

## Council Policies

### Revenue And Financing Policy

#### *Introduction*

The Local Government Act 2002 requires all Councils to adopt a Revenue and Financing Policy as part of its Long Term Plan. This policy is used to demonstrate how the Council proposes to fund its operating and capital expenditures in respect of its various activities. More importantly it will show who will pay these costs and why.

The use of a formal process to determine funding arrangements is not new. Since 1996, Councils have been required to examine their activities and to arrange the funding between the community as a whole and the users and beneficiaries of the various services that Council provides. These two funding streams were referred to as “public” i.e. the community as a whole, and “private” i.e. the individuals that use the service.

The 2002 Act takes this public/ private split to another stage. Councils now need to show how these activities link to the community outcomes, who benefits from them, the time period over which these benefits are expected to occur and whether the actions or inactions of particular groups have given rise to the need for the activity. Where an activity is separately funded, the Council needs to show the benefits from maintaining this separate funding.

Lastly the Council has to demonstrate that in making its overall funding decisions; it has given consideration to the impact on the community and in particular the effect on its current and future well-being.

This policy is set out under the following major headings:

- Policy Statement
- Legal Requirements of the Revenue and Financing Policy

- Council’s process for applying these legal requirements
- Overall funding considerations
- Individual activity analysis

#### *Philosophy*

The Council will manage its financial affairs prudently and in a manner that promotes the current and future interests of the community. The aim of the policy is to promote consistent, prudent, effective and sustainable financial management of the Council and to fund its activities from the most appropriate source after consideration of who benefits from each activity. As a general rule, operating activities will be funded from operating revenue.

The Council activities will be funded from appropriate sources of revenue following consideration of:

- The community outcomes to which the activity primarily contributes; and
- The distribution of benefits between the community as a whole and any identifiable groups or individuals within the community; and
- The period over which the benefits are expected to occur; and
- The extent to which the actions or inactions of individuals contribute to the need for the activity; and
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from the other activities; and
- The overall impacts of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community.

In funding its activities the Council may need to borrow and invest funds and as a result has risks such as interest rate, liquidity, credit and internal control. The Council's policies in relation to borrowing and the associated risks are contained in the Liability Management Policy. The policies in relation to investments are contained in the investment policy.

## *Policy Statement*

### *Funding of Operating Expenditure*

Council funds operating expenditure from the following sources:

- General rates
- General rates are used to fund those services where Council believes there is a public benefit even though it may not be to the whole community. It typically funds "public goods" for which there is no practical method for charging individual users as the benefit is wider than just specific users.
- Targeted rates for :
  - Community and Ward Services
  - Water Supply
  - Refuse Collection
  - Roothing
  - Halls
  - Security Patrol
  - Debt Servicing
  - Sewerage
  - Aotea Erosion Protection
  - Otorohanga CBD Development
- Charges for services including fees, fines and charges

Fees and charges are used for services where there is a benefit to an individual. If it is possible to efficiently impose a charge, the Council does so on the basis of either recovering the full cost of the

service, the marginal cost added by the users, or a rate that the market will pay.

The market rate becomes an issue to limit the potential for charging. It applies in circumstances where the Council believes that a charge set too high will reduce use and therefore diminish the value of the facility to the community, and impose a greater cost on the ratepayers.

- Interest and dividends from investments
- Grants and subsidies towards operating expenses (subsidies towards capital expenditure are applied to the related capital expenditure only)
- Other operating revenue, including :
  - Petrol tax
  - Property rentals
  - Other income

Council may choose not to fully fund operating expenditure in any particular year, if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when it would be beneficial to avoid significant fluctuations in rates, fees or charges.

The Act also requires Council to produce a Funding Impact Statement that provides details on the funding mechanisms to be used for each year covered by the Long Term Plan. The Funding Impact Statement shows how Council intends to implement the Revenue and Financing Policy each year. It also shows the amounts to be collected from each available source, including how various rates are to be applied.

### *Funding of Capital Expenditure*

Council funds capital expenditure from subsidies, borrowing, reserves, development contributions and operating surpluses. When funded by debt, Council spreads the repayment of that borrowing over several years. This enables Council to best match charges placed on the community against the period of benefits from capital expenditure.

