



CARTERTON DISTRICT COUNCIL

**Long Term Council Community Plan 2009 -19
Incorporating 2009/10 Annual Plan**

**Council Policies
Volume 2**

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INTRODUCTION TO POLICIES

This volume contains policies required by the Local Government Act 2002. The policies are as follows:

Revenue & Finance Policy

This policy replaces the Funding Policy that Council was required to adopt under the Local Government Act 1974. The policy describes the process and rationale for how Council activities are funded.

Policy on Significance

This policy sets out how the Council will determine the relative significance of proposals, decisions in relation to issues, assets, or other matters. The degree of significance is important in determining the level and extent of analysis, review and consultation that may be required.

Liability Policy & Investment Policy

These policies describe the approach taken to the management of Council's investments, including the approach to borrowing, cash management and other financial liabilities.

Policy on Development Contributions or Financial Contributions

This policy describes the financial contributions Council will require from developers when their property development imposes increased demand on Council services.

Policy on Partnership with the Private Sector

This policy sets out the circumstances and terms of commitment of Council resources to combined public/private partnerships.

Policies on Remission and Postponement of Rates

These policies provide for those circumstances where there is legitimate case for some rates to be reduced, or for the payment to be deferred.

REVENUE & FINANCE POLICY

INTRODUCTION

This Revenue and Finance Policy summarises the funding of activities undertaken by the Council with a view to achieving the fairest funding mix for the community as a whole. Section 102 (4) of the Local Government Act 2002 ("LGA") requires a local authority to have a revenue and funding policy that demonstrates how operational expenditure and capital expenditure are funded or financed.

LEGISLATIVE REQUIREMENTS

Section 103 of the Act requires Council to:

- (i) State the Council's policies in respect of funding operating expenses
- (ii) State the Council's policies in respect of funding capital expenditure
- (iii) Show how the funding mechanisms for operating expenditure chosen comply with the provision of Section 101(3) of the Act.

Section 101 of the Act requires Council to:

- (i) Manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community.
- (ii) Make adequate and effective provision in its Long Term Council Community Plan (LTCCP) and in its Annual Plan (where applicable) to meet the expenditure needs of the local authority identified in the LTCCP and Annual Plan
- (iii) Fund its needs from those sources that the local authority determines to be appropriate, following consideration of:
 - The community outcomes to which the activity primarily contributes, and
 - The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals, and
 - The period in or over which those benefits are expected to occur, and
 - The extent to which the action or inaction of particular individuals or a group contributes to the need to undertake the activity, and
 - The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities, and
 - The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community.

1. How the Council decides to Fund its Activities

Councils are required to have a Revenue and Finance Policy to show who pays for the services it provides. The principles relating to this are outlined above. When determining how to fund an activity the council considers, among other things, who benefits from the activity. This is done by considering the private and public benefits of an activity.

1.1 Private Benefits

Some services are provided to distinct groups of properties within the service or contract areas. The prominent services under this heading are:

- Water
- Wastewater
- Stormwater
- Waste Management

The costs of these services are generally shared among the ratepayers who either have access to or use these services. These are called private benefits.

1.2 Public Benefits

More difficult to determine are the beneficiaries of other Council services such as:

- Roads
- Parks and Reserves
- Libraries
- Cemeteries
- Public Restrooms
- Governance (the cost of running the council and its committees)

1.3 Control of Negative Effects

The Council may incur expenditure to protect the community from actual or potential problems. Where ever possible the cost of this will be passed on to those persons who cause the negative effect. Dog control and noise control are examples where the Council will endeavor to pass on expenditure through fines and penalties.

2. Funding of Operating Expenditure

The funding for operating expenditure will come from the following sources:

General Rates

Funding from general rates is applied to those activities where it has been deemed that there is a general district-wide benefit to providing the service.

Uniform Annual General Charge (UAGC)

The Uniform Annual General Charge is a rate of a uniform amount levied on each separately used or inhabited part of a rating unit. Council endeavours to use the UAGC for services which have an equal value of public good.

Targeted Rates

Funding from targeted rates is applied to specific activities where it has been deemed that there is a direct benefit to those ratepayers receiving a particular service, e.g. water and wastewater services.

Fees and Charges

Where Council has deemed there is a direct or partial benefit to the end user, e.g. building control/resource consents. For activities where enforcement action is necessary the exacerbator pays principle applies where practical.

Subsidies and Grants

Council receives the majority of Grants and Subsidies in the form of financial assistance from the NZ Transport Agency. There is also

- Interest and dividends from Investments
- Proceeds from Asset Sales

Section 100 of the LGA requires that Council set operating revenue at such a level as to meet the year's operating expenditure. Council may choose to not fully fund operating expenditure in any particular year if the deficit can be funded from operating surpluses from the immediately preceding year or subsequent years. An operating deficit will only be budgeted for when it is beneficial to avoid significant fluctuations in rates, fees or charges.

3. Funding of Capital Expenditure

Capital expenditure relates to the purchase of new assets, the replacement/renewal of existing assets and the repayment of loan principal.

The funding for capital expenditure will generally come from depreciation reserves, subdivision financial contributions, borrowing or a combination. Targeted rates may also fund some of the loan principal repayments for Economic, Cultural & Community Development, Urban Water, Stormwater, Wastewater, Waingawa Industrial Park, Waste Management, Property, and Resource Management & Planning

One of the considerations in relation to the funding of activities is 'the period in or over which the benefits are expected to occur' [Section 101(3)(a)(iii)]. This is

described as the inter-generational equity principle. The logic of this principle is that if Council provides a new asset or renews an existing asset, such as a new sewerage treatment system, the cost of providing that asset should be spread over many years so that all those who benefit from it pay for part of the cost. This is achieved by borrowing for the cost of the asset and repaying the loan over the life of the asset thus spreading the cost over the life of the asset.

Borrowing is managed within the framework specified in the Liability Management Policy.

Council's overall borrowing requirement is reduced to the extent that other funds are available to fund capital expenditure. Such other funds include:

- Council Special Fund Reserves
- Financial contributions under the Resource Management Act 1991 (Criteria set out in the Proposed Wairarapa District Plan)
- Annual revenue collected to cover depreciation charges
- Proceeds from the sale of assets
- Grants

4. Significant Activities

The following sections outline the Councils Revenue and Financing Policy for each significant activity of the Councils operations:

- Governance
- Economic, Cultural & Community Development
- Roads, Streets & Footpaths
- Urban Water Services
- Rural Water Services
- Wastewater
- Stormwater
- Waste Management
- Parks & Reserves
- Community Amenities
- Property
- Resource Management & Planning
- Public Protection

1. GOVERNANCE

Description

- Reflects the cost of democracy associated with elected members and meetings including the cost of administration services to elected members and meetings.

