The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

### ***Remission of rates penalty***

#### **62 Policy objectives**

- To enable Council to act fairly and reasonably in its consideration of penalty remission for rates which have not been received by the Council by the due date caused by circumstances outside the ratepayer's control.
- To support the Long Term Plan community outcome: 'A vibrant region'.

#### **63 Conditions and criteria**

- Council will remit penalties on rates where any of the following apply:
  - A bereavement in the ratepayer's family occurred around the time the instalment was due
  - There was serious illness (in the ratepayer's immediate family) around the time the instalment was due
  - The ratepayer has a good payment history (being three clear years without any penalty having been added).
  - Payment has been arranged prior to penalty date but not received and payment is made within two weeks of the penalty notification being issued (satisfactory evidence may need to be provided)
  - The envelope with rates payment is postmarked on or before penalty date but is received after penalty date
  - An office error has occurred.
- The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.
- Requests to remit rates penalties for reasons other than those specified above are to be considered by the Finance Manager.
- The Revenue Manager may remit rates penalties for reasons other than those specified up to \$100 on any one rating unit

- Applications to remit rates on any one rating unit over \$100 for reasons other than those specified are to be decided upon by the General Manager Corporate Performance or Finance Manager.

### ***Rates remission and postponement on Māori Freehold Land***

#### **64 Policy objectives**

- To recognise that to continue to assess rates on non-income producing Māori freehold land is counterproductive to both owners and Council
- To recognise the special characteristics of Māori freehold land
- To provide incentives for owners to develop their Māori freehold land and to facilitate any wish of the owners to develop the land for economic use
- To support the use of the land by the owners for traditional purposes
- To recognise and support the relationship of Māori and their culture and traditions with their ancestral lands
- To avoid further alienation of Māori freehold land
- To recognise and take into account the presence of waahi tapu that may affect the use of the land for other purposes
- To recognise and take into account the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere)
- To recognise and take into account the importance of the land for community goals relating to:
  - Preservation of the natural character of the lakeshore environment
  - Protection of outstanding natural features
  - Protection of significant indigenous vegetation and significant habitats of indigenous fauna
- To recognise the level of community services provided to the land
- To recognise matters related to the physical accessibility of the land
- To support the Long Term Plan community outcomes: 'A vibrant region'.

#### **65 Postponement of rates on Māori freehold land**

Council does not provide for any postponement of rates on Māori freehold land.

#### **66 Conditions and criteria**

This policy applies only to land whose beneficial ownership has been determined by the Māori Land Court by freehold order.



- Māori freehold land that is:
  - non-income producing
  - in its natural state or undeveloped state
  - not occupied
  - in multi ownership

qualifies for 100% remission of all rates and charges.
- Where land is being developed by the owners themselves, or is vested in a Māori Trust or similar body whose function is to develop the land, rates are payable on a sliding scale over a five-year programme as follows:
  - Year 1 – 20% payable and 80% remitted
  - Year 2 – 40% payable and 60% remitted
  - Year 3 – 60% payable and 40% remitted
  - Year 4 – 80% payable and 20% remitted
  - Year 5 – 100% payable
- Qualification of remission will be reviewed every 3 years in accordance with the policy.
- Remission is only applicable where a declaration form has been completed and returned to Council within the time frame given on the form.
- Remission will be applied annually to those properties that qualify under the policy, until the qualifying criteria is no longer met. 'Use' of land will be continually monitored.
- If any part of the land is or becomes used or occupied that portion may be demarcated and treated as a rating unit for the purpose of assessing rates.
- The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

### ***Natural disaster rates remission***

#### **67 Policy objectives**

- This policy is to allow Council, at its discretion to remit all or part of any rate charged on any rating unit categorised in the District Valuation Roll as residential or lifestyle that has been detrimentally affected by natural disaster (such as erosion, falling debris, subsidence, slippage, inundation – deluge/flood/torrent, or earthquake) rendering dwellings or buildings uninhabitable and requiring activities carried out on the land to cease. This policy is aimed at aiding those ratepayers most adversely affected.
- To support the Long Term Plan community outcome: 'A vibrant region'.

#### **68 Conditions and criteria**

- The Council may remit all or part of any rate assessed in the district in respect of rating units categorised in the District Valuation Roll as residential or lifestyle, if the land is

detrimentally affected by natural disaster (such as erosion, falling debris, subsidence, slippage, inundation – deluge/flood/torrent, or earthquake) and

- as a result dwellings or buildings previously habitable were made ‘uninhabitable’\*; and
- the activities for which the land and/or buildings were used prior to the disaster are unable to be undertaken or continued

*\*For the purposes of this policy ‘uninhabitable’ shall mean:*

- *a building cannot be used for the purpose it was intended due to a ‘s124 notice’ being issued under the Building Act 2004, and that the residents have been required to move out by the Council, and the property is not being used*
- *a dwelling or building that is a total loss or*
- *as determined by Council after taking into account the matters specified in Clause 8.2.2 of this policy*

The decision to remit all or any part of a rate shall be at the sole discretion of the Council. The

Council may refuse to grant a remission even where the conditions set out in Clause

- 8.2.1 are met by a ratepayer. The Council is unlikely to grant a remission where the land affected is in a known hazard prime location.
- The extent of any remission shall be determined by the Council and will:
  - consider the available funding at the time of the event
  - determine the rates that will be remitted
  - decide – based on the extent and nature of the event whether an application for remission is required from the ratepayer or whether the Council will automatically apply the remission for properties that qualify under the criteria
- Each natural disaster event will be considered for rates remissions on a case by case basis by Council.

## Rotorua

### 69 Brief statement

Council has the following rates relief policies (and a grant in lieu of remission policy), effective from 1 July 2015, pursuant to the Local Government (Rating) Act 2002, as follows:

- Remission of penalties on current overdue instalments;
- Remission of penalties on current overdue metered water invoices;
- Remission of penalties on arrears (including past overdue instalments);
- Remission of rates on land used for certain purposes;
- Policy for grants in lieu of rate remissions;
- Remission of targeted rates for sewage from schools;
- Remission of rates for QEII National Trust Open Space Covenants;

- Remission of rates in extraordinary circumstances;
- Remission of metered water charges where leak has been detected and repaired;
- Discount for early payment of rates;
- Remission policy on uncollectable rates;
- Remission of targeted rates for capital cost of sewerage schemes on payment of capital cost owing;
- Remission of rates on Māori freehold land;
- Rates postponement;
- Postponement of rates on Māori freehold land

Generally, all first time remissions and postponements approved will apply from 1 July in the year in which they are applied for. Subsequent applications will require necessary supporting documentation to be provided in accordance with the renewal process as advised by Council. The exception will be remission of arrears penalties.

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy. As a general rule, and where practicable, documentary evidence or statutory declaration should be provided in support of a written application.

Applications for remission or postponement or a grant in lieu of remission, must be in writing unless otherwise indicated in a policy.

All rates remission policies are at the discretion of Council, having regard to both the policy and circumstances.

### ***Remission of penalties on current overdue instalments***

#### **70 Policy objective**

Is to enable Council to act fairly and reasonably, in its consideration of penalties on rates, where payments have not been received by Council's due date.

#### **71 Conditions and criteria**

Council will remit a penalty on the first instalment when the full year's rates are paid before the penalty date for the second instalment.

Council will consider remission of penalties on a current overdue instalment when the late payment has resulted from:

- significant family disruption, including death, illness or accident to a family member as at the due date; or
- matters outside the ratepayer's control, including payments going astray in the post, non-receipt of the instalment notice before penalty date, the late issue of a sale notice, and a late clearance payment by the solicitor on a property settlement.

Council may also consider remission of a penalty when the late payment has apparently been inadvertent and the ratepayer has a good payment history.

"Good payment history" would generally be where there has been no penalty incurred during the previous 12 months.

All remissions will be considered on their merits and remission will only be given where Council considers it just and equitable to do so. Applications for remission must be in writing.

### ***Remission of penalties on arrears***

*(arrears comprises rates from any previous rating year)*

#### **72 Policy objective**

To enable Council to act fairly and reasonably in its consideration of penalties on rates that are in arrears.

#### **73 Conditions and criteria**

Council will consider remission of penalties on arrears when:

- a request for remission has been made in writing; and
- the request includes full supporting reasons and evidence satisfactory to Council; and
- the remission contributes to prompt settlement in full of the remaining debt or to the sale of the property and clearance of the debt in the short term.

#### **74 Conditions and criteria for remission of future penalties on arrears and on future instalments in cases of severe hardship**

Council will consider remission of future penalties on arrears in cases of severe hardship when:

- a request for remission has been made in writing; and
- the request includes full supporting reasons and evidence satisfactory to Council; and
- the purpose of the request is for the ratepayer to reach and maintain fully paid status; and
- the ratepayer enters into a rates settlement arrangement that provides for collection of both current rates and arrears in full over an acceptable timeframe, provided that:
  - the arrangement will be annulled if the applicant does not adhere to it; and
  - Council may vary the arrangement on request; and
  - Council may in extreme cases elect to also remit some or all of the penalty arrears existing at the time the arrangement was entered into if the arrangement has been adhered to and this brings about settlement in full.

All remissions will be considered on their merits and remission will only be given where Council considers it just and equitable to do so.

### ***Remission of rates on land used for certain purposes***

#### **75 Policy objective**

To facilitate the ongoing provision of non-commercial community services and non-commercial sporting and recreational opportunities for the residents of the district. Providing rates remissions will achieve this by assisting the organisation's survival and making services of the

organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

## 76 Conditions and criteria

This part of the policy will apply to land owned or occupied by a charitable, sports or recreation organisation where they are recorded in Council's Rating Information Database as the ratepayer or are occupying Rotorua Lakes Council reserve, and which is used exclusively or principally for sporting, recreation or community purposes. For the purposes of this policy the terms "occupied" means exclusive use of all or part of a rating unit.

The policy does not apply to organisations operated for private pecuniary profit, and volunteer labour will be a predominant resource of qualifying entities.

This policy is designed to assist the survival of organisations that would otherwise struggle financially and, as such, those that are considered to receive adequate funding from other sources will not qualify for assistance under this policy.

Applications for remission must be made on the prescribed form (available from the council offices). New applications for rate remission should be made to the council prior to the commencement of the rating year. Organisations that successfully applied in the previous year must re-apply, and their re-application must be received by 15 June prior to the rating year being applied for.

Organisations making applications should include the following documents in support of their application:

- Statement of objectives; and
- Constitution or rules or equivalent; and
- Financial accounts; and
- Information on activities and programmes; and
- Details of membership or clients.
- The policy shall apply to such organisations as approved by the council as meeting relevant criteria.

Remission for successful applicants using land for sporting or recreation purposes is 50% of the non-service-related rates applicable to the exclusive use part of the rating unit occupied.

The remission for successful applicants using land for community purposes is 100% of the non-service-related rates applicable to the exclusive use part of the rating unit occupied.

### ***Policy for grants in lieu of rate remissions***

This policy is not part of Rotorua Lakes Council's rates remission policies. However reference to it is included here to highlight it's availability to ratepayers who previously, but no longer, qualify for the "certain purposes" remission, due to changes in legislation, i.e. the Local Government (Rating) Act 2002 specifies who must be entered as ratepayers in the Rating Information Database.

Council may provide grants in lieu of rates through its community assistance programme to organisations which are not entitled to rate remission because they are not the ratepayer under the Local Government (Rating) Act 2002). The intention is to mitigate any adverse financial impact of provisions in the Local Government (Rating) Act 2002, on affected organisations.

For further details of Council's community assistance (grants) schemes, please refer to the Community Engagement and Support activity section in the Long-term Plan.

### ***Remission of rates for Queen Elizabeth II National Trust Open Space Covenants***

#### **77 Policy objective**

To provide rates relief where land is legally protected under a QEII Open Space Covenant.

#### **78 Conditions and criteria**

Council will consider remissions of rates on land that has a QEII Open Space Covenant where the land or portion of land has a legal binding QEII Open Space Covenant registered on the title.

Calculation of such remissions are to be on a case-by-case basis, with the determination of land value for the covenanted land to be made by Council's Valuation Service Provider.

### ***Remission of rates in extraordinary circumstances***

#### **79 Policy objective**

It is recognised that not all situations in which the council may wish to remit rates will necessarily be known about in advance and provided for in Council's specific policies. The purpose of this part of the policy is to provide for the possibility of rates remission in circumstances which have not been specifically addressed but in which, for the reasons set out below, Council considers it appropriate to remit rates

#### **80 Conditions and criteria**

Council may remit rates on a rating unit where it considers it just and equitable to do so because extraordinary circumstances arising from a change to Council's Rating or Rates Remission policies have resulted in unintended consequences for a rating unit.

The amount of any such relief will be determined by Council having regard to the quantum of additional rates caused by the extraordinary circumstances.

Any such remission granted will be determined on a case-by-case basis, and will not be delegated to council officers.

### ***Discount for early payment of rates***

#### **81 Policy objective**

To provide a discount to ratepayers who choose to pay their annual rates in full by the due date for the first instalment.

## 82 Conditions and criteria

A discount will be allowed to early payment of rates in compliance with the following conditions:

- The discount will be allowed for any ratepayer who pays the total annual rates as specified on the rates assessment, by the due date for the first instalment;
- The discount will not apply to charges for water by meter;
- The discount will be at a rate fixed annually by resolution.

### *Remission policy on uncollectable rates*

## 83 Policy objective

To allow for situations where all practicable methods of enforcing rates collection have been exhausted and where it is in the council's and ratepayers best financial interests to remit such rates. One benefit of this is to achieve early recovery of the GST content of these uncollectable rates instead of having to wait until expiration of six years as required by the Limitation Act 2010, which then prompts write-off of the debt and recovery of the GST at that time. Most, if not all properties that meet this objective, are expected to be multiple owned Māori Freehold Land that is unoccupied and unused.

To allow for situations where due to the relatively small size of the amount owing it is not economical to collect such rates debts.

## 84 Conditions and criteria

All rates, both arrears and current, including service charges, will be remitted in cases where the council considers either of the above objectives will be achieved. This policy will be applied at Council's instigation.

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

Properties receiving a remission under the above are to be reviewed whenever fresh aerial images are available to confirm or otherwise their continued remission status.