Borrowing is managed within the framework specified in the Liability Management Policy. Whilst seeking to minimise interest costs and financial risks associated with borrowing is of primary importance, Council seeks to match the term of borrowings with the average life of assets when practical. Council's overall borrowing requirement is reduced to the extent that other funds are available to finance capital expenditure. Such other funds include:

- Council reserves.
- Financial contributions under the Resource Management Act 1991 and Development Contributions under the Local Government Act 2002.
- Contributions towards capital expenditure from other parties such as NZTA (in relation to certain roading projects).
- Revenue collected to cover depreciation charges
- Proceeds from sale of assets
- Targeted rates
- Operating surpluses

The Forecast Financial Statements included in the Long Term Plan contain a Statement of Prospective Net Debt Position. This statement provides a summary of forecast borrowing levels, identifying the impact of capital expenditure and the various other capital funding sources listed above.

## *Legal Requirements of the Revenue and Financing Policy*

This Revenue and Financing Policy has been prepared in accordance with the requirements of the Local Government Act 2002. The relevant sections of that Act are reproduced below.

### *S101 Financial Management*

1. A local authority must 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.
2. A local authority must make adequate and effective provision in its long-term plan and in its annual plan (where applicable) to meet the expenditure needs of the local authority identified in that long-term plan and annual plan.
3. The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,-
  - a. in relation to each activity to be funded,-
    - i. the community outcomes to which the activity primarily contributes; and
    - ii. the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
    - iii. the period in or over which those benefits are expected to occur; and
    - iv. the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
    - v. the costs and benefits, including consequences for transparency and

- accountability, of funding the activity distinctly from other activities; and
- b. the overall impact of any allocation of liability for revenue needs on the community.

### *S102 Funding and financial policies*

1. A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies described in subsection (2).
2. The policies are-
  - a) a revenue and financing policy; and
  - b) a liability management policy; and
  - c) an investment policy; and
  - d) a policy on development contributions or financial contributions; and
  - e) a policy on the remission and postponement of rates on Maori freehold land.
3. A local authority may adopt either or both of the following policies:
  - a) a rates remission policy;
  - b) a rates postponement policy.
4. A local authority-
  - a) must consult on a draft policy in a manner that gives effect to the requirements of Section 82 before adopting a policy under this section:
  - b) may amend a policy adopted under this section at any time after consulting on the proposed amendments in a manner that gives effect to the requirements of Section 82.
5. However, subsection (4) does not apply to-
  - a) a liability management policy;

- b) an investment policy.

### *S103 Revenue and Financing policy –*

1. A policy adopted under section 102(1) must state-
  - a. the local authorities policies in respect of the funding of operating expenses from the sources listed in subsection (2) ; and
  - b. the local authorities policies in respect of the funding of capital expenditure from the sources listed in subsection (2).
2. The sources referred to in subsection (1) are as follows:
  - a. general rates, including-
    - i. choice of valuation system
    - ii. differential rating
    - iii. uniform annual general charges
  - b. targeted rates
  - c. lump sum contributions
  - d. fees and charges
  - e. interest and dividends from investments
  - f. borrowing
  - g. proceeds from asset sales
  - h. development contributions
  - i. financial contributions under the Resource Management Act 1991
  - j. grants and subsidies
  - k. any other source
3. A policy adopted under section 102(1) must also show how the local authority has, in relation to the sources of funding identified in the policy, complied with section 101(3).
4. If a local authority amends its revenue and financing policy under section 93(4), only a significant amendment to the

policy is required to be audited in accordance with sections 93D(4) and 94.

#### *S14 Principles relating to local authorities –*

Section 14 lists a set of general principles applying to all significant decisions, which includes the funding policy. In summary the general principles of section 14 require the conduct of Council business and decision making to be:

- Transparent and accountable
- Efficient and effective
- Have regard to the views of all its communities
- Responsive to diverse community interests including future generations
- Inclusive of Maori
- Collaborative with other local authorities
- Based on sound business practices in the case of commercial transactions
- Demonstrative of prudent stewardship of resources
- Based on a sustainable approach reflecting social, economic, environmental and cultural well-being of future generations

#### *S77 Requirements in relation to decisions –*

Section 77 lists a set of requirements that a Council must apply when making decisions. In summary the general requirements of Section 77 require that a Council must;

- Identify all reasonably practical options to achieve the objectives of the decision,
- Consider the benefits and costs of each option in terms of the district's well-being,
- Consider any statutory responsibilities
- Where the decision is in relationship to land or a body of water the Council must take into account the relationship between Maori and the land or body of water.