- The function includes election and operating costs of Council, standing committees and advisory groups. The costs include the holding of regular meetings and the preparation and consideration of reports for policy development, resource allocation and performance monitoring. Also the costs of general services provided for the public benefit including records preservation and costs associated with representing the interests of residents and ratepayers.

Distribution of Benefits

- Benefits the district as a whole.

Funding Mechanism

- 100% Uniform Annual General Charge

2. ECONOMIC, CULTURAL & COMMUNITY DEVELOPMENT

Description

- Promotion of economic growth and tourism potential in the district.
- Provision of an efficient and effective Library service that will meet the recreational, educational and information needs of the residents of Carterton.
- Provision of funds to actively promote health, cultural and community development initiatives in the Carterton district.

Distribution of Benefits

- Benefits to the district are related to the economic, social and cultural wellbeing of the community.
- Benefits the district as a whole.

Funding mechanisms for operating expenditure

After taking into account income received the balance of funding required for this activity is funded as follows:

- 100% Uniform Annual General Charge

3. ROADS, STREET & FOOTPATHS

Description

- Development and maintenance of roads, streets, footpaths and associated infrastructure.
- Promotion of policies and allocation of resources and achievement of a safe efficient land transport system that maximises local safety, economic and social

benefits in partnership with Transfund New Zealand.

Distribution of Benefits

- Benefits to the district relating to the general availability of the roading system for public good.
- Benefits to individual users and properties at the end of rural roads, access for forestry operations, use of roads by heavy carriers, tankers and trucks.

Funding mechanisms for operating expenditure

After taking into account income received (Land Transport Subsidy) the balance of funding required for this activity is funded as follows:

- 100% general rates

4. URBAN WATER SERVICES

Description

- This activity involves the provision and maintenance of a quality water supply to meet the needs of the Carterton urban ward and where access is approved by Council to rural users.

Distribution of Benefits

- Benefits to the district are public health in having a quality water supply and the availability of water for fire fighting purposes.
- Availability of potable water to property owners connected to the water supply system is a benefit to the individual properties that can be clearly identified.

Funding mechanisms for operating expenditure

After taking into account income received the balance of funding required for this activity is funded as follows:

10% General Rates
90% Targeted Rates

5. RURAL WATER RACES

Description

- The provision of water for stock, industrial users at Waingawa, non-potable domestic users and other rural users through the open water race system and the maintenance of that system.

Distribution of Benefits

- Benefits to the district are related to the provision of water for wetlands, fire fighting and protection of the eco-system.
- Access to the water race system and use of water by property owners is a benefit to the individual properties that can be clearly identified.

Funding mechanisms for operating expenditure

After taking into account income received the balance of funding required for this activity is funded as follows:

- 10% General Rates
- 90% Targeted Rates

6. WASTEWATER

Description

- To provide the residents of the Carterton urban area, and limited adjacent rural areas where access is available, with a high quality and efficient wastewater system that will satisfy the needs of domestic, commercial and industrial users

Distribution of Benefits

- Benefits to the district are related to the public health of the community.
- Benefits to the individual property owners is access to the wastewater system. This activity is substantially a private benefit to users.

Funding mechanisms for operating expenditure

After taking into account income received the balance of funding required for this activity is funded as follows:

- 10% General Rates
- 90% Targeted Rates

7. STORMWATER

Description

- To provide the residents and ratepayers of the Carterton urban area with an efficient stormwater system which will satisfy the needs of domestic, commercial and industrial users.

- Benefits to the district are related to the protection of infrastructural assets of the district, providing safe access to the public and maintaining public health.
- Benefit to the individual property owner is that stormwater drainage is available to private properties.

Funding mechanisms for operating expenditure

- 10 % General Rates
- 90% Targeted Rates

8. WAINGAWA INDUSTRIAL ZONE SERVICES

Description

- This activity involves the provision and maintenance of water and wastewater services to the Waingawa Industrial area.

Description of Benefits

- Benefit to the district's economic prosperity in having a water supply and water available for fire fighting purposes.
- Benefits to the district relating to public health and protection of the environment.
- Benefit to the individual property owners is having an accessible water and wastewater service.

Funding mechanisms for operating expenditure

- 10% General Rates
- 90% Targeted Rates

9. WASTE MANAGEMENT

9.1 Refuse Collection & Recycling

Description

- Provision of a contracted refuse and recycling collection and disposal service for urban households and some commercial properties and a disposal service for delivered solid waste.

Distribution of Benefits

- Benefits to the district are related to the public health of the community.
- Benefits to the individual property owners is the availability of the service. This activity is substantially a private benefit to users

Funding mechanisms for operating expenditure

After taking into account income received the balance of funding required for this activity is funded as follows:

- 5% General Rates
- 95% Targeted Rates

9.2 Transfer Station

Description

- Provision of transfer station and facilities for disposal of refuse.

Distribution of Benefits

- Benefits to the district are related to the public health of the whole community.

Funding mechanisms for operating expenditure

After taking into account income received the balance of funding required for this activity is funded as follows:

- 100% General Rates

10. PARKS & RESERVES

Description

- To actively promote the use of recreational facilities by providing parks and reserves for community use.

Distribution of Benefits

- Benefits to the district are related to the recreational and aesthetic value of having attractive open spaces available for residents and visitors to the district.

Funding mechanisms for operating expenditure

After taking into account income received the balance of funding required for this activity is funded as follows:

- 70% Uniform Annual General Charge

- General Rates Balance Required

11. Community Amenities

Description

- Provision of a Cemetery that meets the needs of the people of the district and maintains the dignity of a last resting place.
- Provision of an outdoor swimming complex during the summer months to meet the recreational needs of the general public.
- Provision of clean and tidy public restrooms for the general public.

Distribution of Benefits

- Benefits to the district are related to the health of the district's community and the general welfare of the community.

Funding mechanisms for operating expenditure

The district as a whole benefits from the provision of the Cemetery. After taking into account income received the balance of funds required to operate the Cemetery is funded as follows:

- 100% Uniform Annual General Charge

The remaining services included in the Community Amenities activity after taking into account income received are funded as follows:

- 100% General Rates

12. PROPERTY

Description

- Provision of a clean and tidy holiday park to attract visitors to the district.
- Provision of reasonable cost rental accommodation for the aged in the Carterton district.
- Maintenance of a number of a number of properties some of which are leased.
- Management of the Council's forestry assets at the Kaipatangata and miscellaneous small roadside blocks in the Admiral/Clifton Grove area.
- All matters pertaining to the new community building for the district.