### *Remission of rates on Māori Freehold Land*

In developing this policy Council has given consideration to how either providing or not providing rates remissions would contribute to the following objectives.

## 85 Objectives

- Supporting the use of the land by the owners for traditional purposes.
- Recognising and supporting the relationship of Māori, and their culture and traditions, with their ancestral lands.
- Avoiding further alienation of Māori freehold land.
- Facilitating any wish of the owners to develop the land further for economic use.
- Recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes.

- Recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere).
- Recognising and taking account of the importance of the land for community goals relating to:
  - the preservation of the natural character of the lakes environment
  - the protection of outstanding natural features
  - the protection of significant indigenous vegetation and significant habitats of indigenous fauna
- Recognising the level of community services provided to the land and its occupiers.
- Recognising matters relating to the physical accessibility of the land.
- Encouraging productive use or occupation of part or all of the land and payment of rates on part or all of the land.
- Taking into account other factors (e.g. value of land based on highest and best use, compared with actual or most practical use) that contribute to the block being unoccupied and unproductive.

## 86 Specific conditions and criteria

- 50% rates remission may be provided where any of the objectives 1-9 are supported.
- 75% rates remission may be provided for a period of 5 years where land that is previously not used is brought into productive economic use. After 5 years the remission will be either removed or reduced where conditions continue to prevent full economic use of the land, e.g. zoning value, access difficulties, flooding or erosion. This remission may only be applied for once every ten years in respect of the same property. (objectives 4 and 10 supported).
- Multiple sets of uniform annual general charges and uniform targeted rates may be remitted where multiple rating units are being used as one property, e.g. forestry, farming. Rating units need not necessarily be contiguous (objectives 4 and 10 supported).
- Part of the rates may be remitted where some other aspect beyond the reasonable control of the owners prevents the full economic use of the land e.g. access, flooding, erosion etc. Remission amount will be on a case by case basis at the discretion of council (objective 9 supported).
- Part of the rates may be remitted where:
  - The land is multiple owned and unoccupied, and
  - Remission of part of the rates assessed will enable all or part of the land to be utilised, and enable payment of the balance of the rates assessed (objective 10 supported).
- Part of the rates may be remitted where:
  - The land is multiple owned, and



- The rateable value exceeds the value that is relevant for the purpose for which the land will be used, e.g. land is zoned residential yet is used for farming (objective 11 supported).
- Calculation of remissions under objective 11 are to be on a case by case basis, with the determination of 'actual use' rateable value to be made by Council's valuation service provider.

### **87 General conditions and criteria**

- If any remaining rates after a remission is applied are not paid by the relevant due date no further remission will be provided.
- No remission of service charges will be provided.
- No rates postponements will be provided on Māori freehold land.
- Consideration will be given to the following matters (but not limited to these) as part of the decision-making process:
  - The number of owners
  - The rateable land value per hectare relative to similar parcels of land
  - Any restriction of access, bearing in mind this will have been accounted for to some extent by Council's valuers
  - Potential for future use/economic development of the land.
- For the purposes of this policy, multiple owned Māori freehold land means Māori freehold land owned by more than two persons.
- Each case will be considered on its individual merits at Council's discretion. This means that an application for remission that seems to meet the conditions and criteria may not necessarily be approved.
- Properties approved to receive a remission will be subject to regular review and generally this will be on an annual basis.
- Application for rates remissions under any of the above conditions is required to be submitted on the 'MFL remission application form'.

### ***Rates postponement***

#### **88 Policy objective**

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

#### **89 General approach**

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

Current and all future rates may be postponed indefinitely, or until the sale of the property, if at least one ratepayer (or, if the ratepayer is a family trust, at least one named occupier) is 65

years of age or older. Where the ratepayer is younger than 65, current and all future rates may be postponed to a date not more than 15 years from June 30th in the rating year in which the application was made. The applicant may elect to postpone the payment of a lesser sum than that which they would have been entitled to have postponed under this policy.

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

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

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

## 90 Criteria and conditions

### Eligibility

Any ratepayer is eligible for postponement provided that the rating unit is used by the ratepayer for personal residential purposes. This includes, in the case of a family trust owned property, use by a named individual or couple. People occupying a unit in a retirement village under an occupation licence will be able to apply for postponement of the rates payable by the retirement village on their unit, with the agreement of the owner of the retirement village

### Risk

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

### Exclusions

At present, the law does not allow councils to register such a charge against Māori freehold land. Accordingly, Māori freehold land is not eligible for rates postponement (unless and until the law is changed so that the council can register a statutory land charge)

### Insurance

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

To assist ratepayers who are currently uninsured, Council is anticipating the development of a group insurance policy to provide all risks cover, designed to keep cover against catastrophic loss to a minimum cost. The premium will be treated as part of the postponement fee and therefore come within the postponement arrangements.

Arrangements for the group insurance policy are currently on hold, but Council will continue to monitor progress.

## Mortgage

Postponement of rates on a property subject to mortgage will be available only if Council holds a letter from the mortgagee agreeing to the postponement.

## Independent Advice

To protect Council against any suggestion of undue influence, applicants will be referred to an appropriately qualified and trained independent agency contracted by Council. The agency will work with the applicant, to ensure they are aware of all aspects of the policy, before deciding to proceed with postponement. A certificate confirming this will be required by Council before the postponement is granted. The cost of this is included in initial charges set out in the Funding Impact Statement.

## Rates able to be postponed

All rates are eligible for postponement except for: targeted rates for water supplied by volume (water by meter rates) and lump sum options.

## Security

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

Postponement will not be granted if a statutory land charge cannot be registered on the rating unit Certificate of Title.

Council has the right to decline postponement if the property is situated in a known hazard zone.

## Conditions

Any postponed rates (under this policy) will be postponed on the following conditions:

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

## Payment

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 have been entitled to have postponed pursuant to this policy.

### **Review or Suspension of Policy**

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

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

### **Procedures**

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

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

### **Postponement of rates on Māori freehold land**

Council's policy in respect of postponement of rates on Māori freehold land follows past policy. This is to not postpone rates but to use the remission policy where appropriate.

## **Tauranga**

### **91 Objectives**

- To enable Council to acknowledge the special circumstances of particular ratepayers.
- To provide targeted financial relief to community organisations.
- Provide relief to ratepayers who have excessive water rates due to a leak.

### **92 Definitions**

**General rate** is a rate that the local authority sets for the general purposes of the local authority.

**Uniform Annual General Charge (UAGC)** is a fixed dollar rate set on each separately used or inhabited part of a rating unit for the general purposes of the local authority.

**Wastewater rate** is a fixed dollar targeted rate set on the number of water closets and urinals within the rating unit.

**Ratepayer** is the person or persons identified in Council's rating information database as the person liable for rates – generally that person is the owner of the rating unit.

**Rates penalty** is an additional rates charge made when payment is not received by the due date specified.

Tauranga continued

**Rating unit** is defined in the Rating Valuations Act 1998. It is the block of land which attracts the liability for rates. The main criterion is the existence of a separate certificate of title.

**Remission** means the requirement to pay the rate for a particular financial year is forgiven in whole or in part.

**Residential** means a rating unit whose permitted activity in the Tauranga City Plan is residential, rural or conservation.

**Commercial** means a rating unit whose permitted activity in the Tauranga City Plan is commercial or industrial.

### 93 Policy statement

- **General Consideration**

When considering any remission Council will take into account the circumstances at the time the rates are set.

- **Remission of Uniform Annual General Charge (UAGC)**

Council may remit on application the additional UAGC for a separately used or inhabited part of a rating unit where a person is unable to fully utilise the unit's facilities e.g. due to disability and/or age.

Utilities owned by Tauranga City Council will receive 100% remission of Uniform Annual General Charges (as such rates would otherwise be indirectly recovered from ratepayers).

- **Remission of General Rates**

Utilities owned by Tauranga City Council will receive 100% remission of General rates (as such rates would otherwise be indirectly recovered from ratepayers).

- **Rates Penalty**

In order to provide relief of penalties incurred on unpaid rates where specific events or circumstances have occurred, Council will remit penalties on rates where any of the following apply and a remission application has been received:

- An agreement has been reached for the ratepayer to make payment within two weeks of the penalty being issued or make regular automatic payments to settle all arrears and current rates within the current rating year, and the ratepayer has a good payment history (being three clear years' history without penalty).
- A bereavement, serious illness or relationship breakdown in the ratepayer's family occurred around the time the instalment was due.
- The penalty is less than \$10.00 for any rates excluding water rates or \$2.00 for water rates.
- An administrative error.

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

- **Community and Not-for-Profit Organisations**



Tauranga continued

In order to provide relief to applicable community and not-for-profit organisations, who deliver social benefits to the community where neither government nor business is best or appropriately placed to do so Council will allow the following:

Land used for a place of religious worship, Marae or not-for-profit early childhood centres with a non-rateable status under the Local Government (Rating) Act 2002 may be remitted 66.66% of the Wastewater rate.

Land used for a place of religious worship or Marae with a non-rateable status under the Local Government (Rating) Act 2002 may receive full remission of the water base rate over the minimum base rate where there is a water meter connection greater than 20 millimetres.

Land used primarily for the promotion of sport, art, health, recreation or education and not used for private pecuniary profit may receive a 100% remission on General rates. These organisations must provide evidence of a significant portion of local community voluntary contribution to operations and funding (other than from Government Agencies).

This remission will not apply to land used for organisations who are affiliated or who could be affiliated to Clubs New Zealand Incorporated or used for horse racing.

Land designated a Māori Reservation under the Te Ture Whenua Māori Act 1993, excluding land used for permanent housing, will be granted a 100% remission on General rates.

- **Remission for Natural Disasters and Emergencies**

In order to provide relief to ratepayers where a natural disaster or other type of emergency affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time, Council may remit all or part of any rate or charge where it considers it fair to do so.

Individual events causing a disaster or emergency are to be identified by Council resolution. Council will determine the criteria for the remission at that time and those criteria may change depending on the nature and severity of the event and available funding at the time.

Remissions approved under this policy do not set a precedent and will be applied for each specific event and only to properties directly affected by the event.

- **Remission for Buildings Undergoing Earthquake Strengthening**

In order to provide relief to ratepayers of commercial properties in Tauranga City that are undergoing earthquake strengthening, including rebuilding, that affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time, Council may remit all or part of the general rate where it considers it fair to do so.

Applications must be received before 1 July prior to the year when the remission is to apply. If the earthquake strengthening work is over multiple rating year's applicants must reapply before 1 July to be eligible for remission for the next year.

- **Exceptions**

Rates may be fully or partially remitted where the General Manager Corporate Performance and/or Finance Manager considers that the characteristics of land use, location or special

circumstances warrant a remission. Any remission granted under this section is to be reported to the appropriate Council Committee.

- **Relevant delegations**

With the exceptions of decisions required to be specifically made by Council or the relevant Council committee the General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy

## Western Bay of Plenty

### ***Discount for early payment of rates in current financial year***

#### **94 Objectives**

To encourage early payment of rates by offering a discount to ratepayers who pay their total rates early.

#### **95 General approach**

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

Council recognises the cash flow advantage and reduced processing cost which result from early payment of rates, and offers a discount to encourage this outcome. This discount is to be set each year.

#### **96 Eligibility criteria**

To be eligible to receive the discount:

- All prior year rates must have been paid and no arrears are owing; and
- Total current year rates must be paid by the discount date specified in the rates assessment resolution of Council.

#### **97 Policy procedures**

- The discount amount and date by which the payment must be made will be included on the rates assessment.
- The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

### ***Rates remission for covenanted land***

#### **98 Objectives**

To encourage the conservation of natural environments by way of a rates remission on land covenanted for environmental protection

#### **99 Eligibility criteria**

Ratepayers who own rating units may receive remission of rates on that portion of their property covenanted or designated as a protection lot, being either:

- Rating Units with a Queen Elizabeth II Trust Covenant; or
- Rating Units with Protection Lots created through subdivision processes under the Council's District Plan.

## 100 Policy procedures

- Queen Elizabeth II Trust Covenant: Ratepayers may apply upon establishment of a covenant with the Queen Elizabeth II Trust and thereafter remission will be automatic. The area of the property used for the purposes of the Queen Elizabeth II Trust covenant is defined as that portion of the property set aside and protected. This area excludes any curtilage and any area not used for environmental protection purposes.
- Rating Units with Protection Lots: will automatically receive rate remission on the protected lot.
- The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

### *Remission of rates penalties*

#### 101 Objectives

To enable Council to act fairly and reasonably in its consideration of penalties for overdue rates, due to circumstances outside the ratepayer's control or where there is limited financial impact on Council.

#### 102 Eligibility criteria

##### **Where there are circumstances outside the ratepayer's control:**

Remission of one penalty will be considered in any one rating year where payment has been late due to significant disruption to the ratepayer's circumstances. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Remission will be considered in the case of death, illness or accident of a family member, within 60 days of the due date for payment of rates.

Council shall have regard to:

- Excellent payment history, with no penalties incurred within the previous five years; and/or
- Whether the ratepayer can provide evidence that their payment has gone astray in the past or the late payment has otherwise resulted from matters outside their control.

##### **Where there is limited financial impact:**

At its sole discretion and without application by the ratepayer, Council may suppress penalties:

- Where trivial amounts are owing due to incorrect payment being made; or
- Where demonstrable progress is being made to pay both current rates and arrears (e.g. a fortnightly direct for a regular sum and period of time has been agreed with Council).

#### 103 Policy procedures

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.



## **Rates relief on Māori freehold land**

### **104 Interpretation**

Māori Freehold Land means:

- Land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court (as defined in Local Government (Rating) Act 2002); or
- At Council's discretion, former Māori freehold land whose status was changed to general land by the 1967 Status Declaration legislation

### **General approach**

This policy aims to:

- Contribute to the fair and equitable collection of rates from all sectors of the community, whilst recognising that certain Māori lands have particular conditions, features, ownership structures or other circumstances that make it appropriate to provide relief from rates;
- Identify Māori freehold land that qualifies for longer term remission due to limited productive use or the presence of special features; and
- Implement rates remissions on Māori freehold land and write off of rate arrears and penalties, subject to the conditions and criteria set out in this policy.