#### *Council's Process for applying these Legal requirements*

The first step of the process followed by Council when developing the Revenue and Financing Policy has been to analyse the requirements of section 101(3)(a) of the Act. This has involved considering each of the significant activities of Council in terms of this section of the Act.

The headings used for this analysis are:

- Community Outcomes
- Distribution of benefits
- Period of benefits
- Exacerbator pays
- Costs and benefits of distinct funding

### Community Outcomes

Section 101(3)(a)(i) requires Council to identify the community outcome to which each activity primarily contributes. The community outcomes are described in the Long Term Plan; these are:



Otorohanga District is a safe place to live.



Ensure services and facilities meet the needs of the community.



Provide for the unique history and culture of the district.



Promote the local economy and opportunities for sustainable economic development.



Manage the natural and physical environment in a sustainable manner.



Foster an involved and engaged community.



Protect the special character of our harbours and their catchments.



Recognise the importance of the District's rural character.

The Long Term Plan sets out under each activity the outcome or outcomes to which it primarily contributes, and states why each activity is undertaken.



### Distribution of Benefits

Section 101(3)(a)(ii) requires Council to assess the benefits from each activity flowing to the community as a whole, and those flowing to individuals or identifiable parts of the community.

In order to assess the distribution of benefits, it is necessary to first describe and define the different types of benefits that flow from Council activities.

**Existence benefit:** an existence benefit is one that arises simply from the fact that a facility or service exists. For an activity such as libraries or other community facilities, the fact that the community protests when the closure of such facilities is mooted suggests that the community as a whole derives a benefit from the existence of the facility.

**Non-rival benefit:** the enjoyment of a benefit by a person does not prevent the benefit being enjoyed by other people at the same time. An example is street lighting. Rival – has the opposite meaning.

**Non-excludable benefit:** no person or group can be prevented from enjoying the benefit. An example is reserves. Excludable has the opposite meaning.

**Public goods:** goods or services that can often only be supplied by the community, and are usually both non-rival and non-excludable.

Benefits flow to the community as a whole directly where:

- Additional people benefitting has little or no impact on costs e.g. democracy
- The person or people benefitting cannot be identified e.g. parks and reserves
- The community in general benefits e.g. Elected Members



The community as a whole can also benefit indirectly from option benefits and existence benefits. Generally, benefits that flow to the community as a whole are non-rival and non-excludable.

For benefits of this type it is not possible, nor practical, or it is undesirable to charge people directly, so they are funded through general rates. It is not necessary that the entire community benefits for this principle to be applied.

Direct benefits to an individual or groups of people can be identified when it is possible to identify the user and it is possible to withhold the service if the user chooses not to pay. An example is building consents. In this case the costs of those benefits should be funded on a user pays basis.

#### *Period of Benefits*

Section 101(3)(a)(iii) requires the Council to assess the period over which the benefits from each activity will flow. This in turn indicates the period over which the operating and capital expenditure should be funded.

For all activities, operating costs are directly related to providing benefits in the year of expenditure. As such, they are appropriately funded on an annual basis from annual revenue.

Assets, purchased from capital expenditure, provide benefits for the duration of their useful lives. Useful lives range from a few years in the case of office equipment through to many decades for infrastructural assets such as pipe networks. This introduces the concept of intergenerational equity. This concept reflects the view that benefits occurring over time should be funded over time. This is particularly relevant for larger capital investments such as the wastewater treatment plants, bridges, landfills etc.

One method used to spread these costs over time is loan funding. This ensures that current ratepayers do not pay for benefits received by future ratepayers. Each year's ratepayers pay the interest (representing the cost of capital) and depreciation charges that are

associated with the asset. This results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it. The other method of achieving this objective is through the use of development contributions where the calculation of the contribution includes an element to reflect the value or cost of the asset that has capacity for future growth.