Distribution of Benefits

- Benefits are largely to individuals for the activities included in the first three bullet points.
- Proceeds from the sale of timber after costs of replanting and loan repayments will be used for any other purpose as resolved by Council for the benefit of the district as a whole.

Funding mechanisms for operating expenditure

After taking into account income received the balance of the funding required for this activity is funded as follows:

- 100% UAGC

13. REGULATORY & RESOURCE MANAGEMENT

Description

- Undertaking environmental, land use and development controls and monitoring within the district in accordance with the Resource Management Act and the District Plan.
- Maintenance and development of Council's Geographic Information System.

Distribution of Benefits

- Benefits to the district are related to the public health, safety and welfare of the community. These activities substantially benefit the district as a whole
- There are benefits to individuals for some activities.

Funding mechanisms for operating expenditure

After taking into account income received the balance of funds required for this activity is funded as follows:

- 100% Targeted Rates

14. PUBLIC PROTECTION

Description

- Provision of environmental health services, building control, liquor licensing, civil defence/emergency management, animal and dog control and rural fire control in compliance with the relevant legislation, regulations and bylaws in the interests of the health, safety and general welfare of residents of the district and the public in general.

Distribution of Benefits

- Benefits to the district are related to the public health, safety and welfare of the community. These activities provide benefit to the community as a whole.
- There are benefits to individuals for some activities.

Funding mechanisms for operating expenditure

After taking into account income received the balance of funds required for this activity is funded as follows:

- 100% General Rates

Operational Expenditure

Hereunder is a table that shows the funding mix for operational expenditure for the Significant Activity areas.

Method of Funding Significant Activities	General Rates	UAGC	Targeted Rates	User Charges	Subsidies
Governance		100%			
Economic, Cultural & Community Development		Balance Required		√	
Roads, Streets & Bridges	Balance Required				√
Urban Water	10% Balance Required		90% Balance Required	√	
Rural Water Races	10% Balance Required		90% Balance Required	√	
Wastewater	10% Balance Required		90% Balance Required	√	
Stormwater	10% Balance Required		90% Balance Required		
Refuse Collection & Recycling	5% Balance Required		95% Balance Required	√	
Transfer Station	100% Balance Required			√	
Waingawa Industrial Zone	10% Balance Required		90% Balance Required	√	
Parks & Reserves	Balance Required	70%		√	
Community Amenities		Balance Required		√	
Property		100% Balance Required		√	
Regulatory & Resource Management			Balance Required	√	
Public Protection	Balance Required			√	

POLICY ON SIGNIFICANCE

INTRODUCTION

This policy has been prepared to satisfy Council's obligations under Section 90 of the Local Government Act 2002.

LEGISLATIVE REQUIREMENT

The Local Government Act 2002 requires every local authority to adopt a policy setting out:

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

The policy must list the assets considered by the local authority to be strategic assets.

1. Objective

To apply a disciplined, standardised process that enables Council to assess the significance of issues, assets or other matters and fulfil its legislative obligations under the Local Government Act 2002, particularly in relation to significant strategic assets, decision making processes and consultation procedures.

2. Defining Significance

Every decision the Council makes must be made in accordance with the decision making requirements set out in sections 77, 78, 80, 81 and 82 of the Local Government Act 2002. However, the nature, extent and detail of compliance which is appropriate in any particular case will be guided by the "significance" of the matter (section 79). The level of "compliance" includes:

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

The Local Government Act 2002 requires local authorities to set out their "general approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters" (s90(1)(a)).

3. General Approach to Determining Significance

The Act includes definitions of "significant" and "significance":

significance, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for, -

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

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

Council will determine the significance of any issue, requiring a decision, by making judgements about the likely impact of that decision on:

- The current and future social, economic, environmental, or cultural well being of the district.
- Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision or matter.
- The Council's capacity to perform its role and carry out its activities, now and in the future and the financial resources and other costs of doing so.

As part of its consideration the Council will take into account how important the decision or matter is in terms of the achievement of, or ability to achieve, the community outcomes in the Long Term Council Community Plan (LTCCP).

4. Procedures for Assessing Significance

The policy must also set out any "thresholds, criteria, and procedures" that the council uses for assessing significance (section 90(1) (b)).

The range of issues requiring decisions by local authorities is very wide and it is impossible to foresee every possibility. It is, therefore recommended that thresholds are not used in assessing significance but that the criteria for assessing significance will be the **general approach** outlined above for determining significance.

The following procedure is then followed:

- Council officers identify whether an issue, proposal or other matter requires a decision by the elected Council.

- Council officers consider the issue, proposal or other matter and document an assessment of significance, using the general approach to determining significance.
- Council officers provide the Council with a report on significance and options.
- Council considers and makes the final decision based on the degree of significance of the issue and the appropriate level and type of consultation.

5. **Procedure for Reporting to Council**

Council reports will include an assessment of the significant quantitative or qualitative (as appropriate) impact of the issue, proposal, decision or other matter including:

- How many residents and ratepayers the issue may affect or interest.
- To what extent residents and ratepayers may be affected or interested.
- How much public interest the issue is likely to generate.
- To what extent the issue is likely to affect the current and future social, economic, environmental, and cultural well-being of the Carterton District
- To what extent the issue will affect the capacity of Carterton District Council to perform its role and carry out its existing activities, now and in the future
- To what extent the issue is likely to affect service levels of any significant activity.
- To what extent the outcome(s) of the issue is likely to affect the way in which any significant activity is carried out.
- To what extent the outcome(s) of the issue is likely to affect the capacity of the Council to provide any significant service or carry out any significant activity.

Finally, the report should include a recommendation on the type and extent of consultation (if any) that is appropriate given the nature of the issue.

6. **Strategic Assets**

This policy must also list those council owned assets, considered by the council to be "strategic assets" (section 90(2)).

"Strategic asset" is defined in the LGA as:

"...an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes—

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

Council has identified its strategic assets as:

- Housing for the Elderly
- Rooding Network, including bridges, street lighting and footpaths
- Water Treatment, Storage and Supply network
- Water Race network
- Wastewater treatment and reticulation network
- Stormwater Network
- Landfill site including Transfer Station
- Parks, reserves, Council owned land and buildings, public toilets and sports fields
- Cemetery
- Swimming Pools
- Civic and Cultural Facilities
- Land and Buildings in Holloway Street
- Forestry

Significant decisions in relation to strategic assets will be those decisions that affect the whole asset group and not individual components, unless that component substantially affects the ability of the Council to deliver the service. It is the principle of provision of the services, not individual items that make these asset groups strategic.