### **105 Objectives**

- To recognise situations where there is no trust, person or owner gaining an economic or financial benefit from the land;
- To recognise and take account the importance of the land for community goals relating to:
  - The preservation of the natural character of the coastal environment;
  - The protection of natural features;
  - The protection of significant indigenous vegetation and significant habitats of indigenous fauna;
- To recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes;
- To recognise matters related to the physical accessibility of the land;
- To avoid further alienation of Māori freehold land;
- To recognise and support the relationship with Māori and their culture and traditions with their ancestral land
- Where part only of a block is occupied, to grant remission for the portion of the land not occupied
- To facilitate and encourage economic development on Māori freehold land in order to increase the productive capacity of underutilised land, thereby generating economic or financial benefit for land owners.

## 106 Postponement of rates

Council's policy does not provide for the postponement of rates on Māori freehold land, as security cannot be taken against Māori freehold land for postponed rates. Council will remit rates where it considers rates relief is appropriate.

## 107 Remissions for limited productive use

Council will consider placing Māori freehold land on the Annual Remissions List where it meets the following conditions and criteria:

### Idle and unoccupied lots

Council will place unoccupied land on the Annual Remissions List where it considers that the land:

- Is idle and is not being used for any productive purpose, or may be too small to be productive;
- Does not generate any economic or financial benefit for any person; and
- Has no immediate possibility of development.

### Unique features

Council will place wholly or partially unoccupied Māori freehold land on the Annual Remissions List where it considers that the land:

- Contains indigenous forest of high ecological value;
- Provides traditional and important food source for tangata whenua;
- Provides a traditional and important source for cultural, medicinal and spiritual needs of tangata whenua;
- Has demonstrable strong spiritual and symbolic significance to iwi/hapu/whanau, above and beyond that of other Māori land;
- Includes important tribal landmarks significant to tangata whenua; and/or
- Is an important water catchment system to tangata whenua for sustaining physical and spiritual values.

Council will also have regard to whether the land:

- Has road access and/or access to other services;
- Is contiguous with forest reserves;
- Is complementary to Marae Reserve Areas (as determined by the Māori Land Court);
- Is high land or dispersed blocks of bush land;
- Offers protection of low land development and investment in roads;
- Complements water catchment areas; or
- Enhances wildlife areas.

### 108 Remissions for economic development

Council will consider remission of rates on Māori freehold land as set out below, for a maximum period of 5 years:

The maximum rates to be written off are:

Year 1 Not more than 80% written off in year one

Year 2 Not more than 60% written off in year two

Year 3 Not more than 40% written off in year three

Year 4 Not more than 20% written off in year four

Year 5 Full rates payable in year five

In considering any application for remission, Council will need to be satisfied that:

- The projected cash flow shows an increase in the annual cash surplus over the period;
- The projected cash flow is realistic and can be achieved;
- The economic development proposal is likely to generate sufficient cash surplus so as to cover full rates following the period of remission;
- The proposal is viable under the District Plan and any other bylaws or regulations that may apply to the proposal; and
- There are no outstanding rates arrears due on the land (Note: Council may waive this requirement at its sole discretion).

Where rates have been remitted for economic development, Council will require an Annual Report to be provided by the applicant by no later than 1 June in each year, in order for the remissions to continue in the following rating year. The Annual Report must include to Council's satisfaction:

- Annual accounts, prepared by a suitably qualified person;
- Project cash flow for the remaining rating years for which the remission applies; and
- A brief description on progress and milestones achieved in implementing the economic development proposal for which remission has been granted.

### 109 Apportionments for multiple dwellings

Council will consider creating apportionments on land where there is more than one dwelling.

This means the rates payable will be divided pro rata, based on the area occupied by each dwelling on the land. Each apportionment will be no less than 666m<sup>2</sup>.

Where part of the land is unutilised, a separate apportionment shall be created for this residue amount. The residue shall be placed on the Annual Remission List until such a time as the land becomes utilised.

## 110 Arrears and penalties

At Council's sole discretion, it may write off arrears and penalties for land that has limited productive use, having regard to:

- Any targeted rates applicable to the land; and
- Whether the rates are likely to accumulate to the point where they are not recoverable in a court of law after a period of six years in accordance with the Limitation Act 2010.

Residues created through apportionments may have the portion of arrears and penalties that relate to the residue written off at Council's sole discretion, having regard to (a) and (b) above.

Where Māori freehold land is not otherwise eligible for a remission under any other section of this policy, Council will negotiate with the land owner to write off all arrears and penalties if current rates are met over a period of 5 years.

## 111 Applications for remission

Applications should be made no later than 1 June prior to the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of Council.

All applications made for remission under this part of the policy must be in writing and include to Council's satisfaction:

- Confirmation that the land is Māori freehold land, as defined in this policy;
- Identification of each title for which the application for remission applies. This is expected to include photographs, valuation data and any relevant legal documentation associated with the land's title or status. Council reserves the right to require a site inspection by Council officers for any new applications for remission.
- Confirmation that the applicant:
  - Is identified owner for entering on rating records pursuant to Section 92 Local Government (Rating) Act 2002; and
  - Has agreement from the landowners or Trust for the application to be made.

Remission applications made for economic development must also include to Council's satisfaction:

- A description of the economic development proposal that the landowner(s) intend to undertake;
- Demonstration that the proposal is viable under the District Plan and any other bylaws or regulations that may apply to the proposal;
- Annual accounts and cash flow statements for the previous 3 years prepared by suitably qualified persons; and
- A projected cash flow prepared by a suitably qualified person, covering the period of remission the application seeks (to a maximum of 5 years).

## 112 Policy procedure

Council staff will support Māori freehold land owners in preparing applications for remission.

Applications for remission that contain all relevant information as set out in this policy will be processed within 20 working days of receipt.

Unsuccessful applicants will be advised of the reason(s) why the application was declined, and will be given the opportunity to resubmit the application.

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

Any Māori freehold land that is granted a remission due to containing indigenous forest of high ecological value, will be entered on to Council's Bush Lots Register.

The Bush Lots Register shall be checked every four years to verify the use of land on the register has remained the same. Where the land has been developed, Council will establish status of the land in question, and determine any rates that will apply as a result.

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

## ***Rates postponement for financial hardship***

### 113 Objectives

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

### 114 General approach

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

### 115 Eligibility criteria

When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant.

Application can only be made by the person entered on Council's rating information database as the "ratepayer" or their authorised agent.

The applicant must provide a complete application, including:

- Information on the ratepayers age, any physical or mental disability, injury, illness and family circumstances;
- Confirmation that the ratepayer is the current owner of the rating unit (which is the subject of the application), and that they have owned it for not less than two years;
- Confirmation that the ratepayer uses the rating unit as their residence;
- Confirmation that the ratepayer does not own any other rating units or investment properties (whether in the Western Bay of Plenty District or in another district); and

- Verification from the ratepayer's bank as to the level of equity the ratepayer holds in the property.

Council may consider further information to support the ratepayer's case for postponement, including:

- The likely period before the ratepayer's position could be expected to improve;
- The potential for the ratepayer's situation to deteriorate further;
- The views of any other party with a registered interest in the rating unit;
- Whether there are previous arrears owing on the property;
- Whether the applicant has sought and/or obtained financial assistance through any other means;
- Whether the ratepayer is unable to meet minimum living expenses;
- Whether the ratepayer is unable to meet mortgage repayments on the property, resulting in their mortgage provider enforcing the mortgage on their property;
- Whether the ratepayer is paying for medical treatment if the applicant or dependent family member:
  - Has an injury;
  - Requires palliative care; or
  - Is suffering from a serious illness.

At its discretion, Council may request a report from a budget advisor, in order to gain independent assessment about the ratepayer's financial situation.

### **Conditions of postponement**

The applicant must have sufficient equity in the property to protect Council's projected rating interest in that property. The postponement of rates (when combined with any other money owing on the property) must not exceed 80 percent of the rateable value of the property.

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 Council.

Consideration will also be given to postponing additional rate penalties for a period of up to 5 years to enable the ratepayer to clear rating debt, at the discretion of Council.

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

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

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

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

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

### **116 Policy procedures**

- Applications must be on the required form.
- Council will consider, on a case by case basis, all applications received that meet the eligibility criteria of this policy.
- Before approving an application Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day-to-day living expenses.
- The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

### ***Rates postponement for homeowners aged over 65 years***

#### **117 Objectives**

To give ratepayers over the age of 65 years a choice between paying rates now or later.

#### **118 General approach**

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

Current and all future rates may be postponed indefinitely if at least one ratepayer (or, if the ratepayer is a family trust, at least one named occupier) is 65 years of age or older. In other cases, current and all future rates may be postponed to a date not more than 15 years from 30 June in the rating year in which application is made.

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

Council will add to the postponed rates all financial and administrative costs to ensure neutrality. Therefore, the ratepayer meets the full cost of postponement.

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

### 119 Eligibility criteria

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

Council must be satisfied, on reasonable assumptions, that the risk of any shortfall when postponed rates and accrued charges are ultimately paid is negligible. To determine this, an actuary has been engaged to develop a model that will forecast expected equity when repayment falls due.

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

### 120 Conditions of postponement

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

- The death of the ratepayer(s) or named individual or couple; or
- Until the ratepayer(s) ceases to be the owner or occupier of the rating unit (if the ratepayer sells the property in order to purchase another within the Council's district, Council will consider transferring the outstanding balance, or as much as is needed, to facilitate the purchase, provided it is satisfied that there is adequate security in the new property for eventual repayment); or
- Until a date specified by Council.

To protect Council against any suggestion of undue influence, applicants will be required to obtain advice from an appropriately qualified and trained counsellor. A counsellor's certificate will be required before postponement is granted, confirming that the applicant understands how the rates postponement scheme works. Applicants may also wish to obtain independent financial advice as to whether postponement is the right option for their individual circumstances.

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

The 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.

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

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that council will have first call to the proceeds of any revenue from the sale or lease of the rating unit.



## 121 Review or suspension of policy

The policy is in place indefinitely and can be reviewed subject to the requirements of the Local Government Act 2002 at any time. The policy consciously acknowledges that future changes in policy could include withdrawal of the postponement option.

Any resulting modifications will not change the entitlement of people already in the scheme, or rates already postponed under this policy, until the agreed repayment date set under this policy.

However, there may be a requirement to pay future rates in the event that the policy is revoked in future.

## 122 Policy procedures

- Applications must be on the required form which will be available from any Council office.
- Council notes that recipients may also benefit from other schemes.
- The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

### *Rates remission for contiguous land*

## 123 Objectives

To provide remissions for contiguous land in common ownership.

## 124 General approach

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

## 125 Eligibility criteria

To qualify for remission under this policy:

- Units must be on land which is contiguous as defined in the Local Government (Rating) Act 2002:
- Owned by the same person or persons; and
- Used jointly as a single unit; and
- Contiguous or separated only by a road, railway, drain, water race, river or stream.
- The rating units must be owned, or leased (a registered lease for a term of not less than 10 years) by the same ratepayer.
- No remission will be granted on targeted rates for water supply, sewage disposal or refuse collection.
- Both lessee and owner of contiguous properties need to confirm that the lessee will be paying the rates for the term of the lease.

- Developers owning subdivided property are specifically excluded from receiving remissions under this policy. At its sole discretion, Council may reject an application on this basis.

### 126 Conditions of remission

- The ratepayer will remain liable for at least one set of each type of uniform charge.
- The rates database will be amended to reflect the lease situation in the rating year following the application for contiguity.
- Remission may cease (at Council's sole discretion) where it has grounds to suspect that contiguous rating units have been created for development purposes.

### 127 Policy procedures

- Applications must be made in writing.
- The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

## ***Rates remission for land used for sport and games***

### 128 Objectives

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

### 129 General approach

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

### 130 Eligibility criteria

The applicant must provide information so that Council is satisfied that:

- The land is owned and used by a society or association of persons (whether incorporated or not):
  - For games or sport; or
  - For the purpose of any branch of the arts;
- The land is not used for galloping races, harness races or greyhound races; and
- The land does not provide any private pecuniary benefit for any members of the society or association of persons that own and use the land.

The applicant will also need to provide information about any club licenses held under the Sale and Supply of Alcohol Act 2012. Where a club license is in force, Council will be entitled to separately value that portion of the property and charge full rates on it.

### 131 Policy procedures

The above requested information will be required to be provided on first application.

- Council will confirm in writing whether the applicant qualifies for the remission.
- The ratepayer must notify Council in writing of any changes to its status prior to the commencement of the rating year.

- Council reserves the right to cease the remission in the event that the land no longer meets the eligibility criteria of this policy.
- The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

### ***Rates remissions for natural disasters and emergencies***

#### **132 Objectives**

To provide remissions on land that has been subject to a natural disaster or emergency that renders the dwelling uninhabitable for an extended period of time, or has significant long term effect on the productive use of land.

#### **133 General approach**

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

#### **134 Policy criteria and conditions**

The Council may, on written application from the ratepayer of rating units affected by a natural disaster or emergency, remit up to 100% of annual rates levied where:

- A dwelling is rendered uninhabitable by a natural disaster or event; and/or
- There is a significant long term effect on the productive use of Rural, Commercial or Industrial zoned land.

At its sole discretion, Council will determine on a case by case basis whether a specific event constitutes a 'natural disaster or emergency' for the purposes of applying this policy.

Each application will be considered on its merits and remission up to 100% may be granted where it is considered just and equitable to do so.

Applications may be declined if there is evidence to suggest the applicant's actions or inactions contributed to the circumstances under which the application is being made.

At Council's sole discretion, it may consider voiding the need for an application and grant remission for any rating unit or group of rating units collectively affected by a natural disaster or emergency.

#### **Dwellings**

Remissions will generally be granted for a period of 90 days in relation to uninhabitable dwellings. Council may extend the period of remission if the applicant can demonstrate that the dwelling remains uninhabitable, such as classification under section 124 of the Building Act 2004.

#### **Productive land**

Where the applicant perceives that there has been a significant long term effect on the productive use of Rural, Commercial or Industrial zoned land as a direct consequence of a natural disaster or emergency, they may apply to Council for remission. The application will need to include sufficient information to quantify the grounds for remission.

Western Bay of Plenty continued

If Council is satisfied that there has been a significant long term effect as a result of a natural disaster or emergency, then a special valuation will be obtained and the property rated on that basis going forward, for time period determined at Council's sole discretion.