#### *Whose act creates a need?*

Section 101(3)(a)(iv) requires Council to assess the extent to which each activity exists only because of the actions or inaction of an individual or group. Examples are attending to a rural fire, dog control, littering etc. Sometimes known as polluter pays, this principle aims to identify the costs to the community of controlling the negative effects of individual or group actions.

The principle suggests that Council should recover any costs directly from those causing the problem. Most activities do not exhibit exacerbator pays characteristics.

#### *Costs and Benefits of Distinct Funding*

101(3)(a)(v) requires Council to consider the costs and benefits of distinct funding for each activity. This section is interpreted as requiring Council to consider the costs and benefits of funding each activity in a way that relates exclusively to that activity.

An example of this would be funding libraries entirely from user charges, or water from a targeted rate. The consideration of the costs and benefits of distinct funding must include the consequences of the chosen funding method for transparency and accountability.

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

Funding every activity on such a distinct basis would be extremely administratively complex. For some activities the quantity of rates funding to be collected amounts to only a few cents per ratepayer. The administrative costs and lack of significance would lead Council to fund a number of activities by way of a general rate.

*Overall impact on the Community*

As part of the preparation of this policy the Council took into account the interests of residents and ratepayers, principles of fairness and equity, Council policy and the avoidance of hardship from significant changes in cost allocation. Where appropriate the Council modified the strict economic analysis of funding allocation after considering the needs of the community.

An example of this is the use of district wide funding of most of the Council’s activities. After considering the costs of providing these services on an individual basis, Council decided that allocating the liability for funding on a district wide basis best met the requirements to take into account the needs of the community.

*Overall Funding Results*

*Funding of operational expenditure*

The following table shows the overall results of the individual activity analysis. It indicates that the operating expenses should be funded from the following sources:

Significant Activities	General Rates	Targeted Rates	Subsidies	Fees & Charges
Roads & Footpaths		✓	✓	✓
Refuse Collection		✓		✓
Transfer Station Management		✓		
Rural Water Supply Schemes		✓		✓
Community Water Schemes	✓	✓		✓
Wastewater	✓	✓		✓
Flood Protection				✓
Stormwater		✓		✓
Land Drainage		✓		
Reserves (incl Public Conveniences)	✓	✓		✓
Library	✓			✓
Swimming Pools	✓			✓
Cemeteries	✓			✓
Security Patrol	✓	✓		✓
District Sports Co-ordinator	✓			



Significant Activities	General Rates	Targeted Rates	Subsidies	Fees & Charges
Kawhia Wharf	✓	✓		✓
Public Halls		✓		✓
Planning & Development	✓			✓
Building Control	✓			✓
Civil Defence	✓			
Dog Control	✓			✓
Stock Ranging & Impounding	✓			✓
Environmental Health	✓			✓
Council Property		✓		✓
Litter Control	✓			✓
Rural Fire		✓		
District Promotion & Devpt	✓			
Council Grants	✓			
Corporate Planning	✓			
Democratic Process	✓	✓		
Housing for the Elderly				✓

### General Rates

The general rates will be set on the basis of capital value.

### Differential Rating

The Otorohanga Community targeted rate and Otorohanga Community Water Supply and Sewerage targeted rate for debt servicing is differentiated based on land use (Schedule 2 Local Government (Rating) Act 2002).

The differential categories are:

- Group 1 Commercial/ Industrial – all rating units that are used primarily for any commercial or industrial purpose.
- Group 2 Residential/Related Purposes – all rating units not being rating units in Group 1, used for residential and related purposes.

### Water Supply (Non Metered and Metered)

The Council proposes to set a targeted rate for water supply on the basis of a uniform targeted rate per separately used or inhabited part of a rating unit connected to the Urban Water Supply Area of Kawhia.

The Council proposes to set a targeted rate for water supply based on volume of water supplied per separately used or inhabited part of a rating unit which are metered and connected to one of the Urban Water Supply Areas of Otorohanga or Kawhia and Rural Water Supply areas of Arohena, Ranginui, Tihiroa or Waipa.

### Sewage Disposal

The Council proposes to set a targeted rate for sewage disposal in the Otorohanga Community based on a uniform targeted rate per separately used or inhabited part of a rating unit in respect of each water closet or urinal connected either directly or through a private drain to a public sewerage drain that :

Every separately used or inhabited part of a rating unit used exclusively or principally as the residence of not more than one household shall be deemed to have not more than one water closet or urinal.