INVESTMENT POLICY

INTRODUCTION

This policy has been prepared to fulfil Council's obligations under Section 102(4)(c) and Section 105 of the Local Government Act 2002.

LEGISLATIVE REQUIREMENTS

The Local Government Act 2002 requires every local authority to adopt a policy in respect to investments, including:

- The objectives in terms of which financial and equity investments are to be managed; and
- The mix of investments; and
- The acquisition of new investments; and
- An outline of the procedures by which investments are managed and reported on to the local authority; and
- An outline of how risks associated with investments are assessed and managed.

1. General Policies on Investments

The objectives of the Investment Policy will be consistent with overall Council objectives and strategic plans. In particular, investments will be made with regard to the following objectives:

1. To manage short term cash flows in an efficient and prudent manner.
2. To manage a level of liquidity sufficient to meet both planned and unforeseen cash requirements.
3. To invest only in approved financial securities.
4. To maximise income on investments approved within the policy.
5. To minimise the risk of investments.

Council acknowledges that there are various financial risks arising from its financial activities. Council recognises its fiduciary responsibility as a public authority and any investments that it does hold should be at an appropriate level of risk, giving preference to conservative investment policies and avoiding speculative investments. Council accepts that lower risk generally means lower returns on investment.

Council has the following investments:

- Cash investments held with banks for general purposes.
- Cash investment held with banks for specific purposes.
- Equity (Shares)
- Property intended for sale.

- Forestry
- Land and buildings for strategic and investment purposes.

1.1 Cash Investments Held with Banks for General Purposes

Council holds cash for a variety of reasons. These include sums reserved for particular purposes and funds held for working capital requirements. These funds are managed according to the following policies:

- To minimise the risk to Council, funds will only be invested in institutions with a high degree of security – NZ Government, State Owned Enterprises and Local Authorities or with institutions, being registered Banks with a credit rating of A or better for long term investment A-1+ or better for short term investment.
- Within the above institutions, funds are invested to optimise the return to Council from the investment.
- Funds are invested in a way that maintains the liquidity of Council's investment so that cash is available when needed,

1.2 Cash Investment Held with Banks for Specific Purposes

Council has the following portfolios of specific cash investments:

- World War II Memorial Trust
- Clareville Grave Maintenance Trust
- Security System Fund
- Equipment Purchase & Renewal Fund
- Roothing Emergency Fund
- Urban Services Renewal Fund
- Water Race Intake Reserve
- Major Projects Fund
- Recreation & Reserves Fund
- Roothing Contributions Fund
- Infrastructure Contributions Fund
- West Taratahi Hall Board
- Longbush Domain Board

Monies held in the above portfolios are put aside for a particular purpose as follows:

WWII Memorial Trust – Joint Council & Carterton RSA initiative. Grants from interest earned on investment distributed to Carterton district residents undertaking tertiary education.

Clareville Grave Maintenance Trust – Funds left in trust for Council to maintain a grave at the Clareville Cemetery.

Security System Fund- Funds to be applied to the further development of the CBD Surveillance Camera System.

Equipment Purchase & Renewal Fund – Funds predominantly used for the purchase of plant, equipment vehicles and IT equipment.

Roading Emergency Fund – Contingency fund to be used for emergency roading works, eg. damage caused by flooding. A contribution of 0.5% of general rates to be made to the fund annually.

Urban Services Renewal Fund- Contingency fund to be used for emergency works, eg. damage caused by flooding. A \$5,000 contribution to come from each of the water and wastewater targeted rates annually.

Water Race Intake Reserve – Contingency fund to be used to upgrade or replace the water race intakes. An annual contribution of \$5000.00 is to be made to the fund from the water race targeted rates.

Major Projects Fund – The funds to be used for projects which benefit the community as a whole as determined by the Council of the day.

Recreation & Reserve Account – Funds from Recreation Reserve levies as provided for in the District Plan.

Funds to be used for the purchase of Esplanade Reserves and Strips as required under the Resource Management Act or for the purchase or development of new or existing recreation reserves.

Roading Contributions Fund – Monies from Roothing Contribution levies as provided for in the District Plan.

Funds to be used for upgrading and expanding the district's roading network.

Infrastructure Contributions Fund - Monies from Infrastructure Contribution levies as provided for in the District Plan.

Funds to be used for upgrading and expanding public water supplies, and the disposal of sewage and stormwater.

West Taratahi Hall Board & Longbush Domain Board – Monies held by the respective community organisations for activities in association with the community halls and property in their communities owned by Council.

1.3 Equity (Shares)

Council has three small share holdings with NZ Local Government Insurance Corporation (Civic Insurance), Airtel Ltd and Farmlands. These investments are required to enable Council to utilise specific services.

As Council is risk adverse, it prefers not to expose itself to the risks of equity investments. With the exception of the above three shareholdings, Council will not acquire equity investments.

1.4 Property Intended for Sale

Council will not purchase property solely for investment purposes. It may purchase property to assist in social, physical and economic development of the community in ways that Council considers the private sector would be unlikely to achieve without the Council's intervention. Once these goals have been achieved, the properties will be disposed of.

Council will review its portfolio of properties intended for sale every three years.

1.5 Forestry

Council has a substantial investment in forestry due to the extensive planting of 243.8 ha from 1973 to 1983, assisted by forestry encouragement loans from the Ministry of Agriculture and Forestry ("MAF").

Harvesting began in the summer of 2003/04. Harvesting is continuing during times of favourable log prices. As trees are felled the forest is being re-planted.

2. Mix of Investments and Acquisition of New Investments

The mix of Council's investments will be determined by the individual investment decisions made in furtherance of the Council's goals and objectives as set out in the LTCCP and Annual Plan. Investments are made to achieve a particular goal or objective.

2.1 Cash Investments

Surplus funds are invested in a way that maintains the liquidity of Council's investments so that cash is available when needed. New investments are acquired when surplus funds are available for investing. The Chief Executive Officer has delegated authority to acquire these investments.

3. Disposition of Revenue from Investment & Proceeds from Sale

Revenue from special funds and reserves is retained in that fund, unless Council approves otherwise in the Long Term Council Community Plan or Annual Plan.

Revenue from the sale of investment property is retained in the Council's Major Projects Fund.

Revenue from the realisation of the forestry investment is retained in the Council's Major Projects Fund.

Revenue from sales is either reserved or off set for further asset acquisition.