### 135 Policy procedures

Applications must be made in writing by 30 June each year to be considered for remission for the following year's rates.

Where an application for a dwelling is approved by Council, the rating unit concerned will become non-rateable for the specific rating year, or a time period determined at Council's sole discretion.

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

## Whakatāne

### *Remission of uniform annual general charge and targeted rates for contiguous properties*

#### 136 Objectives

The objective of this remission policy is to apply the Uniform Annual General Charge and Fixed Charges on a fair and equitable basis to ratepayers. Section 20 of the Local Government (Rating) Act 2002 provides for two or more rating units to be treated as one unit for setting a rate if the units are:

- In the same ownership, and
- Used jointly as a single unit, and
- Contiguous or separated by a road, railway, drain, water race, river or stream.

This Policy provides for the possibility of a rates remission where the above three conditions are not all met, but where it is nevertheless considered inequitable for the rating units to be treated as separate. In addition, it provides for remission of uniform annual general charges (UAGCs) and/or targeted fixed charge rates where a rating unit is liable for multiple charges but it is considered inequitable or excessive to assess full charges. This Policy may also be applied to individual lots for subdivisions, before the titles are sold.

#### 137 Conditions and criteria

The units may be in separate ownership, but if they are contiguous and are used jointly as a single unit, they will be treated as a single unit, so long as the contiguous rating unit does not contain any habitable dwellings; or

The remission will be the uniform annual general charge plus targeted fixed charge rates, on all but one rating unit where all of these rating units are:

- subdivided into 5 or more lots where the titles have been issued; and

- owned by the original developer who is holding the individual titles pending their sale to subsequent purchasers; and
- originally contiguous or separated only by road, railway, drain, water race, river or stream.

### 138 Rates to be remitted

Rating units that meet the criteria under this policy may qualify for a remission of the uniform annual general charges (UAGC's) and any targeted rates set on the basis of a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of uniform annual general charge or fixed charge.

### 139 Delegation

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

### ***Rates remission and postponement for financial hardship***

#### **Postponements in cases of financial hardship**

### 140 Objectives

To enable Council to provide reasonable assistance to ratepayers whose financial circumstances affect their ability to pay their rates.

### 141 Conditions and criteria

When considering whether financial hardship exists, all of the ratepayer's personal circumstances will be relevant including the following factors: income from any source, including benefits (whether monetary or otherwise) received from any trust, the ratepayer's age, physical or mental disability, injury, illness and family circumstances.

If after due enquiry the Council is satisfied that financial hardship exists (or would exist if the rates or a portion of the rates were not postponed, the Council may postpone part or all of the rates.

- An application will only be considered where the following criteria are met:
- The ratepayer must be the current owner of, and have owned for not less than 5 years, the rating unit which is the subject of the application.
- The rating unit must be the ratepayer's normal place of residence.
- The ratepayer must not own any other rating units, investment properties or other realisable assets.
- The ratepayer must make application to the Council on the prescribed form

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

The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Any postponement will apply from the beginning of the rating year in which the application made.



Where an application is granted, the rates will be postponed until the earlier of:

- the death of the ratepayer(s); or
- until the ratepayer(s) ceases to be the owner of the rating unit; or
- until the ratepayer(s) ceases to use the property as his/her residence; or
- until a date as determined by the Council in any particular case

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 title of the rating unit.

### ***Remission in cases of extreme financial hardship***

#### **142 Conditions and criteria**

When considering whether extreme financial hardship exists, all of the ratepayers personal circumstances will be relevant including but not limited to the following factors: income from any source, including benefits (whether monetary or otherwise) received from any trust; the ratepayers age, physical or mental disability, injury, illness and family circumstances.

If after full enquiry, the Council is satisfied that extreme financial hardship exists or would be caused to the ratepayer, by requiring payment of the whole of the rates, it may remit part or all of the rates.

If under the above the Council remits part of the rates, it may postpone the balance or any part of the balance under this part of the policy.

Any remission granted under this part of this policy will not apply to future years.

Applications must be in writing by or on behalf of the ratepayer and will only be considered where the following criteria are met:-

- The ratepayer must be a natural person
- The ratepayer must have continuously owned and occupied for not less than the immediate past ten years, and continue to own and occupy the rating unit which is the subject of the application, as their normal place of residence.
- The ratepayer must not own any other rating units, investment properties or other realisable assets

#### **143 Delegation**

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

### ***Rates remission for outstanding rates and penalties on undeveloped sections***

#### **144 Remission of outstanding rates and penalties on:**

- undeveloped sections, or;

- those rating units where the building(s) have been removed, or;
- where buildings are in a derelict state; and
  - where those rating units are purchased by the owner(s) of a rating unit that is contiguous to or is separated from the rating unit in question only by a road, railway, drain, water race, river or stream; and
  - the two rating units are used as one residential unit, or;
  - where the rating units have been subject to a rating sale under Section 67 of the Local Government (Rating) Act 2002

#### **145 Objectives**

The objective of this Policy is to facilitate the purchase of vacant rating units (sections) by adjoining property owners to enhance the social and environmental well-being of the community and to facilitate the land being brought back into use so that it may contribute towards the rating revenues of the District in future years.

#### **146 Conditions and criteria**

The Council will postpone outstanding rates and outstanding rates penalties owing on a rating unit for a period of up to five years or until the purchaser of the rating unit applies for a building consent for the construction of a building on the rating unit, whichever comes first, as defined in the Whakatāne District Plan if:

- That rating unit is undeveloped, the building(s) have been removed or are in derelict state AND the rating unit is purchased by the owner of adjoining property such that section 20 of the Local Government (Rating) Act 2002 is satisfied; or
- The rating unit has been the subject of a rating sale under section 67 of the Local Government (Rating) Act 2002 and such sale has produced insufficient funds to clear all of the rates and penalties owing, and, in either case.

#### **147 Rates to be remitted**

After a period of five years from the date any such postponement comes into effect and the rates payable from the rating unit continue to be paid in full for that rating unit for the same period the Council may remit the postponed rates in full.

#### **148 Delegation**

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

### ***Policy on the remission and postponement of rates on Māori Freehold Land***

#### **149 Introduction**

The aim of this policy is to recognise that Māori Freehold Land may have particular conditions, ownership structures or other circumstances, which make it appropriate to remit or postpone rates for defined periods. Remission of rates involves reducing the amount owing or waiving collection of rates altogether. Postponement of rates means that the payment of rates is not waived in the first instance, but delayed for a certain time, or until certain events occur.

The Local Government Act 2002 (LGA 2002) requires the Council to adopt policies for the remission and/or postponement of rates on Māori Freehold Land (section 102(4) (f)). In developing this policy, the Council must consider the matters set out in Schedule 11 of the LGA



Whakatāne continued

2002. This includes the recognition that there are particular cultural, historical and legal factors that distinguish Māori Freehold Land from General Land. These factors include:

- The land is generally multiply owned; and/or
- There are legislative and cultural constraints on the ability to alienate Māori Freehold Land; and/or
- The land is undeveloped and/or unoccupied for cultural, spiritual or practical reasons; and/or
- Māori Freehold Land is not freely tradeable and is difficult to alienate (and in many cases, the owners do not want to alienate the land).

In compliance with the LGA 2002 and in recognition that the nature of Māori Freehold Land is different to General Land, the Council has formulated a Policy on the Remission and Postponement of Rates on Māori Freehold Land.

### 150 Key definitions

“**Māori Freehold Land**” means land whose beneficial ownership has been determined by the Māori Land Court by freehold order (Section 5, Local Government (Rating) Act 2002).

“**Unoccupied**” means, in respect of a block of land or a portion<sup>1</sup> of a block of land, that there is no person, whether with a beneficial interest in the land or not, who, alone or with others:

- leases the land, and/or
- does any of the following things on the land, with the intention of making a profit or for any other benefit
- resides on the land
- de-pastures or maintains livestock on the land
- stores anything on the land

“**Waahi Tapu**” means a place sacred to Māori in the traditional, spiritual, religious, ritual or mythological sense (Section 2 of the Historic Places Act 1993).

“**General Land**” means land that is not Māori Freehold Land as defined above

### 151 Policy objectives

To recognise that Māori Freehold Land may have particular conditions, ownership structures or other circumstances which make it appropriate to remit or postpone rates for defined periods of time.

To introduce a policy which promotes the collection of rates from owners of Māori Freehold Land in order to achieve a fair and equitable collection of rates from all sectors of the community.

### 152 What is available?

There are three parts to this policy. Each part deals with distinct situations.

- The remission of rates on Māori Freehold Land that is unoccupied and undeveloped.



- The postponement of rates on Māori Freehold Land to facilitate the development and use of that land for economic purposes: where the Council considers that the utilisation of that land would be uneconomic if full rates were payable immediately.
- The remission of uniform charges on Māori Freehold Land as encouragement for that land to be used for agricultural purposes in conjunction with other adjacent land.

### ***Māori Freehold Land that is unoccupied and undeveloped***

#### **153 Background**

The Whakatāne District contains areas of Māori Freehold Land that is unoccupied. This land creates a significant rating burden on the Māori owners who may not have the means or in some cases, the desire to make economic use of the land.

The reason why Māori Freehold Land remains unoccupied is due to a number of factors which may include:

- the nature of land ownership (for example, the land is owned by multiple owners, many of whom do not live near the land); and/or
- the land has some special significance which makes it undesirable to develop or reside on; and/or
- the land is isolated, difficult to access and marginal in quality

#### **154 Objective**

Recognise situations where land has been set aside for cultural or natural heritage reason and no income is derived from the land.

To avoid further alienation of Māori Freehold Land as result of pressures that may be brought by the imposition of rates on unoccupied land.

To recognise matters relating to the physical inaccessibility of land.

To provide the ability to grant remission for portions of land that is not occupied.

To support the traditional relationship of kaitiakitanga (guardianship) to the land including the use of the land by the owners for traditional purposes.

#### **155 Conditions and criteria**

The Council will consider remitting rates on Māori Freehold Land under Part 1 if the following criteria are met:

- The land is Māori Freehold Land as defined by section 5 of the Local Government (Rating) Act 2002. This definition is set out above under the heading "Key definitions"
- The land is unoccupied, as defined above under the heading "Key definitions".
- The land has been identified as requiring special treatment for rating purposes. This includes land which is:
  - Unoccupied; AND
  - it is uneconomic to use; OR
  - no tangible benefit is derived from the use and occupation of the land; OR

- the land is inaccessible; OR
- the community benefits from –
  - The protection of outstanding natural features on the land; OR
  - The protection of significant indigenous vegetation and significant habitats of indigenous fauna on the land; OR
  - The land contains waahi tapu affecting the use of the land for other purposes

Any application for a remission of rates is to be made in writing annually, except where a remission has been granted for a longer period OR when staff recognises that a property is unoccupied or uneconomic to use, staff may initiate the application for remission of rates so that arrears are not overstated in the Council's records.

Where applicable, staff has the discretion to negotiate remission of rates and penalties as a tool to clear arrears and current rates.

The Council may consider a portion of a block of Māori Freehold Land to be unoccupied.

The Council reserves the right to seek such additional information from the applicant/s or from any other source as it may determine as necessary in considering that application.

#### **156 Rates to be remitted**

Rates remissions (for all or part) may be applied to all rates charged on Māori Freehold Land with the exception of any targeted rate for connection to water and wastewater services or where a refuse collection service is provided.

Any approved remission will generally be for a period of one year, but may be considered for up to three consecutive rating years. With the exception, that where the Council is considering a remission of rates for past rating years, the three year maximum period of remission may be exceeded at the Council's discretion.

#### **157 Delegation**

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

#### ***Postponement of rates on Māori Freehold Land to facilitate development and use***

#### **158 Background**

The Council recognises that significant rate arrears can act as a disincentive to any new or existing occupation of Māori Freehold Land.

Policies for the postponement of rates for Māori Freehold Land encourage the use of the land by occupiers who agree to pay the current and future rates for the period of time that they will use the land.

Postponement means that the rates remain as a debt against the property until they are written off after six years or the status of the land changes. Whilst the rates are postponed, the Council does not seek to collect them.

This part of the policy is consistent with the objectives set out in Schedule 11 of the Local Government Act 2002, which include the need to facilitate the wish of the owners of Māori Freehold Land to develop the land for economic use

It provides for the remission of outstanding penalties and the postponement of rate arrears outstanding at the time that the agreement contemplated under this policy comes into force.

In the event that the current rates continue to be paid, the postponed rates will be remitted at the completion of the time period specified by the Council, which will not exceed six years after the date which they were charged to the land.

### 159 Objectives

To facilitate the development and use of Māori Freehold Land for economic use where the Council considers that the utilisation of that land would be uneconomic if full rates were payable.

To support any wish of the owners to develop the land for economic or other purposes by removing the rates burden while they plan for this development.

### 160 Conditions and criteria

The Council will consider agreeing to postpone the arrears of rates on Māori Freehold Land subject to the land being continuously used by a person or persons as defined by section 96 of the Local Government (Rating) Act 2002 and that person or persons agreeing to pay the current and future rates by the due date, while they are using the land, subject to the following criteria:

The land is Māori Freehold Land as defined by section 5 of the Local Government (Rating) Act 2002, set out above.

The application must be in writing signed by the owner/s, their agent, or the person or persons proposing to use the land.

The person or persons using the land must enter into an agreement in writing with the Council to keep the current and future rates up to date while they are using the land.

All previous instalments of the current years rates must be paid in full within one month of the agreement date or in part payments, by the 30th June of the applicable year OR at the discretion of the Council an agreement may be entered into with the owners or trustees of any Māori Freehold Land, which allows for the staged payment of rates over a 5-year period according to the following schedule:

- Year 1: Not less than 20% payable for that year
- Year 2: Not less than 40% payable for that year
- Year 3: Not less than 60% payable for that year
- Year 4: Not less than 80% payable for that year
- Year 5: 100% payable that year.

Any agreement negotiated under clause 4 must be supported by the following information:

- A 5-year projected cash flow prepared by a suitably qualified person, which shows the increase in annual cash surplus over the 5-year period.
- An assessment by the Council that the projected cash flow is realistic and can be achieved.
- An annual report from the owners or trustees.
- Any other documents the Council considers necessary to make an assessment.