Where a separately used or inhabited part of a rating unit, not being used as a residential property as in (a) above, has three or more water closets or urinals, the first shall be charged at 100% of the targeted rate per water closet or urinal and the second to fourth shall be charged at 0% of the targeted rate per water closet or urinal and the remainder to be charged at a fixed rate per water closet or urinal.

Rating units, which are neither connected to the sewerage system or are not serviceable, are not liable for this rate.

#### Uniform Annual General Charge

Council will continue to set a Uniform Annual General Charge (UAGC). This charge will be assessed as a fixed amount per rating unit.

Council uses the UAGC to fund or partly fund activities that are considered people related in that the benefits of those activities are equally available to all residents of the district. However as Council does not have the ability to rate individuals it considers that the activities are therefore equally available to each property. In these circumstances it is considered appropriate to have each property pay the same amount for the benefit received or available to them. This can be achieved through the UAGC.

### *Funding of capital expenditure*

Capital expenditure will be funded from the following sources:

Significant Activities	General Rates	Targeted Rates	Borrowings	Reserves	Funding Assistance
Roads & Footpaths			✓	✓	✓
Transfer Station Management			✓		
Rural Water Supply Schemes			✓	✓	
Community Water Schemes			✓	✓	
Wastewater			✓	✓	
Stormwater			✓	✓	
Reserves (incl Public Conveniences)	✓			✓	
Library				✓	
Swimming Pools			✓	✓	
Cemeteries	✓			✓	
Housing for the Elderly				✓	
Council Property	✓		✓	✓	
Rural Fire	✓			✓	

Council believes that this allocation of funding requirements represents a reasonable balance between user pays and district funding and considers that the impacts of these do not adversely affect the current and future well-being of the community.

## Detailed Funding Sources

### Individual Activity Analysis

An analysis of the distribution of benefits for each activity has been used to develop the funding allocation. These activities are presented in the activity groupings used throughout the LTP.

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p><u>Roading</u></p> <p>Provides a mix of private and public benefits. The public benefits include the provision of a safe and efficient roading network providing access to, from and within the District. This benefit can be seen as both social and economic in nature. The private beneficiaries of this activity are various and include the users of the roads, owners of properties adjacent to or connected to the network, commercial operators depending on the network and visitors to the district.</p>	<p>Recognising that the roading network benefits all residents ensures that the intergenerational equity issues associated with an ongoing roading programme are appropriately addressed. For example, residents of a particular road will contribute to the funding of the District roading programme, which for many years may not result in any significant expenditure on their road. However in some years there will be significant expenditure on their road, which will be funded by other residents of the District.</p>	<p>The need for expenditure is increased by the amount of traffic on the roads causing congestion for both travel and parking. Notwithstanding that, there is no effective mechanism to charge the exacerbator therefore the activity is funded on a district basis.</p>	<p>Operating</p> <p>Council considers that roading should be funded as follows:</p> <p>Maximise funding from NZTA and other sources</p> <p>20%-30% of the remainder from a Uniform Targeted Rate on each rateable property in the district, which is considered to be a fair charge to connect every property to a roading network, and to recognise that all properties should make some contribution.</p> <p>70%-80% of remainder from a Targeted Rate on capital value of each property in the district.</p>	<p>Council considered that the roading network throughout the district is an asset of the entire district and the benefits of the expenditure on this activity were 30% public in nature and 70% private in nature.</p> <p>Council currently receives funding from NZTA amounting to approximately 45% of its annual roading expenditure (including subsidised and non-subsidised expenditure). This is less than Council's assessment of the private benefit (70%), and Council accepts that there are no other practical ways of directly funding the private benefit. Accordingly Council recognises that it must fund the net cost of roading (after funding assistance) from rates, an effect of which is to require possible non-users or low-users to pay for more than they receive.</p>
<p><u>Water Supplies</u></p> <p>The benefits of this activity are considered almost exclusively private to those consumers who are connected to the water supply schemes. There is some public benefit to the Otorohanga and Kawhia Communities through the availability of water for fire</p>	<p>The operating costs of Water Supply are an annual cost and therefore funded on an annual basis.</p>	<p>The need for this activity is entirely due to the actions or inactions of individuals or groups, as such, it is therefore an exacerbator issue.</p>	<p>Kawhia</p> <p>Council concluded 5% of the cost of water should be met from the UAGC, and the balance of 95% to be funded from a Uniform Targeted Rate and that water meters for extraordinary supplies would be encouraged. Council policy is to fund loan charges for loans raised to finance capital</p>	<p>Council concluded that those with entitlements to a reticulated water supply should pay the costs of operating through a combination of consumption charges and Uniform Targeted Rates.</p>