4. Procedure from Managing & Reporting to Council on Investments

The Chief Executive Officer has delegated authority to invest funds within the criteria outlined in this investment policy. The Chief Executive Officer is authorised to sub-delegate this authority to the Support Services Manager.

The monthly financial report to Council is to provide a copy of the bank reconciliation and a list of investment accounts, amounts invested and the banks in which those investments are held.

Given that Council has only three small equity investments, disclosure in the Annual Report on these items is sufficient for reporting to Council.

The disposal of properties can only proceed by resolution of Council.

Council's forestry consultants provide annual reports to Council on the forest valuation and calculations of the anticipated cash flows from harvest.

5. Investment Risk Management

Council's exposure to risk in relation to its investment activities is relatively minimal. The greatest risk exposure arises in relation to its cash management investments and the property investment.

In managing its investments, Council always seeks to minimise its risk by investing only in institutions with a high degree of security and credit rating.

Council will not invest surplus funds in equity investments due to the risks involved.

Council has a statutory obligation to promote prudent, effective and efficient financial management. In considering investments, Council may consider the following:

- Managing risk by having a diversified investment portfolio.
- Identifying all or any risks.
- The estimated return on investment.
- The term of the investment.
- The marketability of the proposed investment during its terms and on completion.

LIBABILITY MANAGEMENT POLICY

INTRODUCTION

This policy has been prepared to fulfil Council's obligations under Section 102(4)(b) and Section 104 of the Local Government Act 2002.

LEGISLATIVE REQUIREMENTS

Section 104 of the Act states what is required to be included in Council's Policies in respect to the management of both borrowing and other liabilities and must include the following:

- Interest and rate exposure
- Liquidity
- Credit Exposure
- Debt Repayment
- Specific borrowing limits
- The giving of securities

1. General Policy

Carterton District Council will use term borrowing to fund capital expenditure providing assets where the benefits of such expenditure are received over terms greater than one financial year and the term of borrowing would be related to the expected economic life of the assets purchased.

2. Internal Borrowing

Council will fund its borrowing programme for both the purchase of new assets and the re-financing of existing term debt by way of internally borrowing if it is considered prudent to do so in any given circumstances. The rate of interest charged on internal borrowing is calculated to be the weighted average rate that Council receives on its investment portfolio.

3. Interest Rate Exposure Policy

Interest rate exposure refers to the impact that movements in interest rates has on Council's debt servicing costs and cash flow.

Factors that influence interest rates for long and short term securities are beyond the control of Council. It is prudent to be aware of where interest rate cycles are when making a decision as to the type of borrowing to be undertaken and what arrangements might need to be entered into to manage the interest on borrowing.

Council's objective in managing interest risk is to minimise debt servicing cost and to maintain stability of debt servicing costs.

4. Liquidity Management Policy

Liquidity refers to the availability of financial resources to meet all obligations as they arise, without incurring penalty costs.

Council requires a minimum level of surplus liquidity to meet unexpected cash expenditure or revenue shortfall.

Short term liquidity management is monitored and controlled through daily cash management activities with long term liquidity management being monitored and controlled through the Annual Plan and LTCCP.

As part of its overall liquidity policy, Council seeks to avoid a concentration of debt maturity dates and may maintain an overdraft facility to meet cash requirements if required.

4. Credit Exposure Policy

The only credit exposure risk to Council in relation to its borrowing activities is the risk that a counterpart to an incidental arrangement may default.

Any incidental arrangement involving a contract or arrangement for the hedging of financial risks is restricted to only those with credit worthy counterparts. Credit worthy counterparts are selected on the basis of their current rating with Standard & Pools which must be A- or better.

Any incidental arrangements involving contracts or arrangements with underwriters, brokers or any other agents are considered to be low risk and therefore do not require Council approval.

5. Debt Payment Policy

The objective of the debt payment policy is to ensure that Council is able to repay debt on maturity with minimum impact on Council cash flows.

Council repays its debt from targeted rates, general funds, debt repayment reserves or from any other source that Council may resolve to use for debt repayment.

Council may establish 'debt repayment reserves' for external loans, but will have the discretion whether to repay or reinvest those funds having regard to the comparative interest rates and other relevant market conditions.

6. **Borrowing Limits**

Council will adhere to the following limits in managing borrowing:

- Total debt as a percentage of total assets will not exceed 15%.
- Gross interest paid on term debt will not exceed 12% of gross operating revenue.
- Net cash inflow from operating activities exceeds gross annual interest expense by two times.

7. **Security**

The objective of the security policy is to ensure that Council is able to provide suitable security to investors whilst retaining maximum flexibility and control over assets.

Council will offer as a security for borrowing a deed of charge over its rates. Council will not offer security over assets of Council, with the exception of borrowing by way of financial lease or some other form of trade credit under which it is normal practice to provide security over the asset concerned.

8. **Management of Borrowing**

Council approves all proposed borrowing through the Annual Plan process and reports public debt levels in the Annual Report.

Council's borrowing activities are managed through its finance function which has the following responsibilities:

- Provide appropriate finance, in terms of both maturity and interest rates and manage Council's borrowing programme to ensure funds are readily available at the best margins and costs available to the market.
- Minimise adverse interest rate related increases on ratepayers' charges and maintain overall interest cost and revenues within budgeted parameters.
- Management the overall cash and liquidity position of the Council's operations.
- Provide timely and accurate reporting of treasury activity and performance.

POLICY ON DEVELOPMENT CONTRIBUTIONS OR FINANCIAL CONTRIBUTIONS

INTRODUCTION

This policy is prepared under section 106 of the Local Government Act 2002 (The Act) and it outlines in which circumstance Carterton District Council intends to require development or financial contributions.

LEGISLATIVE REQUIREMENTS

The Act requires Council to adopt a policy on development contributions or financial contributions. This applies regardless of whether it has decided to assess:

- development contributions under the Act; or
- financial contributions under the Resource Management Act 1991

Once adopted, this policy may be amended as a Long Term Council Community Plan (LTCCP) amendment.

Financial Contributions Provision as in the Wairarapa Combined District Plan

Section 23 of the District Plan specifies in detail the provisions relating to financial contributions.

23. Financial Contributions

23.1 Introduction

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

Financial contributions for subdivision and land use consents may include the cost of upgrading and expanding community works and services as a result of the proposal, including (but not limited to) public roads, public water supplies, and the disposal of sewerage and stormwater.

This section deals with the requirements for financial contributions, with as a standard of a permitted activity, or a land use or subdivision consent.