Whakatāne continued

The Council will have the sole judgement on whether or not to grant the application and may seek such additional information as it may require before making the final decision.

Pursuant to section 88 of the Local Government (Rating) Act 2002, a postponement fee may be added to the postponed rates.

### **161 Termination and repayment of postponed rates**

Postponed rates will remain as a charge on the property for a period of six years from the date on which the rate was assessed, after which time they will be remitted.

If the current and future rates are not paid within one month of the due dates, the Council reserves the right to reapply the postponed rates to the land, subject to any agreement negotiated under clause 4 of Part 2 of this Policy.

### **162 Delegation**

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

## ***Remission of uniform charges on Māori Freehold Land***

### **163 Background**

There are situations where opportunities to utilise Māori Freehold Land for agricultural purposes in conjunction with adjacent General land or other adjoining Māori freehold land blocks used contiguously are lost due to the rating liability attached to the Māori Freehold Land.

### **164 Objectives**

The intent of this part of this policy is to remove that impediment so as to facilitate productive use of that Māori Freehold Land.

### **165 Conditions and criteria**

The Council will consider remitting all uniform charges on Māori Freehold Land under this Part if the following criteria are met:

- The land is Māori Freehold Land as defined by section 5 of the Local Government (Rating) Act 2002. This definition is set out above under the heading “Key definitions”
- There is agreement for the land to be used together with adjacent General land or Māori freehold land used contiguously for agricultural purposes
- Any application for a remission of uniform charges is to be made in writing annually, except where a remission has been granted for a longer period

### **166 Rates to be remitted**

Rates remissions may be applied to all uniform charges assessed on the Māori Freehold Land during the period that the Māori Freehold is utilised together with the adjacent General Land for agricultural purposes.



## 167 Delegation

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

## *Rates remission for penalties on unpaid rates*

### 168 Objectives

The objective of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the due date.

### 169 Conditions and criteria

In this part of this policy, the term "Individuals" means ratepayers who are natural persons. Penalties will be remitted where an applicant meets any of the following criteria: -

- Individuals on benefits or other low-incomes or who have been made redundant/unemployed, without substantial other means and who have exhausted all other avenues of relief
- Individuals suffering significant family disruption, e.g. serious illness or accident of self or a close family member, death of a close family member, marriage or separation/divorce
- Individuals in cases of extenuating circumstances, e.g. loss of records by fire or theft
- Individuals who are no longer able to manage their own affairs because of age and/or health and another person has assumed responsibility for the payment of accounts, etc. (Limited to one application per ratepayer)
- Individuals who contact Council prior to a penalty date to advise that they will not have funds available to pay the instalment charge until after the due date, and payment is effected within fourteen (14) days of the due date. (Limited to one penalty within any two (2) year period for any particular ratepayer)
- Ratepayers who have paid within 7 days after the due date, and who have not previously incurred a penalty for late payment. (Limited to one application within any two (2) year period for any particular ratepayer)

Ratepayers where:

- There is a proven problem with the delivery of instalment notices to a particular area, i.e. letter of confirmation from New Zealand Post.
- There is a delay with overseas postage. (Limited to one penalty for any particular ratepayer)
- Penalties may be remitted in other situations where, in the opinion of the Council, it would be just and equitable to do so.
- Applications for remission of penalties must be in writing.

- Rates (excluding the penalty) should be paid in full before remission is considered, except where provision is made for the remission of penalties prior to full repayment where regular payment plans, extending beyond 12 months, are in place and performing satisfactorily.

## 170 Delegation

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

## ***Rates remission and postponement for a rating unit affected by a natural hazard***

### 171 Objectives

The objective of this policy is to provide short term financial assistance to residential properties through providing postponement of rates in the first instance and remission of rates once an application has been received, to those ratepayers that have been detrimentally affected by erosion, subsidence, submersion or other natural hazard event;

Rates remission is to alleviate some of the financial pressure faced by residents that have had to move out of their homes. In these circumstances, property owners often end up incurring unexpected costs while their homes are not suitable for habitation. For some, this can affect the ability to pay their rates.

### 172 Conditions and criteria

The following conditions and criteria apply:

- The Council may postpone and remit rates charged on a rating unit if a dwelling is detrimentally affected by erosion, subsidence, submersion or other natural hazard event to such an extent that the resident ratepayers are no longer able to reside there.
- Applications for rates remission must be made in writing and be received by Council within a period of 12 months from the date on which the natural hazard event occurred.
- An application will only be considered where the following criteria are met:
  - f) The ratepayer must be the current owner of the rating unit which is the subject of application
  - g) The rating unit must be a residential property
  - h) Rates remitted may exclude the following service charges: water, sewerage disposal and mobile rubbish bins

The Council may remit rates for the duration of the period that the residents are unable to reside in the dwelling for a period of up to 90 days commencing seven days after the natural hazard event.

At the end of the 90 day period, the Council may extend the remission of rates to a fixed date if applicants can demonstrate adequate reasons for not being able to inhabit the dwelling within the 90 day period e.g. section 124 notice (dangerous building) under the Building Act 2004.

### 173 Delegation



The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this policy.

### ***Rates remission for community, sporting and other organisations***

#### **174 Objectives**

The objectives of this policy are:

- To facilitate the ongoing provision of non-commercial (business), non-profit, voluntary community and sporting services to the general public.
- To assist the organisation's financial viability.
- To make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people and economically disadvantaged people.

#### **175 Conditions and criteria**

The following conditions and criteria apply:

- Remission may be available to land occupied or used by a non-profit organisation which provides voluntary community or sporting services to the general public.
- The organisation's purpose aligns with the Policy objectives.
- 50% remission of rates and charges, excluding those for water, sewerage and refuse disposal, will apply for organisations, including those with a permanent club liquor licence.
- Applications for remission must be made on an approved declaration form.
- An application must include:
  - A signed statement from the organisation's treasurer to prove no profit is derived from its activity
  - A statement of objectives, information on activities and programmes and details of membership of clients.
- Applications for remission must be completed every two years.
- Each application will be considered on its merits, and provision of a remission in any year does not set a precedent for similar remission in any future year.

#### **176 Delegation**

The General Manager Corporate Performance and Finance Manager have delegated authority to make decisions under this.

## **Review of policy**



**177** In line with the LGA 2002, Council's Policy on Remission and Postponement of Rates will be reviewed at least once every three years. The extent of public consultation will be determined in accordance with the Local Government Act and the Significance and Engagement Policy. It will also be reviewed and consulted on at any time within the three-year period where amendment to the Policy is required.

## Related policies

**178** Significance and Engagement Policy

**179** Revenue and Financing policy

**180** Funding Needs Analysis

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# Proposed Resource Management Act and Building Act Charges Policy 2018/19

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## 1 Introduction

This policy sets out the Resource Management Act (RMA) and Building Act charges that apply from 1 July 2018. Authority to set these charges falls under section 36 of the RMA and section 243 of the Building Act.

## 2 Resource Management Act Charges

Under the RMA the Bay of Plenty Regional Council (Council) is responsible for managing the use of a wide range of natural resources including air quality, geothermal energy, groundwater and surface water. In order to carry out this function we are required to undertake a significant level of activity including:

- Processing and administration (e.g. in regard to regional plans and resource consents)
- Monitoring and supervision of resource consents
- Monitoring of natural resources.

The RMA gives Council the power to recover the 'reasonable' costs associated with these functions using charges made under Section 36. The RMA charges covered by this policy include:

- Application charges
- Discount on administrative charges
- Charges for objections
- Annual consent charges

### 2.1 Application charges

The charges in the following tables relate to applications for new resource consents, transfers or renewals of consents, certificates of compliance and the preparation or change to a policy statement or plan. The majority of these charges are deposits, with any additional costs charged on an actual and reasonable basis. An estimate of these additional costs can be provided on request.

#### 2.1.1. Applications for resource consents

Resource consents are processed as either non-notified, limited notified or publicly notified. The majority of resource consents are processed as non-notified. Council charges consent applicants for any costs incurred when processing resource consent applications. Charges include the costs of technical assessment, RMA assessment, peer review work and administration costs.

We charge the actual and reasonable costs for processing a consent. Actual and reasonable costs include, but are not limited to:

- Staff time spent processing a resource consent at the staff charge out rates detailed in Schedule A
- Contractors or consultants will be charged based on the charge out rate of the contractor or consultant engaged to do the work
- Disbursements which may include travel costs, expert advice, photocopying and hearing costs

Before Council begins to process an application we require an initial deposit fee to be paid in full. These application charges are shown in Table 1. Where consent processing costs exceed the initial deposit an additional charge for actual and reasonable costs is made.

Please note that application charges apply even if your consent application is declined or you withdraw your application.

Our Duty Consents Officer can help you make an informed decision, and if required offer advice about your application. The first hour is free and will save you time and money in the long run. After the first hour, we will charge you for the service. We will advise you before we start charging.

### 2.1.2. Application charges for non-notified resource consents

Resource consent applications are processed as “non-notified” if their effects are minor and those who might be affected by the activity agree to the consent being granted. The initial application deposits are outlined in Table 1.

**Table 1: General resource consent application deposits**

| Consent type  | Initial deposit<br>(Incl. GST) |
|---|--------------------------------|
| <b>Tier 1</b> <ul style="list-style-type: none"> <li>• Certificates of compliance</li> <li>• Re-consenting existing unchanged lake structures</li> <li>• Lapsing period extensions</li> </ul>   | \$775                          |
| <b>Tier 2</b> <ul style="list-style-type: none"> <li>• Onsite effluent discharge (septic tanks)</li> <li>• Onsite dairy discharge effluent</li> <li>• Remediation of contaminated land</li> <li>• Multiple bores (for between 1 to 3 bores the fixed fee in Table 3 applies)</li> <li>• Changes, cancellation or review of consent conditions</li> <li>• Transfer of consent to another site or another person at another site</li> </ul> | \$1,770                        |
| <b>Tier 3</b> <ul style="list-style-type: none"> <li>• All other consent categories</li> </ul>  | \$2,700                        |

### 2.1.3. Charges for limited and publicly notified resource consents

When an application is notified and proceeds to a hearing a further deposit is payable as detailed in Table 2.

**Table 2: Limited notified or publicly notified resource consents**

| Resource consent process                                  | Initial deposit<br>(Incl. GST) |
|---|--------------------------------|
| Limited notified applications which proceed to a hearing  | \$5,000                        |
| Publicly notified applications which proceed to a hearing | \$10,000                       |

Costs for Hearing Committee members and Commissioners will be recovered from applicants at their set charge-out rate. Disbursements will be charged at actual and reasonable cost.

### 2.1.4. Fixed application charges

Table 3 details our fixed charges with no additional costs payable.

**Table 3: Fixed application fees (no additional costs payable)**

| Consent type  | Incl. GST |
|---|-----------|
| OSET Approval Inspection Fee  | \$50      |
| Land use consent to construct between 1 to 3 geotechnical freshwater bores or domestic geothermal bores       | \$475     |
| Transfer of consent to another person at the same site where a complete application is submitted <sup>1</sup> | \$165     |

### 2.1.5. Application charges for the preparation or change of a Plan or Policy statement

Applicants will pay a deposit in advance for any requests for a change to an existing regional plan or policy statement, or for the preparation of any new plan or policy statement. If a change to an existing regional plan or policy statement (or new plan request) is deemed complex a deposit of \$50,000 will be payable at the discretion of the General Manager Strategy.

**Table 4: Initial application deposit for the preparation or change of a plan or policy statement**

|   | Initial deposit (Incl. GST) |
|---|-----------------------------|
| Standard deposit  | \$5,000                     |
| Deposit for complex plan or policy statement changes or new plan requests | \$50,000                    |

We charge actual and reasonable costs for the preparation or change of a Plan or Policy statement. Actual and reasonable costs include, but are not limited to:

- Staff time spent at the staff charge out rates detailed in Schedule A
- Contractors or consultants will be charged based on the charge out rate of the contractor or consultant engaged to do the work
- Disbursements which may include travel costs, expert advice, photocopying and hearing costs

<sup>1</sup> Where an incomplete application for a “transfer of consent to another person at the same site” results in more than 1.5 hours of staff time being required to process the transfer, actual and reasonable costs will be charged to the transferee for the additional time required to process the incomplete application.

### 2.1.6. Permitted marginal or temporary activities

Applicants for notices stating that an activity is a permitted marginal or temporary activity will be charged actual and reasonable costs with the first hour being provided free of charge. Staff time is charged on the basis of actual time spent. Staff charge out rates are detailed in Schedule A.

**Table 5: Permitted marginal or temporary activities**

|   | Incl. GST   |
|---|---|
| Issuing a notice stating that an activity is a permitted marginal or temporary activity | Actual and reasonable with the first hour provided free of charge |

### 2.1.7. Exemptions and zero fee activities

The exemptions in Table 6 are in accordance with decisions adopted by Council at its meeting on xxx.

**Table 6: Exemptions and zero fee activities**

| Consent category  | Incl. GST |
|---|-----------|
| Activities listed in regional plans that have zero fee  | \$0       |
| Application to reduce the allocated rate of a surface water take consent or allocated annual volume of groundwater take consent which reduces the environmental effect of that take | \$0       |

## 2.2 Discount on administrative charges

The Resource Management (Discount on Administrative Charges) Regulations 2010 commonly called the "Discount Regulations", sets a default discount policy for resource consents that are not processed within statutory timeframes. Council's policy is to adhere to the Discount Regulations.

The Discount Regulations set out a discount of 1% of the total for every working day an application remains unprocessed beyond the statutory timeframes specified in the RMA, up to a maximum of 50% (i.e. 50 working days).

The Discount Regulations apply to the processing of most resource consent applications or applications to change consent conditions. They do not apply to the following:

- Applications for extensions to consent lapsing periods
- Local authority initiated consent reviews
- Certificates of compliance
- When an applicant withdraws a resource consent application

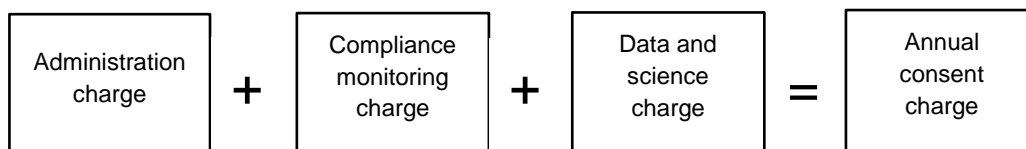
## 2.3 Charges for objections

If a person who has lodged an objection requests that the objection be considered by a hearings commissioner, Council will recover charges associated with the objections being considered and decided in accordance with that request. Those costs will be recovered on an actual and reasonable basis. Council will ask the commissioner(s) to make a recommendation on whether it would be appropriate to remit any of these charges and consider that recommendation.