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>protection, public toilets and to maintain public health.</p>			<p>expenditure from targeted rates based on capital value.</p> <p>Otorohanga</p> <p>Council concluded 5% of the cost of water should be met from the UAGC, and the balance of 95% to be funded from a Uniform Targeted Rate and that water meters for extraordinary supplies would be encouraged.</p> <p>Funding Sources for Year 2 and 3 of the LTP will reflect charging for all properties based on water consumption.</p> <p>Council concluded 5% of the cost of water should be met from the UAGC, and the balance of 95% funded by a combination of metered water charges and a Uniform Targeted Rate. The Uniform Targeted Rate will entitle each ratepayer a fixed quantity of water and all consumption in excess of that quantity will be charged at a rate per cubic metre. Where water users exist outside the defined community area that are metered, they will pay an appropriate Uniform Targeted Rate and a rate per cubic metre for consumption.</p> <p>Council policy is to fund loan charges for loans raised to finance capital expenditure from targeted rates based on capital value (with the same commercial differentials) over the area of benefit.</p>	

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
			<p>For years 2 and 3 of the LTP the differential will change from 2.5:1 to 2:1</p> <p>Rural Supplies</p> <p>Council concluded that those connected to a reticulated water supply should pay the costs of operating through a combination of consumption and availability charges. The Arohena RWS has a targeted rate on CV to fund the cost of debt raised on the existing infrastructure.</p>	
<p><u>Sewerage Treatment and Disposal</u></p> <p>Council considers that 95% of the benefit of wastewater disposal is to the user, i.e. those who create it. The private beneficiaries are the occupiers of the properties that are connected to the system and those properties that can be but are not connected. Council considers that 5% of the benefit of wastewater disposal is public due to the requirement to maintain good health, and in relation to public toilets.</p>	<p>The operating costs of Waste Water are an annual cost and therefore funded on an annual basis.</p>	<p>Some of the users of this service can be considered to be extraordinary users as they dispose of large quantities, for example truck wash. Other beneficiaries are those with septic tanks, as their wastes can be disposed of in the system, when their septic tanks are cleaned and serviced.</p>	<p>Council concluded 5% of the cost of waste water to the Otorohanga Community should be met from the UAGC, and the balance of 95% from extraordinary users and a Uniform Targeted Rate on each property benefiting from the service or able to benefit from the service.</p> <p>Council policy is to fund loan charges for loans raised to finance capital expenditure from targeted rates based on capital value (with the same commercial differentials) over the area of benefit.</p>	<p>Council concluded that those with entitlements to a reticulated waste water system should pay the costs of operating through a Uniform Targeted Rates.</p>
<p><u>Storm Water/ Flood Protection</u></p> <p>Council considers that the expenditure on the Otorohanga and Kawhia stormwater schemes has 80% private benefit and 20% public benefit, to the respective communities. Private benefits arise from the protection of private</p>	<p>The operating costs of Storm Water/ Flood Protection/ Land Drainage are an annual cost and therefore funded on an annual basis.</p>	<p><u>Stormwater</u></p> <p>Council considers that those properties in the communities that are more developed are likely to receive greater benefits from the systems as they</p>	<p><u>Stormwater</u></p> <p>Otorohanga stormwater is to be funded by a Uniform Targeted rate across the Otorohanga Community and Kawhia stormwater is to be funded by a Uniform Targeted rate being 75% across the Kawhia/ Aotea</p>	<p><u>Stormwater</u></p> <p>Council considers that those properties in the communities that are more developed are likely to receive greater benefits from the systems as they have more property to protect.</p> <p>Kawhia Stormwater benefits the Kawhia Community and also the</p>



Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>property, and there is a public benefit, as the schemes exist to protect public property and public health.</p> <p><u>Land Drainage</u></p> <p>Council considered the benefits of the service to be 100% private to those landowners whose land is drained enabling them to use their properties as viable pastoral units.</p> <p><u>Aotea Erosion</u></p> <p>Council considered the benefits of the service to be 100% private to those landowners whose land is protected enabling them to use their properties as residential units</p>		<p>have more property to protect.</p> <p><u>Land Drainage</u></p> <p>The Council recognises that those properties with larger floodable areas are likely to receive a greater benefit from the system as they have greater areas to drain.</p> <p><u>Aotea Erosion</u></p> <p>Council recognises that those properties closer to the seawall are likely to receive a greater benefit from the wall as they are more likely to be eroded.</p>	<p>community and 25% across the rural area.</p> <p><u>Land Drainage</u></p> <p>Land Drainage legalisation work is to be funded by a Targeted Rate on Capital Value across the Rural area.</p> <p><u>Aotea Erosion</u></p> <p>Council concluded that 90% of the cost should be funded by a Uniform Targeted Rate across the area of benefit including the Morrison subdivision and 10% be funded from the UAGC.</p>	<p>surrounding rural area. It was considered inequitable to fund the Rural share from the area of benefit and concluded that it should be funded across the rural area.</p> <p><u>Land Drainage</u></p> <p>Land Drainage schemes are funded separately through Waikato Regional Council. Council is still undertaking some legalisation work and it was considered more effective to fund this across the rural area.</p> <p><u>Aotea Erosion</u></p> <p>Council recognises that it is difficult to establish the extent of the protection and that the local residents asked that the Scheme be funded equally amongst all properties. It also recognised that the seawall protected the road which was of benefit to the whole district.</p>
<p><u>Parks and Reserves (including Public Conveniences)</u></p> <p>The beneficiaries of active reserves are generally the sports clubs that use the reserves. Council considered that 75% of the benefit is private; accruing to users such as sports clubs, teams and associations, and 25% of the benefit is public, accruing to users such as the general public who have opportunity to use the</p>	<p>The operating costs of Parks and Reserves (including Public Conveniences) are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>District and Community Reserves</p> <p>65-75% of this activity will be funded by the General Rate across the District with the balance of 25-35% funded by the Uniform Annual General Charge.</p> <p><u>Public Conveniences</u></p> <p><u>Otorohanga Community</u></p> <p>60% funded by the General Rate across the district, 20% by the Uniform Annual General Charge and 15% by a Uniform Targeted Rate across the</p>	<p>Council considers that high charges on private users such as sports clubs would be inconsistent with Council's policy to promote sport and recreation. Council recognises that it is difficult to charge for the private benefit associated with the use of reserves to the user and considers that it is not cost effective to charge for the use of public conveniences. For the use of active reserves, Council will continue</p>

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>reserves. Council determined that 50% of the benefits derived from passive reserves were private in nature, to those who use them. The remaining 50% is considered a public benefit through the availability of free access to the reserves and enhancement of the Districts image. Council considers that the benefit of the public conveniences is 50% private and 50% public.</p>			<p>Otorohanga Commercial ratepayers and 5% by a Uniform Targeted Rate across the Otorohanga Community.</p> <p><u>Kawhia Community</u></p> <p>65-75% funded by the General Rate across the district and 25-35% funded by the Uniform Annual General Charge.</p>	<p>to maximise user charges to a level that the market can sustain.</p>
<p><u>Library</u></p> <p>Council considered that 90% of the benefits accrue to the actual users of the library services. However, Council also recognised the public benefit of 10% of having the library available to everyone, and that community education will benefit.</p> <p>Council considers that the existence of a library service throughout the district benefits all residents of the district and is available for all residents.</p>	<p>The operating costs of the Library are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council will maximise user charges and the remaining costs of this activity will be funded 50% from the Uniform Annual General Charge and 50% from the General Rate.</p> <p>Council acknowledges that the effect of the policy is that non-users may be receiving less benefit and subsidising users but consider that the policy is in the best interests of the district.</p>	<p>Council recognised that a recovery of 90% is not possible from library fees. The impact of an increase to 90% library fees is likely to lead to a decrease in demand, i.e.; it is likely that people would stop using the library.</p> <p>Council considered that it would be inequitable to collect such a high proportion of the costs from the users when the libraries are available to all residents of the district. Council noted that it provides library services to enrich the community, not to make a profit. Council wants to encourage, not discourage the use of libraries. Council considered libraries should be funded 15% private and 85% public.</p>
<p><u>Swimming Pool</u></p> <p>This activity provides facilities for leisure, fitness and recreation including leisure options for youth, swimming lessons and water safety. The main beneficiaries are the users of the pools – individuals, clubs, children and</p>	<p>The operating costs of the Swimming Pool are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council considers that 54% should be funded by way of a Uniform Targeted Rate over the Otorohanga Community, 44% from a Uniform Targeted Rate over the Rural area and 2% from a Uniform Targeted Rate over the Kawhia Community.</p>	<p>Council noted the impact that high user charges would have on pool users. Council concluded that the contract price for operating the pool reflected the income from users. Ability to pay was also a major consideration. The Council wants to encourage use of the facilities, and a</p>