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

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

23.2 Reserves Contributions Standard

23.2.1 Circumstances when a general reserve contribution is required as a condition of a permitted activity or a resource consent.

(a) As a condition of a land use resource consent for any additional residential unit, provided that a general reserve contribution has not already been made at the time of subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

(b) As a condition of subdivision resource consent for any new allotment, provided that a general reserve contribution has not already been made under the relevant Council's Long Term Council Community Plan.

(c) As a standard of a permitted land use activity for any additional residential unit, with the payment of the contribution to be made prior to the issuance of code of Code of Compliance Certificate for the building consent, provided that a general reserve contribution has not already been made at the time of subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

23.2.2 Amount of Contribution Required as a Condition of a Permitted Activity or Resource Consent

(a) For subdivision, 3% of the land value of each allotment to be created in the Residential, Commercial and Industrial Zones (plus GST), and 2% of the land value of each allotment to be created in the Rural Zone (plus GST). In the Rural Zone, the maximum of the total combined contribution for reserves and roading contributions shall be \$7,500 (plus GST) per allotment created by a subdivision, or

(b) For land use development for residential purposes, 0.25% of the value of each additional residential unit (plus GST).

23.2.3 **Assessment Criteria for Remission or Waiver of Reserves Contribution**

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

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

23.2.4 **Form of Contribution**

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

If a reserve contribution is in the form of land which is acceptable to Council, the value of the land to be vested as a reserve shall be established on the basis of a registered valuer's report. Registered valuer's reports shall be produced at the consent holders cost and be no older than three months at the time the contribution is paid.

23.2.5 **Purpose**

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

23.2.5 **Contributions**

(a) For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance Certificate for the building consent.

(b) For land use resource consents, contributions shall be payable as and when required by any condition of that consent.

(c) For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.

23.3 **Infrastructure Contributions Standard**

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

(a) As a condition of a land use resource consent for any additional residential unit or administrative, commercial or industrial purposes, provided that any infrastructure contribution has not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

(b) As a condition of subdivision resource consent for any new allotment, provided that an infrastructure contribution has not already been made under the relevant Council's Long Term Council Community Plan.

(c) As a standard of a permitted land use activity, with the payment of the contribution to be made prior to the issuance of Code of Compliance Certificate for the building consent, provided that an infrastructure contribution has not already been made at the time of subdivision creating that lot under the relevant Council's Long Term Council Community Plan.

23.2.1 **Amount of Contribution as a condition of a permitted activity or a resource consent**

(a) The actual cost of water supply, wastewater or stormwater disposal systems to the development, and

(b) The actual cost of all necessary water supply, wastewater or stormwater disposal reticulation within the development for each allotment or building, and

(c) The actual cost of connecting between the water supply, wastewater or stormwater disposal reticulation in the development and the Council's water supply, wastewater and stormwater disposal system, and

(d) The actual cost of upgrading of any existing Council water supply, wastewater or stormwater disposal system to the extent that it is necessary to service the development, and

(e) A share of the cost of the existing water supply, wastewater or stormwater disposal system where additional capacity has been created in anticipation of future development. The share will be calculated on the proportion of the additional capacity required to service the development, and

(f) A share of the cost of new water supply, wastewater or stormwater disposal system or upgraded water supply, wastewater or stormwater disposal system where additional capacity will be required by the cumulative effects of an area's development – the share will be calculated on the proportion of the additional capacity required by the development, and

(g) For subdivisions, \$5000 (plus GST) per allotment that connects with public infrastructure and services, or

(h) For land use development for residential, administrative, commercial and industrial purposes, \$5,000 (plus GST) per new unit for linking with public infrastructure and services, plus 0.5% of the assessed value of any building development in excess of \$1,000,000 (plus GST). The assessed value of the development will be based on the estimated value of the building as stipulated on the building consent application, or

(i) For land use development for additions and alternations for administrative, commercial or industrial purposes that connects with public infrastructure and services 0.5% of the assessed value of any building development in excess of \$50,000 (plus GST). The assessed value of the development will be based on the estimated value (excluding GST) of the building as stipulated on the building consent application.

23.3.3 Assessment Criteria for Remission or Waiver of Infrastructure Contribution

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

(a) Whether any allotment or any part of the development is proposed to be connected to public infrastructure and services.

(b) The effect of the proposed subdivision or development on the infrastructure and the cost to the relevant Council to avoid, remedy, or mitigate these impacts.

(c) Measures proposed by the developer to upgrade any existing infrastructure.

(d) Whether any contribution has been previously made towards the establishment or upgrade of the infrastructure.

23.3.4 Form of Contribution

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

23.3.5 Purpose

(a) To provide a potable water supply.

(b) To safeguard the health of inhabitants and protect the natural environment from inappropriate disposal of sewage.

(c) To prevent damage to property or amenity from the indiscriminate and uncontrolled runoff of stormwater.

(d) To ensure sufficient water is available for fire fighting purposes.

23.3.6 Contributions Payable

(a) For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance Certificate for the building consent.

(b) For land use consents, contributions shall be payable as and when required by any condition of that consent.

(c) For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.

23.4 Roads, Access Parking & Loading Contributions Standard

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

(a) As a condition of a land use resource consent for any residential, commercial or industrial activity, provided that a roads, access parking and loading contributions has not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

(b) As a condition of a subdivision resource consent for any new allotment, provided that a roads, access parking and loading contribution has not already been made under the relevant Council's Long Term Council Community Plan.

(c) As a standard of a permitted land use activity, with the payment of the contribution to be made prior to the issuance of Code of Compliance Certificate for the building consent, provided that a roads, access, parking and loading contribution

has not already been made at the time of the subdivision creating that lot or under the relevant Council's Long Term Council Community Plan.

(d) AS a condition of land use resource consent in the Commercial or Industrial Zones in which the waiver of all or some of the required on-site parking is sought.

23.3.2 Amount of contribution for roads, access, parking and loading as a condition of a permitted activity or resource consent

(a) The actual cost of providing a road or access to the development, and

(b) The actual cost of all necessary roads and accesses within the development area for each allotment or building, and

(c) The actual cost of road or access crossings between allotments, or buildings in the development, and

(d) A share of the cost of the existing roads and access where additional capacity has been created in anticipation of future subdivision or development. The share will be calculated on the proportion of that additional capacity which is to serve the development, and

(e) A share of the cost of new or upgraded roads or access where additional capacity is necessary to accommodate the cumulative effects of the development within an area. The share will be calculated on the proportion of the additional capacity necessary to serve the development, and

(f) The cost of forming of the parking spaces (where a waiver from the District Plan parking requirements is sought, the cost of forming a parking space is deemed to be at a rate of \$5,000 (plus GST) per space, and

(g) For subdivision, 2% of the land value of each allotment to be created in the Residential, Commercial, Industrial Zones (plus GST), and 3% of the land value of each allotment to be created in the Rural Zone (plus GST). In the Rural Zone, the maximum amount of the total combined contribution for reserves and roading contributions shall be \$7,500 (plus GST) per allotment created by a subdivision.