## 2.4 Annual consent charges

The annual consent charge payable by the consent holder in relation to each current resource consent is made up of:

- Administrative charge
- Compliance/supervision charge (referred to as 'compliance monitoring charge')
- Data and science charge



For those consents where compliance monitoring is charged on an actual and reasonable basis, the monitoring charges will be invoiced according to the frequency of inspections (e.g. consents inspected more than once during the year will receive monitoring invoices during the year in addition to the annual consent charge).

### 2.4.1. Administration charge

The administration charge covers the costs associated with consent databases and associated records, compiling and monitoring accounts, dealing with general enquiries from consent holders and general administrative actions and Section 36 policy development and maintenance.

**Table 7: Administration charge**

|   | Incl. GST |
|---|-----------|
| Standard charge   | \$135     |
| Multiple consents: additional charge per consent holder where separate invoicing and correspondence is required | \$115     |

### 2.4.2. Compliance monitoring charges

It is Council policy that the majority of costs of compliance monitoring of consents should be recovered from consent holders.

**Table 8: Compliance monitoring charges**

| Compliance monitoring charge   | Incl. GST             |
|--|-----------------------|
| Fixed fee compliance monitoring charges <sup>2</sup>                                       | Schedule 1A           |
| All other consents not listed in Schedule 1A   | Actual and reasonable |
| Second and subsequent inspections as necessitated by previous non-compliance               | Actual and reasonable |
| Auditing information required by consent conditions or participation in peer review panels | Actual and reasonable |
| Administration relating to late submission of records and monitoring reports               | \$230                 |

<sup>2</sup> Where the time spent processing monitoring returns exceeds the standard time allocated to the compliance category, any additional time will be charged on an actual and reasonable basis.

Compliance monitoring charges are based on the actual and reasonable costs of carrying out the compliance monitoring programme. Fixed and variable charges are made up of the staff time to carry out an inspection (if required), audit any monitoring information provided by consent holders, follow up any non-compliance and reporting back to consent holders if required. Staff charge out rates are detailed in Schedule A. Contractors or consultants will be charged based on the charge out rate of the contractor or consultant engaged to do the work. Disbursements may include items such as travel costs, sampling and testing costs and photocopying.

### 2.4.3. Data and science charge

The data and science charge covers a portion of Council's costs of carrying out regional and impact monitoring and specific investigations into the state of the environment.

**Table 9: Data and science charge**

| Data and science charge |                     |
|-------------------------|---------------------|
| All applicable consents | Schedules 1B to 12B |

## 2.5 Exemptions from annual charges

The exemptions in table 10 are in accordance with decisions adopted by Council at its meeting on xxx.

**Table 10: Exemptions from annual consent charges**

| Consent category   | Exempt from           |
|--|-----------------------|
| Long term consents for structures, reclamations or diversions in the Coastal Marine Area, rivers and lakes unless an inspection has been carried out (in which case the consent holder is charged as per Schedule 1A or 2A)  | Administration charge |
| "Consequential" consents such as the discharge permit in an activity that involves a diversion and discharge, or the discharge permit in an activity that involves taking and discharging water (e.g. to heat a pool). To qualify, the "consequential" consent must occur as a natural consequence of the primary activity and have no significant environmental effect compared to the primary consent. | Administration charge |

## 2.6 Travel charges

Site visits for resource consent applications and compliance monitoring, regardless of location, will be charged a standard rate of half an hour (at the staff charge out rates detailed in Schedule A) for our travel time and 50km at the applicable IRD mileage rate.

### 3 Building Act charges

Under the Building Act 2004, Bay of Plenty Regional Council (BOPRC) is responsible for functions relating to dams. For efficiency and cost reduction reasons, BOPRC has transferred the following building consent authority functions for dams to the Waikato Regional Council<sup>3</sup>:

- Processing of building consents
- Inspection process
- Issuing dam code compliance certificate
- Issuing compliance schedule.

Please contact Waikato Regional Council or see its website [www.waikatoregion.govt.nz/damsafety](http://www.waikatoregion.govt.nz/damsafety) for relevant up-to-date fees and charges for these areas.

Section 243 of the Building Act 2004 enables BOPRC to recover costs through imposing fees or charges for the functions not delegated to Waikato Regional Council. The charges have been set using the principle that the full cost of the service provided is to be recovered. Any costs in addition to charges specified in Table 11 will be on an actual and reasonable basis.

**Table 11: Building Act deposit fees**

| Activity   | Incl. GST                   |
|--|-----------------------------|
| <b>Administration cost for Register of Dams</b>                    |                             |
| Dam potential impact classification                                | \$240                       |
| Dam safety assurance programme                                     | \$240                       |
| Annual dam compliance certificate                                  | \$240                       |
| <b>Review</b>  |                             |
| Review of potential impact classifications submitted by dam owners | Actual and reasonable costs |
| Review of dam safety assurance programme                           | Actual and reasonable costs |
| <b>Building consent for dams</b>                                   |                             |
| Project Information Memorandum (PIM)                               | \$155                       |
| <b>Certificate of acceptance</b>                                   |                             |
| Dam valued up to \$20,000  | \$585                       |
| Dam valued between \$20,000 and \$100,000                          | \$2,345                     |
| Dam valued over \$100,000  | \$4,690                     |
| <b>Compliance and other functions</b>                              |                             |
| Standard labour cost and extra cost of expert advice               | Actual and reasonable costs |

<sup>3</sup> Memorandum with Waikato Regional Council (WRC) dated 6 March 2009 (WRC document no.1329516), updated with Memorandum with WRC dated 1 June 2015 (WRC document no. 3165770)



## 4 Miscellaneous administrative charges

Under sections 36(1)(e), 36(1)(f) and 36(1)(g) of the RMA and section 13 of the Local Government Official Information and Meetings Act (1987), Council is able to charge for the provision of information in respect of plans and resource consents, the supply of documents and any kind of charge authorised by regulations.

**Table 12: Miscellaneous administrative charges**

|                             | Incl. GST  |
|-----------------------------|--|
| <b>Information requests</b> |  |
| Administration fee          | Actual and reasonable costs with first hour free |
| <b>Photocopying</b>         |  |
| A4 (black and white)        | 6c per page                                      |
| A3 (black and white)        | 10c per page                                     |
| A4 (colour)                 | 50c per page                                     |
| A3 (colour)                 | 75c per page                                     |

## 5 Enforcement

Issuing an abatement notice will be charged to the holder of the consent, even if the notice itself is issued to a representative of the consent holder (e.g. farm manager, contractor, etc.). Note that this is for generating and issuing the notice and does not include any additional costs associated with non-compliance. Any additional charges will be made on an actual and reasonable basis. Actual and reasonable costs include, but are not limited to:

- Staff time to carry out the inspection and prepare reports etc. at the staff charge out rates detailed in Schedule A
- Associated disbursements such as travel costs, sampling and testing costs and specialist advice

**Table 13: Enforcement**

|                              | Incl. GST |
|------------------------------|-----------|
| Issue of an abatement notice | \$220.00  |

## 6 General matters

- (a) The charges cover the financial period from 1 July 2018 – 30 June 2019.
- (b) Charges will be payable on the 20th of the month following the month the invoice was issued e.g. invoices issued in September will be due on 20th October.
- (c) Where charges are deposits, applicants will be charged all actual and reasonable costs above the deposit fee.
- (d) Actual and reasonable costs include, but are not limited to staff time (see Schedule A), travel costs, advertising, peer review, meeting and hearing costs, commissioner charges, disbursements and costs of consultants.
- (e) Where the deposit fee exceeds the processing costs by \$25 or more, the difference will be refunded to the applicant.
- (f) In accordance with section 36AAB(2) of the RMA and section 243(2) of the Building Act, the Regional Council may decline to perform the action to which the charge relates until the charge has been paid in full, with the exception of those noted in section 36AAB(3) of the RMA.
- (g) Where a consent application is withdrawn, any actual and reasonable costs incurred will be charged.
- (h) If an activity is consented during the year which is not accommodated on the existing Compliance Monitoring and Data and Science schedules (schedules 1A – 12B), an interim charge will be set based on the actual and reasonable costs to Council of carrying out the monitoring of the consent.
- (i) When a consent is issued part way through the financial year the Compliance Monitoring and Data and Science charges will be on a pro-rata basis, but in all cases the full annual administration charge will first be payable.
- (j) Where consent is varied during a financial year to which this policy applies, any change in Compliance Monitoring and Data and Science charges will apply on a pro-rata basis from when the variation is approved.
- (k) When a consent expires or is surrendered or lawfully terminated during the year and the activity ceases, then in any case the full annual administration charge will apply and the remainder of the fee will be on a pro-rata basis having regard to what monitoring had been undertaken.
- (l) Where a consent expires or is surrendered or lawfully terminated during the course of a year but the activity continues and is subject to a renewal process, and then the full charge shall apply.
- (m) Council may remit any charge made, in part or in full, in cases of inequity to be determined by resolution of Council. In doing so Council will credit the appropriate account.
- (n) Council will recover the actual and reasonable costs of investigating and reporting substantiated complaints relating to consented activities.
- (o) Provisions pertaining to private plan changes under the RMA apply, and the charging or provision of payment does not infer approval or acceptance of any plan change request
- (p) Holders of consents to take and/or discharge geothermal water and or contaminants will be invoiced separately for actual and reasonable costs of monitoring of temperature and flow, where such monitoring is required to be carried out by the consent holder, but the monitoring is not carried out by the consent holder.

## 7 Worked examples

The following are examples of annual charges (GST inclusive) for a range of consented activities. Note that actual charges will be determined on a case by case basis.

*Small cooling water discharge to a river.*

|  |   |   |   |   |   |  |
|--|---|---|---|---|---|--|
| <b>Administration charge</b><br><br><b>\$135</b> | + | <b>Compliance monitoring charge</b><br><br>Schedule 1A<br>Category – ID Min<br><br><b>\$185</b> | + | <b>Data and science charge</b><br><br>Schedule 1B<br>Step 3<br><br><b>\$180</b> | = | <b>Total annual consent charge</b><br><br><b>\$500</b> |
|--|---|---|---|---|---|--|

*Small sewage discharge, land treatment, annual inspection.*

|  |   |  |   |   |   |  |
|--|---|--|---|---|---|--|
| <b>Administration charge</b><br><br><b>\$135</b> | + | <b>Compliance monitoring charge</b><br><br>Schedule 1A<br>Category – STP Min<br><br><b>\$620</b> | + | <b>Data and science charge</b><br><br>Schedule 2B<br>Step 3<br><br><b>\$330</b> | = | <b>Total annual consent charge</b><br><br><b>\$1,085</b> |
|--|---|--|---|---|---|--|

*Small to medium stormwater discharges, flood pumping schemes without contaminants to surface water.*

|  |   |   |   |   |   |  |
|--|---|---|---|---|---|--|
| <b>Administration charge</b><br><br><b>\$135</b> | + | <b>Compliance monitoring charge</b><br><br>Schedule 2A<br>Category – SW<br><br><b>Actual and reasonable costs for inspections</b> | + | <b>Data and science charge</b><br><br>Schedule 4B<br>Step 2<br><br><b>\$220</b> | = | <b>Total annual consent charge</b><br><br><b>\$355 + A&amp;R</b> |
|--|---|---|---|---|---|--|

*Water take for irrigation, large impact.*

|  |   |   |   |  |   |   |
|--|---|---|---|--|---|---|
| <b>Administration charge</b><br><br><b>\$135</b> | + | <b>Compliance monitoring charge</b><br><br>Schedule 2A<br>Category – Irri large<br><br><b>Actual and reasonable costs for inspections</b> | + | <b>Data and science charge</b><br><br>Schedule 7B<br>Step 7<br><br><b>\$18,840</b> | = | <b>Total annual consent charge</b><br><br><b>\$18,975</b> |
|--|---|---|---|--|---|---|

## 8 Schedules

Note: all charges in the following schedules are GST inclusive.

- Schedule A Charges for staff and consultants
- Schedules 1A and 2A Compliance monitoring charges
- Schedules 1B to 12B Data and science charges

### Schedule A - Charges for staff, consultants/contractors (GST inclusive)

| Group  | Hourly rate<br>(Incl. GST)             |
|--|--|
| Administration   | \$110                                  |
| Officers/Planners  | \$155                                  |
| Senior Officers/Planners                                       |  |
| Engineers/Scientist/Regulatory Project Officer (RPO)           |  |
| External contracted compliance monitoring officer              |  |
| Maritime Officer   |  |
| Team Leaders/Senior RPO/Works Engineer/Senior Maritime Officer | \$180                                  |
| Senior Engineer/Senior Scientist/Harbourmaster                 |  |
| Pou Ngaio (Technical/Cultural RMA Specialist)                  |  |
| Managers/Regional Harbourmaster                                | \$260                                  |
| Consultants/Contractors  | As charged by<br>consultant/contractor |
| Regional Council staff mileage                                 | Current IRD rate                       |

Note: Some positions may not be listed. In such cases the charge will be calculated from actual time multiplied by the most appropriate charge out rate listed above.