23.4.3 Form of Contribution

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

23.4.4 Purpose

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

23.4.5 Contributions Payable

(a) For permitted activities involving construction of a residential building, contributions shall be made prior to the issuance of the Code of Compliance for the building consent.

(b) For land use resource consents, contributions shall be payable as and when required by any condition of that consent.

(c) For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991.

POLICY ON PARTNERSHIPS WITH THE PRIVATE SECTOR

INTRODUCTION

This policy is prepared under Section 107 of the Local Government Act 2002.

LEGISLATIVE REQUIREMENT

The policy on Partnerships with the Private Sector must:

- State the local authority's policies in respect of the commitment of local authority resources to partnerships between the local authority and the private sector and must include:
 - the circumstances (if any) in which the local authority will provide funding or other resources to any form of partnership with the private sector, whether by way of grant, loan, or investment, or by way of acting as a guarantor for any such partnership; and
 - what consultation the local authority will undertake in respect of any proposal to provide funding or other resources to any form of partnership with the private sector; and
 - what conditions, if any, the local authority will impose before providing funding or other resources to any form of partnership with the private sector; and
 - an outline of how risks associated with any such provision of funding or other resources are assessed and managed; and
 - an outline of the procedures by which any such provision of funding or other resources will be monitored and reported on to the local authority; and
 - an outline of how the local authority will assess, monitor, and report on the extent to which community outcomes are furthered by any provision of funding or other resources or a partnership with the private sector.

1. Conditions

Council will consider partnerships with the private sector where:

- They contribute to achieving strategic objectives as outlined in the adopted LTCCP, or an Annual Plan.
- The private sector is unwilling to provide sufficient resources for the achievement of those outcomes without Council support, and
- The benefits to the district exceed the costs.

This policy refers to partnerships with private business only. Partnership contracts for the supply of goods and services to the Council, as well as agreements with

community organisations, charitable trusts and other community groups, government departments, not-for-profit organisations, other local authorities and Council controlled organisations are outside the parameters of this policy.

2. Policy Statement

The circumstances in which Council will enter into partnerships:

- Where the partnership will further one or more community outcomes.
- Where the partnership is the most effective means of furthering the community outcomes.
- Where, in the case of service provision, the partnership is considered to be the most effective way of delivering the service to the community.
- Where the partnership will provide services or benefits which the Council could not realistically provide on its own.
- Where the partnership minimises the risk for Council.
- Where the Council is satisfied the partner is able to sustainability meet its partnership agreements.

Council will consider the following methods of entering into a partnership:

- Provision of grants.
- Provision of loans.
- Provision of investments
- Provision of capital
- Provision of guarantees
- Cost sharing arrangements
- Profit sharing arrangement

Where a resolution has been passed by full Council that authorises entering into the partnership arrangements or delegated authority has been passed to officers to enter certain types of partnerships.

3. Consultation will Take Place in Respect of the Decisions

Council will not generally consult on partnerships that fall outside the circumstances outlined in this policy or where the partnership furthers outcomes identified in other Council policies or plans.

Council will consult when:

- The partnership requires decisions which are regarded as significant in terms of Council's Policy on Significance.
- Where possible consultation will be performed in line with Council's LTCCP or Annual Plan process.

4. **How the Risks Associated with the Partnership will be Managed**

When considering a partnership a report will be made to Council which assesses the risk of the partnership by:

- Identifying the risk associated with the partnership.
- Identifying the probability of the risks being realised.
- Identifying which risks are regarded as significant.
- Identifying the potential effect of the risks if they are realised.
- The following areas of risks will be addressed:
 - Establishment risks
 - Operational risks
 - Legal risks
 - Health & Safety risks
 - Technological risks
 - Cessation risks
 - Organisational risks – both partners
 - Any other relevant risks

Having entered a partnership the Council will manage risks by:

- Incorporating partnerships into the Council's risk management policies and reporting on partnership risk as the Council would any other activity of Council.
- Transferring management of risk to the part most capable of managing it in the partnership.
- Ensuring that the contractual relationship between the parties clearly identifies risk; who is responsible for managing the identified and unidentified risk of the partnership and who will be responsible for costs incurred when risks eventuate.
- A report will be produced every six months which details the progress of the partnership, including what the status identified risks is and identifying any other potential risks at the time of the report.

5. **How the Partnership will be Monitored**

Council will develop a set of measurable and auditable outcomes for each partnership and will identify at this time a reporting regime for each of the outcomes.

A formal report to Council will be produced for each partnership on a six monthly basis detailing the progress towards the partnership outcomes, the financial performance of the partnership risk management process.

Six monthly financial reports and audited annual reports will be reported to Council.

The partnership reporting will be managed in the same fashion as all other Council activities and will meet the requirements of all other local government reporting. This will include reporting on how the partnership contributes to Council's outcomes.

REMISSION OF RATES POLICY

INTRODUCTION

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

LEGISLATIVE REQUIREMENT

Section 109 Local Government Act 2002 requires Council to adopt a Rates Remission Policy which includes:

- The objectives sought to be achieved by the remission of rates; and
- The conditions and criteria to be met in order for rates to be remitted.

Remission of Penalty Rates

Objectives

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

Criteria and Conditions

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

Criteria

1. Remission of penalty incurred on instalment one will be considered where the ratepayers pays the total amount due for the year on or before the penalty date of the second instalment.
2. Remission of one penalty will be considered in any one rating year where payment had been late due to significant family disruption. Significant family disruption is likely to be the ratepayer or a member of the household affected by serious illness, serious accident, hospitalisation or death.

3. Remission of penalty may be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control. Applications under this criteria will only be accepted if the ratepayer has a history of regular payments of rates and has not incurred penalty rates in the previous two years.
4. Remission of penalty rates will be considered for those ratepayers who due to financial hardship, are in arrears and who have entered into an agreement with Council to repay all outstanding rates. Penalty rates remission will not be considered if the agreement plan is not being adhered to.

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

Conditions

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

Delegation

Council delegates the authority to remit penalty rates to the Chief Executive Officer or the Support Services Manager.