## Compliance monitoring charges

### Schedule 1A – Consents subject to annual fixed fee compliance monitoring charges

| Compliance category                              | Code         | Inspection frequency | Comments  | Annual charge (Incl. GST) |
|--|--------------|----------------------|---|---------------------------|
| Air Discharge - small industry                   | Air min      | 3 yearly             | Small operations with a low risk when managed well for example sandblasters, spray painters, etc.   | \$235                     |
| Air Discharge - medium industry                  | Air med      | 1 yearly             | Medium sized sites with a potential to result in moderate environmental impacts if not managed well. May require more significant reporting (e.g. monthly)  | \$1,085                   |
| Dairy Sheds - low risk                           | DairyLR      | 3 yearly             | PI systems: Adequate pond storage (lined in Rotorua lakes), appropriate irrigator technology for soil types and slopes, good compliance history   | \$95                      |
| Dairy Sheds - moderate risk                      | DairyMR      | 2 yearly             | All disposal systems that don't meet DairyLR or DairyHR criteria, but have good compliance history and systems that can be managed in a way that ensures compliance                                       | \$155                     |
| Dairy Sheds - high risk                          | DairyHR      | 1 yearly             | Any consent authorising a discharge to surface waters, or other High Risk dairy systems that don't meet DairyLR or DairyMR criteria   | \$310                     |
| Industrial Discharges - small                    | ID Min       | 3 yearly             | Small sites with small discharges and a low risk when managed well  | \$185                     |
| Industrial Discharges - medium                   | ID Med       | 1 yearly             | Medium sites with potential to result in moderate effects if not managed well   | \$930                     |
| Landfills - closed                               | Landfill min | 5 yearly             | Closed landfills and managed cleanfill sites  | \$175                     |
| OSET - low risk                                  | OSET LR      | 8 yearly             | All septic tanks and AWTS that are not within the OSET HR category. Inspected at time of installation and then on an 8 yearly basis   | \$85                      |
| Piggeries  | Pig          | 2 yearly             | Low risk when managed correctly   | \$165                     |
| Wastewater Plants - small                        | STP Min      | 1 yearly             | A small scale sewage treatment plant, not an OSET HR or OSET LR system, and up to 50m <sup>3</sup> /day   | \$620                     |
| Transfer Stations                                | Transfer     | 1 yearly             | Operational Transfer Stations   | \$465                     |
| Timber Treatment Plant                           | TTP          | 1 yearly             | Timber treatment plants which generally have tight environmental controls with a significant amount of reporting. Risk is high if uncontrolled discharges occur   | \$700                     |
| Minor Dams                                       | Dams         | 10 yearly            | Small dams (e.g. farm dams). Does not include Hydro-electric scheme dams  | \$40                      |
| Geothermal Abstraction - excluding Rotorua field | GeoO         | 3 yearly             | All geothermal abstractors who are not large commercial operators, and are located outside of the Rotorua Geothermal field  | \$335                     |
| Geothermal Abstraction - Rotorua field only      | GeoR         | 3 yearly             | All geothermal abstractors who are not large commercial operators, and are located inside of the Rotorua Geothermal field. Cost of undertaking temp and flow charged at A+R if not done by Consent holder | \$195                     |

| Compliance category                           | Code       | Inspection frequency | Comments   | Annual charge (Incl. GST) |
|---|------------|----------------------|--|---------------------------|
| Industrial Abstraction - minor                | Ind Min    | 5 yearly             | As most of these water takes will fall under the NER <sup>4</sup> , inspections can be reduced as records will be good indicator of compliance. Generally inspect the industrial takes at the same time as the industrial discharge consents are inspected | \$160                     |
| Hort/Agr Abstraction - >5L/s <sup>5</sup>     | Irri large | 5 yearly             | Larger takes covered by NER so require meter and verification. LTP target aims for reduced non-compliance  | \$175                     |
| Hort/Agr Abstraction - <5L/s <sup>5</sup>     | Irri small | 3 yearly             | Small takes that do not generally require metering and verification, so require more frequent inspection   | \$115                     |
| Municipal Abstraction - minor                 | MA Min     | 5 yearly             | These water takes will generally fall under the NER, and as such records will be good indicator of compliance  | \$170                     |
| Geothermal Abstractors (Warm Water Bores Tga) | Warm       | 3 yearly             | All warm water abstractors in the Western Bay area who are not Industrial or Municipal abstractors   | \$195                     |

<sup>4</sup> Resource Management (Measurement and Reporting of Water Takes) Regulations 2010

<sup>5</sup> Any additional monitoring work required in over-allocated catchments not covered by the fixed fee will be charged on an actual and reasonable basis

## Schedule 2A – Consents subject to variable compliance monitoring costs

| Compliance category                             | Code         | Inspection frequency    | Comments   |
|---|--------------|-------------------------|--|
| Air Discharge - large industry                  | Air Maj      | 3 monthly               | In addition to regular visits, these require very frequent review of compliance returns, technical reports, etc. throughout year.  |
| Aquaculture                                     | Aqua         | 1 yearly                | Aquaculture monitoring   |
| Bore Installations                              | Bore Ins     | As required             | Administration only. Generally no site visit undertaken  |
| Coastal structures                              | Struct       | 10 yearly               | Inspected during construction (A+R) then reduced inspection frequency.   |
| Comprehensive Catchment Stormwater              | CCSW         | 1 yearly                | Regular review of returns and reports  |
| Dewater   | Dewater      | As required             | Short term consents usually associated with earthworks, so inspected during earthworks site visit  |
| Other Disturbance                               | Disturb      | 1 yearly                | Inspected during works   |
| Diversions                                      | Div          | As required             | Inspected as per earthworks during construction, then not at all   |
| Dredging  | Dredge       | 1 yearly                | Inspected during works   |
| Earthworks                                      | EW           | As required             | An estimated annual monitoring time has been allocated for this category, as only a portion of all consents are "active" at any one time. Inspections are usually once every month, but can increase or decrease depending on site risk      |
| Forestry  | Forest       | As required             | An estimated annual monitoring time has been allocated for this category, as only a portion of all consents are "active" at any one time. Inspections are once every 2 months, but can increase or decrease depending on site risk           |
| Geothermal Abstractors (Large scale industrial) | Geol         | 6 monthly               | Complex sites, Peer Review Panels, Community Liaison Groups, etc.  |
| Hydro Dams                                      | Hydro        | 1 yearly                | Large hydro schemes are generally well managed however impact of non-compliance can be very significant  |
| Industrial Discharges Major                     | ID Maj       | 3 monthly               | These require very frequent review of compliance returns, technical reports, etc. throughout year  |
| Industrial Abstraction - major                  | Ind Maj      | As required or 5 yearly | As most of these water takes will fall under the NER, inspections can be reduced as records will be good indicator of compliance. Generally inspect the industrial takes at the same time as the industrial discharge consents are inspected |
| Lake structures                                 | Lake Struct  | 10 yearly               | Inspected during construction (A+R) then reduced inspection frequency. Mainly accessed by boat   |
| Landfills - Open                                | Landfill Maj | 6 monthly               | Open landfills and managed cleanfill sites   |

| Compliance category                     | Code       | Inspection frequency    | Comments   |
|---|------------|-------------------------|--|
| Mangroves                               | Mangrove   | 1 yearly                | Inspected as and when required when removal is taking place  |
| Municipal Abstraction - major           | MA Maj     | As required or 5 yearly | These water takes will fall under the NER, and as such records will be good indicator of compliance  |
| OSET - high risk                        | OSET HR    | 1 yearly                | All septic tanks and AWTS within 200m of Rotorua Lakes, or within Maintenance Zones as shown in OSET Plan, or where the system receives more than 2m <sup>3</sup> /day, or where there has been a poor history of compliance |
| Quarries - large commercial             | Quarry Lge | 6 monthly               | Large commercial quarries  |
| Quarries (small)                        | Quarry Sml | 3 yearly                | Example: Forestry, farm quarry   |
| Reclamations                            | Rec        | As required             | Inspected as per earthworks during construction, then not at all   |
| Disturb, excavate foreshore or seabed   | Sand       | 5 yearly                | Inspected during works   |
| Wastewater Plants - large               | STP Maj    | 6 monthly               | Not an OSET HR or OSET LR system, and greater than 50m <sup>3</sup> /day   |
| Shingle extraction                      | Shingle    | 1 yearly                | Inspected during extraction - irregular basis  |
| Spray - herbicides, etc.                | Spray      | As required             | Inspected on an infrequent basis depending on whether the activity is taking place   |
| Stream structures                       | Stream     | 10 yearly               | Inspected during construction (A+R) then reduced inspection frequency  |
| Stormwater                              | SW         | As required             | Variety of low risk consents. Generally only monitored at installation, unless issues arise  |
| Water takes (over-allocated catchments) |            | As required             | Additional monitoring work required in over-allocated catchments   |



## Data and science charges

### Schedule 1B - Water management

#### Consents to discharge industrial or process related water and/or contaminants

| Step | Examples  | Annual charge (Incl. GST) |
|------|---|---------------------------|
| 1    | Negligible individual impact but cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Small volume, often intermittent.  | \$60                      |
| 2    | Minor individual impact but cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Small volume, low concentration waste. May not be continuous.   | \$90                      |
| 3    | Individual and cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Regular discharge. Contains contaminants. Volume <20 m <sup>3</sup> /day.  | \$180                     |
| 4    | Individual and cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Range of contaminants. Volume <50 m <sup>3</sup> /day, regular. Discharge to surface water. No impact on other users. For land discharge volume up to 150 m <sup>3</sup> /day increase in contaminant concentration.   | \$460                     |
| 5    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Monitoring of receiving water classification standards where relevant. Noticeable effect on resource, other users. Regular discharge volume <100 m <sup>3</sup> /day. Noticeable effect on resource, other users. Regular discharge volume <100 m <sup>3</sup> /day. Range of contaminants. For land discharge volume up to 250 m <sup>3</sup> /day and increase in contaminant concentration.   | \$1,870                   |
| 6    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Monitoring of receiving water classification standards where relevant. Significant potential effect on resource, but does not exclude other users. Volume <1,000 m <sup>3</sup> /day. Range of contaminants. For land discharge volume up to 2,000 m <sup>3</sup> /day and increase in contaminant concentration.  | \$3,620                   |
| 7    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Significant potential effect on resource, but does not exclude other users. Volume <10,000 m <sup>3</sup> /day. Range of contaminants. For land discharge, volume up to 20,000 m <sup>3</sup> /day and increase in contaminant concentrations.                                   | \$9,030                   |
| 8    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Significant potential effect on resource, but does not exclude other users. Volume <20,000 m <sup>3</sup> /day. Contaminants discharge to receiving waters, utilises significant portion of assimilative capacity of receiving water. Likely to exclude other significant users. | \$18,060                  |
| 9    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Significant effect on  | \$27,910                  |

| Step | Examples  | Annual charge<br>(Incl. GST) |
|------|---|------------------------------|
|      | resource, other users. Volume exceeds 20,000m <sup>3</sup> /day. Contaminants discharge to receiving waters, utilises substantial proportion of assimilative capacity of receiving water. Likely to exclude other significant users.  |                              |
| 10   | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Very High Impact; as a result of individual discharge or combined effect with other discharges. Substantial effect on resource or other users. Substantial range of contaminants. Can exclude other significant users. | \$37,220                     |
| 11   | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Severe impact. The individual discharge has a substantial effect on resources and other users. Substantial range of contaminants. Excludes other significant users. May alter habitat and impact ecosystem.            | \$72,240                     |

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## Schedule 2B - Water management

### Consents to discharge sewage related water and/or contaminants

| Step | Examples   | Annual charge (Incl. GST) |
|------|--|---------------------------|
| 1    | Negligible individual impact but cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. No offsite Impacts. Small scale on site disposal. Individual household, up to 2m <sup>3</sup> /day.   | \$110                     |
| 2    | Minor individual impact but cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. No offsite Impacts. Small scale on site disposal. Up to 30m <sup>3</sup> /day.   | \$170                     |
| 3    | Individual and cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Limited offsite Impacts. Small scale communal system. Land based system 30-50m <sup>3</sup> /day.   | \$330                     |
| 4    | Individual and cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Potential offsite impacts. Small communal system. 50-100m <sup>3</sup> /day. For land based 50-200 m <sup>3</sup> /day.   | \$980                     |
| 5    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Monitoring of receiving water classification standards where relevant. Potential and occasional offsite impacts. Significant community. Up to 2,000m <sup>3</sup> /day. For land discharge up to 4,000 m <sup>3</sup> /day. No trade wastes.  | \$3,270                   |
| 6    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Moderate impact. Small town treatment system. Potential effect on resource, but does not exclude other users. Limited trade wastes. | \$8,170                   |
| 7    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Moderate Impact. Medium scale treatment system. Identifiable effects on resource, but does not exclude other users. Trade wastes.   | \$16,330                  |
| 8    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Moderate to high impact. Identifiable effects on resource, can exclude other users. Significant trade wastes.                       | \$33,970                  |

## Schedule 3B - Water management

### Consents to discharge agricultural related water and/or contaminants

| Step | Examples   | Annual charge<br>(Incl. GST) |
|------|--|------------------------------|
| 1    | Negligible individual impact but cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. No offsite impacts. Land discharge <20 m <sup>3</sup> /day.   | \$130                        |
| 2    | Individual and cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Discharge to surface water and land discharge >20 m <sup>3</sup> /day. Potential effect on resource, but does not exclude other users.  | \$160                        |
| 3    | Individual and cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Small to moderate impact. Some impact on resource, minimal impact on other users.   | \$620                        |
| 4    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Monitoring of receiving water classification standards where relevant. Moderate impact. Utilises significant amount of receiving water capacity. May impact on other users. <50 m <sup>3</sup> /day.  | \$2,200                      |
| 5    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Moderate to high impact. Utilises substantial amount of receiving water capacity. Excludes other users. | \$3,660                      |

## Schedule 4B - Water management

### Consents to discharge stormwater, quarrying, dredging, leachate and miscellaneous related water and/or contaminants

| Step | Examples  | Annual charge<br>(Incl. GST) |
|------|---|------------------------------|
| 1    | Negligible individual impact but cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. No offsite effects. Land based disposal only.  | \$110                        |
| 2    | Minor individual impact but cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Low concentration of limited contaminants. Intermittent discharge. Insignificant impact on resource.  | \$220                        |
| 3    | Individual and cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Small Impact. Low concentration of limited contaminants. Intermittent to regular discharge.  | \$320                        |
| 4    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Monitoring of receiving water classification standards where relevant. Moderate impact. Minor effect on resource. Does not exclude other users. Low to medium concentration of limited contaminants. Intermittent to regular discharge.                        | \$790                        |
| 5    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Monitoring of receiving water classification standards where relevant. Moderate to Significant impact. Has impact on resource and may affect other users. Increase in concentration and number of contaminants discharged.                                     | \$2,650                      |
| 6    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Monitoring of receiving water classification standards where relevant. Significant impact. Has impact on resource, can exclude other users. Can have impact on biota and alters habitat. May contain toxic substances.   | \$7,920                      |
| 7    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Major impact. Has impact on resource, can exclude other users. Has impact on biota and alters habitat. | \$16,450                     |