Remission of Rates for Land Used by Sporting, Recreational and Community Organisations

Objectives

- To facilitate the ongoing provision of non-commercial sporting, recreational and community services that meet the needs of the residents of Carterton.
- To provide indirect financial assistance to community organisations.
- 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.

Conditions and Criteria

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

Council will remit 50% of rates, with the exception of targeted rates, for organisations that qualify under this policy. Sporting organisations will qualify for 50% remission regardless of whether they hold a current license under the Sale of Liquor Act 1989.

Council will remit 100% of all rates for Rural Halls, to be reviewed annually to ensure that the use still remains the same.

The policy does not apply to organisations operated for pecuniary profit or which charge tuition fees.

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

Applications for remission must be made to the Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be back dated.

Organisations making application should include the following documents in support of their application. Information of activities and programmes, details of membership and statement of objectives

Delegation

Council delegates the authority to remit 50% of rates for sporting, recreational and community organisations to the Chief Executive Officer or the Support Services Manager.

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

Objective

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

Conditions and Criteria

1. Ratepayers who own rating units which have some feature of cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this part of the policy
2. Land that is non-rateable under section 8 of the Local Government (Rating) Act and is liable only for rates for water supply, sewage disposal or refuse collection will not qualify for remission under this part of the policy.
3. Applications must be made in writing, Applications should be supported by documentary evidence of the protected status of the rating unit e.g. a copy of the covenant or other legal mechanism.
4. In considering any application for remission of rates under this part of the policy the Council will consider the following criteria:
 - the extent to which the preservation of 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 degree to which features of natural, cultural or historic heritage are present on the land
5. In granting remissions under this part of the policy, Council may specify certain conditions before remissions will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.
6. Council will decide what amount of rates will be remitted on a case by case basis

Delegations

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

Remission of Uniform Annual General Charge in certain circumstances

Objectives

- To encourage continued subdivision activity by providing rates relief to new subdivisions by limiting the rates impact of multiple UAGC's in the first year.

Conditions and Criteria

This policy will apply to land that is:

- subdivided into three lots or more; and
- where title has been issued; and
- is owned by the original developer who is holding the individual titles.

Remission will only apply for the first rating year that the individual titles have been separately rated after subdivision. To avoid doubt, remission under this policy will not be given to subdivisions that were given a block rating valuation for any rating year prior to 1 July 2003.

Remission will be limited to 100% of the UAGC for each unsold lot except one.

Delegation

Council delegates the authority to remit UAGC's to the Chief Executive Officer or the Support Services Manager.

Remission of Rates for Natural Disasters

Objectives

- To provide relief to properties affected by natural disasters.

Conditions and Criteria

1. Council will remit rates to those properties identified according to the conditions and criteria set by Central Government.
2. The level of remission will be the extent of funding provided by Central Government.

POSTPONEMENT OF RATES POLICY

INTRODUCTION

This policy is prepared under Section 110 Local Government Act 2002.

LEGISLATIVE REQUIREMENTS

The Local Government Act 2002 requires that the Postponement of Rates Policy must state:

- The objectives sought to be achieved by a postponement of the requirement to pay rates; and
- The conditions and criteria to be met in order for the requirement to pay rates to be postponed.

Objective

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

Criteria & Conditions

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

Criteria

The ratepayer(s) is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision of maintenance of the home and chattels at an adequate standard as well as making provision for normal day to day living expenses.

The ratepayers(s) must be the current owner of the rating unit and have owned or resided on the property or within the district for not less than five years.

The rating unit must be used solely for residential purposes and the ratepayer(s) must reside on the property.

The ratepayer(s) must not own any other rating units or investment properties, whether in this district or another.

Conditions

Application must be in writing by the ratepayer(s) or by any authorised agent.

The ratepayer(s) is required to disclose to Council, all personal circumstances, including the following factors; age, physical or mental disability, injury, illness and family circumstances so that Council can consider these factors to establish whether extreme financial hardship exists.

Application for postponement of rates will only be considered from the beginning of the rating year in which the application is made.

If Council decides to postpone rates the ratepayer(s) must first enter into an agreement with Council to make regular payments for future rates.

Council will charge a postponement fee on the postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council's administrative and financial costs and may vary from year to year. The current fee is \$50.00.

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 their residence, or
- Until a date specified by the Council as determined by council in any particular case.

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 under the Statutory Land Charges Registration Act 1928 and no dealing with the land may be registered by the ratepayer while the charge is registered except with the consent of Council.

Delegation

Council delegates the authority to approve applications for rate postponement to the Chief Executive Officer or the Support Services Manager.

POLICY FOR REMISSION AND POSTPONEMENT OF RATES ON MAORI FREEHOLD LAND

INTRODUCTION

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is subject of such an order may qualify for remission or postponement under this policy. Currently there are 38 rating units in the district that meet the definition of Maori freehold land, of which 16 are non-rateable.

Whether rates are remitted or postponed in any individual case will depend on the individual circumstances of each application. In general, a remission of rates will be considered, unless there is a reasonable likelihood that the subject land will be used or developed in the immediate future.

This policy has been formulated for the purposes of:

- Ensuring the fair and equitable collection of rates from all sectors of the community by recognising that certain Maori owned lands have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide relief from rates.
- Meeting the requirement of Section 108 of the Local Government Act 2002 to have a policy on the remission and postponement of rates on Maori freehold land.
- In determining the policy, Council has considered the matters set out in Schedule 11 of the Act.

Objectives

- To recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.
- To set aside land that is better set aside for non-use because of its natural features (whenua rahui).
- To recognise matters related to the physical accessibility of the land.
- To recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes.
- Where part only of a block is occupied, to grant remission for the portion of land not occupied.
- To facilitate development or use of the land where Council considers rates based on the rateable value make the use of the land uneconomic.

Conditions & Criteria

Application for the remission or postponement should be made prior to commencement of the rating year.

Applications made after the commencement of the rating year may be accepted at the discretion of Council. Owners or trustees making application should include the following information in their application:

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

Council may, of its own will, investigate and grant remissions or postponement of rates on any Maori freehold land in the district.

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

Council will give a remission or postponement of up to 100% of all rates, except targeted rates set for water supply or wastewater disposal, based on the following criteria:

- The land is unoccupied and no income is derived from the use or occupation of that land, or
- The land is better set aside for non-use (whenua rahui) because of its natural features, or is unoccupied, and no income is derived from the use or occupation of that land,
- The land is inaccessible and is unoccupied,
- Only a portion of the land is occupied,
- The property carries a best potential use value that is significantly in excess of the economic value arising from its actual use.