## Schedule 5B - Water management

### Consents to discharge warm water/geothermal fluid into the ground

| Step | Examples   | Annual charge<br>(Incl. GST) |
|------|--|------------------------------|
| 1    | Negligible individual impact but cumulative impacts require monitoring. No foreign contamination.  | \$30                         |
| 2    | Reinjection (Rotorua Geothermal Field), small volume <25 m <sup>3</sup> /day. Regular discharge.   | 0                            |
| 3    | Soakage (Rotorua Geothermal Field), small volume <25 m <sup>3</sup> /day. Regular discharge. Minor individual impact but cumulative impacts may require monitoring. Minor impact. No foreign contamination.  | \$60                         |
| 4    | Reinjection (Rotorua Geothermal Field), volume <250 m <sup>3</sup> /day. Regular discharge.  | \$0                          |
| 5    | Soakage (Rotorua Geothermal Field). Regular discharge. Volume <250 m <sup>3</sup> /day. Individual and cumulative impacts require monitoring. Small impact. No foreign contamination.  | \$160                        |
| 6    | Reinjection (Rotorua Geothermal Field), volume <500 m <sup>3</sup> /day. Regular discharge.  | \$0                          |
| 7    | Soakage (Rotorua Geothermal Field). Regular discharge. Volume <500 m <sup>3</sup> /day. Individual and cumulative impacts require monitoring. Small to moderate impact. No foreign contamination.  | \$650                        |
| 8    | Reinjection (Rotorua Geothermal Field), volume <2,000 m <sup>3</sup> /day. Regular discharge.  | \$0                          |
| 9    | Soakage (Rotorua Geothermal Field). Regular discharge. Volume <2,000 m <sup>3</sup> /day. Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Moderate impact. No foreign contamination. Has potential to affect resource or other users. | \$1,620                      |
| 10   | Discharge to reinjection. Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Moderate impact. No foreign contamination. May affect resource and other users. Regular discharge. Volume <5,000 m <sup>3</sup> /day.                       | \$3,240                      |
| 11   | Discharge to reinjection. Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. High impact. No foreign contamination. Resource affected. Can exclude other users. Volume >5,000 m <sup>3</sup> /day.                                       | \$8,100                      |

## Schedule 6B - Water management

### Consents to take surface water

(Note: these charges vary depending on the volume of water permitted to be taken under the consent as per the examples below and apply regardless of whether the allocation is being used).

| Step | Examples  | Annual charge<br>(Incl. GST) |
|------|---|------------------------------|
| 1    | Negligible individual impact but cumulative impacts require monitoring. Includes environmental protection or enhancement activities. Plentiful resource 0-250 m <sup>3</sup> /day. Frost protection - up to 1,000 m <sup>3</sup> /day.  | \$80                         |
| 2    | Minor individual impact but cumulative impacts require monitoring. Includes environmental protection or enhancement activities. No significant impact on other users. Plentiful resource 250-500 m <sup>3</sup> /day. Frost protection - up to 2,000 m <sup>3</sup> /day.   | \$160                        |
| 3    | Individual and cumulative impacts require monitoring. Small Impact. Some impact on flow particularly in combination with other users. Not detrimental to in-stream values. 500-1,000 m <sup>3</sup> /day. Frost protection - up to 3,000 m <sup>3</sup> /day.   | \$300                        |
| 4    | Individual and cumulative impacts require monitoring. Small to moderate impact. Impact on flow may exclude other users. 1,000-2,000 m <sup>3</sup> /day (municipal and industrial takes). Up to 5,000 m <sup>3</sup> /day (irrigators). Frost protection - >3,000 m <sup>3</sup> /day.  | \$1,170                      |
| 5    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Moderate Impact. Impact on flow may exclude other users. May be detrimental to in-stream values. Up to 10,000 m <sup>3</sup> /day.   | \$3,020                      |
| 6    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Moderate to Large Impact. Significant abstraction. Can have impacts on the resource and other users. Up to 30,000 m <sup>3</sup> /day.   | \$9,040                      |
| 7    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major resource impact monitoring investigation annually. Report prepared. High impact. Significant water abstraction. Has significant impact on resource. Up to 50,000 m <sup>3</sup> /day.  | \$15,060                     |
| 8    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity require specific monitoring techniques. Major resource impact monitoring investigation annually. Report prepared. High impact. Significant water abstraction. Has significant impact on resource. Up to 100,000 m <sup>3</sup> /day.   | \$30,110                     |
| 9    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity require specific monitoring techniques. Major resource impact monitoring investigation annually. Report prepared. Substantial Impact. Has significant impact on water availability and capacity to receive discharges. Utilises large proportion of stream flow >10% of Q5. Potential to exclude other users. Up to 200,000 m <sup>3</sup> /day. | \$60,220                     |

## Schedule 7B - Water management

### Consents to take groundwater excluding geothermal

(Note: these charges vary depending on the volume of water permitted to be taken under the consent as per the examples below and apply regardless of whether the allocation is being used).

| Step | Examples   | Annual charge<br>(Incl. GST) |
|------|--|------------------------------|
| 1    | Negligible individual impact but cumulative impacts require monitoring. Plentiful resource. Up to 250 m <sup>3</sup> /day. Frost protection - up to 1,000 m <sup>3</sup> /day.   | \$170                        |
| 2    | Minor individual impact but cumulative impacts require monitoring. No significant impact on other users. Plentiful resource. Up to 500 m <sup>3</sup> /day. Frost protection - up to 2,000 m <sup>3</sup> /day.  | \$340                        |
| 3    | Individual and cumulative impacts require monitoring. Small impact. Resource may be limited. Can impact other users. Up to 1,000 m <sup>3</sup> /day. Frost protection - up to 3,000 m <sup>3</sup> /day.  | \$610                        |
| 4    | Individual and cumulative impacts require monitoring. Moderate impact. Resource may be limited. Can impact resource and other users. Up to 2,000 m <sup>3</sup> /day (municipal and industrial takes). Up to 5,000 m <sup>3</sup> /day (irrigators). Frost protection - >3,000 m <sup>3</sup> /day.                                  | \$2,430                      |
| 5    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Moderate Impact. Other users potentially affected. Resource may be impacted. Up to 5,000 m <sup>3</sup> /day (municipal and industrial takes). Up to 7,500 m <sup>3</sup> /day (irrigators).  | \$3,420                      |
| 6    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Moderate to Large Impact. Other users affected or excluded. Resource impacted. Up to 10,000 m <sup>3</sup> /day.  | \$6,280                      |
| 7    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major resource impact monitoring investigation annually. Report prepared. Large Impact. Other users affected or excluded. Resource impacted. Up to 30,000 m <sup>3</sup> /day.                | \$18,840                     |
| 8    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity require specific monitoring techniques. Major resource impact monitoring investigation annually. Report prepared. Major Impact. Localised effect on complex resource. Can limit or exclude other users. Up to 50,000 m <sup>3</sup> /day. | \$31,420                     |



## Schedule 8B - Water management

### Consents to take geothermal fluid and geothermal heat/energy

| Step | Examples   | Annual charge<br>(Incl. GST) |
|------|--|------------------------------|
| 1    | Negligible individual impact but cumulative impacts require monitoring. Geothermal fluid <5 m <sup>3</sup> /day. Warm water bores (Tauranga Field) <25 m <sup>3</sup> /day.  | \$40                         |
| 2    | Minor individual impact but cumulative impacts require monitoring. No significant impact on other users. Geothermal fluid <25 m <sup>3</sup> /day. Down-hole heat exchangers < 5 kw. Warm water bores (Tauranga Field) <100 m <sup>3</sup> /day.   | \$70                         |
| 3    | Individual and cumulative impacts require monitoring. Small impact. Resource may be limited. Can impact other users. Geothermal fluid < 50 m <sup>3</sup> /day. Down-hole heat exchangers >5 kw. Warm water bores (Tauranga Field) >100 m <sup>3</sup> /day.   | \$100                        |
| 4    | Individual and cumulative impacts require monitoring. Moderate impact. Resource may be limited. Can impact resource and other users. Geothermal fluid <150 m <sup>3</sup> /day.  | \$570                        |
| 5    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Moderate impact. Other users potentially affected. Resource may be impacted. Geothermal fluid <350 m <sup>3</sup> /day.   | \$1,700                      |
| 6    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Moderate to large impact. Other users affected or excluded. Resource impacted. Geothermal fluid <2,000 m <sup>3</sup> /day.   | \$4,240                      |
| 7    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major resource impact monitoring investigation annually. Report prepared. Large impact. Other users affected or excluded. Resource impacted. Geothermal fluid up to 20,000 m <sup>3</sup> /day.           | \$8,470                      |
| 8    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity require specific monitoring techniques. Major resource impact monitoring investigation annually. Report prepared. Major impact. Localised effect on complex resource. Can limit or exclude other users. Geothermal fluid >20,000 m <sup>3</sup> /day. | \$20,340                     |

## Schedule 9B - Water management

### Consents to dam and/or divert

| Step | Examples  | Annual charge<br>(Incl. GST) |
|------|---|------------------------------|
| 1    | Negligible individual impact but cumulative impacts require monitoring. Intermittent flood control, permanent stream diversions and realignments. Environmental protection or enhancement activities. Dams:- less than 1.5 m. Diversions: - mean stream flow less than 0.5 m <sup>3</sup> /sec.   | \$70                         |
| 2    | Minor individual impact but cumulative impacts require monitoring. No significant impact on resource. No impact on in-stream values. Permanent stream diversions and realignments. Environmental protection or enhancement activities. Dams:- less than 3 m. Diversions:- mean stream flow less than 1 m <sup>3</sup> /sec.   | \$110                        |
| 3    | Individual and cumulative impacts require monitoring. Small impact. Potential effect on resource. Some impact on in-stream values on a more sensitive stream/river. Permanent stream diversions and realignments. Dams:- less than 3 m. Diversions:- mean stream flow less than 2 m <sup>3</sup> /sec.  | \$220                        |
| 4    | Individual and cumulative impacts require monitoring. Small impact. Effect on resource. Some impact on in-stream values. Permanent stream diversions and realignments. Dams:- less than 5 m. Diversions:- mean stream flow less than 10 m <sup>3</sup> /sec. Diversion of water (power schemes) less than 10% of mean flow of river system.   | \$640                        |
| 5    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Small to moderate impact. Significant effect on resource. Impact in-stream values. Ecosystem impacts. Minimal compensation flow. Dams:- less than 10 m. Diversions:- (a) Permanent stream diversions and realignments - mean stream flow less than 20 m <sup>3</sup> /sec. (b) Diversion of water (power scheme) less than 20% of mean flow of river system. | \$1,700                      |
| 6    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Moderate impact. Impacts flow regime of part of catchment. Significant impact on stream ecosystem and in-stream values. Limits and may exclude other users. Diversion of water (power schemes) less than 30% of mean flow of river system.   | \$4,870                      |
| 7    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major resource impact monitoring investigation annually. Report prepared. Large impact. Other users affected or excluded. Resource impacted. Geothermal fluid up to 20,000 m <sup>3</sup> /day.  | \$8,520                      |
| 8    | Individual and cumulative impacts require monitoring. Impacts of consent holder's activity require specific monitoring techniques. Major resource impact monitoring investigation annually. Report prepared. Large Impact. Impacts flow regime of part of catchment. Substantial impact on stream ecosystem and in-stream values. Likely to exclude other users. Diversion of water (power schemes) greater than 50% of mean flow of river system.  | \$14,900                     |

## Schedule 10B - Air management

### Consents to discharge contaminants into air

| Step | Examples   | Annual charge (Incl. GST)      |
|------|--|--------------------------------|
| 1    | Small landfills.   | \$60                           |
| 2    | Sand blasters, small incinerators. Predominantly former Class "B" processes. Medium/large sewage plant air discharges. | \$290                          |
| 2a   | Spray painters. Small/medium sewage plant air discharges.  | \$60                           |
| 3    | Hot dip galvanising. Asphalt manufacture.  | \$290                          |
| 4    | Rendering plants.  | \$770                          |
| 5    | A range of chemical processes. Larger boiler plant.  | \$1,910                        |
| 6    | A range of chemical processes with higher risk of offsite effects.   | \$5,710                        |
| 7    | Fertiliser Manufacturing Plant.  | \$11,420                       |
| 8    | Major pulp and paper mill.   | \$22,830                       |
| 9    | Activities on port land and port activities.   | Actual and reasonable charges* |

\*Actual and reasonable costs include, but are not limited to; staff time at the staff charge out rates detailed in Schedule A, sampling and testing costs and any specialist advice needed.

## Schedule 11B - Coastal management

### Coastal consents (other than takes and discharges)

| Step | Examples  | Annual charge (Incl. GST) |
|------|---|---------------------------|
| 1    | No charge as there is no specific regional/impact monitoring programme associated with this category of consents. | \$0                       |
| 2    | Aquaculture – marine farms <10 hectare consented area.  | \$120                     |
| 3    | Aquaculture – marine farms >10hectareconsented area.  | \$1,260                   |

Note: The Data and Science charges for marine farms apply from the time the consent is exercised (i.e. once marine farm equipment is installed in the water) and are based on the area consented.

## Schedule 12B - Land use management

### Land use consents

| Step | Examples  | Annual charge<br>(Incl. GST) |
|------|---|------------------------------|
| 1    | Minor earthworks not covered by Steps 1-5 (e.g. installation of structures such as culverts and jetties). | \$0                          |
| 2    | Earthworks and forestry operations <1 hectare (total land area covered under the consent). *              | \$160                        |
| 3    | Earthworks and forestry operations 1-10 hectares (total land area covered under the consent). *           | \$480                        |
| 4    | Earthworks and forestry operations >10 hectares (total land area covered under the consent). *            | \$940                        |
| 5    | Quarries <2 hectare (total land area allowed to be worked under the consent).                             | \$190                        |
| 6    | Quarries >2 hectare (total land area allowed to be worked under the consent).                             | \$310                        |

\* Note: earthworks include those associated with land development, tracks, roads, forestry, vegetation clearance and rehabilitation works. It does not include consents for installation of structures (e.g. culverts and jetties).