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>schools. There is also benefit to the public generally, as the pool is available for everyone to use, although there is obviously a greater benefit to those living in the Otorohanga Community where the swimming pool is located.</p> <p>Based on these observations Council considered that 90% of the benefit is private and 10% is public.</p>				<p>high entry fee would make it prohibitive.</p> <p>Council recognises that due to the distance from the Swimming Pool, opportunity for use is not equally available to all residents of the district. Council considers that the benefits of the Swimming Pool are 54% Otorohanga Community, 44% Rural and 2% Kawhia Community.</p>
<p><u>Cemeteries</u></p> <p>Council considered that the provision of this activity provides private benefits to individuals as well as indirect benefits to the public as a whole. The private benefits, assessed as 90%, are to the families of the deceased, both within and outside the district, who chose to be buried in cemeteries within the district. The public benefit, assessed as 10%, is from the general promotion of public health and sanitary disposal of the deceased. There are also public benefits from the heritage value of cemeteries, reserve values and the fact that residents can be buried within the district. Council considered that the existence of cemeteries in the district is of benefit to all residents of the district.</p>	<p>The operating costs of Cemeteries are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council will continue to maximise plot charges, fully recover grave digging and sexton charges (approximately 5%). The remainder will be funded from General Rates. The impact of this policy is that the general ratepayer subsidises those who use the cemeteries.</p>	<p>Council's current policy is to maximise plot charges and fully recover the costs of grave digging and sexton charges. Currently 60% of cemetery costs in Otorohanga Community and 25% of Kawhia Community are met by way of user charges (these will vary depending on the number of plots sold). As the demand for Kawhia cemetery is infrequent, Council considered that it was unfair and equitable to increase income from sale of plots.</p>
<p><u>Security Patrol</u></p>	<p>The operating costs of Security Patrol are an annual</p>	<p>This activity has no exacerbator issues.</p>	<p>Council concluded that it would maximise recoveries from properties outside the area using the service and</p>	<p>Council recognised that there is an element of public good in the service but the principle benefit accrues to</p>

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>Council recognised that there is an element of public good in the service but the principle benefit accrues to those that are private users. There are also users outside the targeted rating area that benefit, and they are expected to contribute by way of user charges. There is a benefit in different degrees to the Otorohanga Community residents and the wider district. Council considered that the benefits were both property and people related.</p>	<p>cost and therefore funded on an annual basis.</p>		<p>5% of the cost of this activity would be funded from the General Rate, and a further 10% to be funded from a Targeted Rate across the Otorohanga Community. The balance to be funded from the defined Security Patrol area equally by way of a Uniform Targeted Rate and Uniform Targeted Rate based on Capital Value.</p>	<p>those that are private users. There are also users outside the targeted rating area that benefit, and they are expected to contribute by way of user charges. There is a benefit in different degrees to the Otorohanga Community residents and the wider district. Council considered that the benefits were both property and people related.</p>
<p><u>Sport Waikato</u></p> <p>Council considered that there may be a direct benefit to certain individuals or groups of 10% but the primary benefit is the existence of the scheme which is a public benefit (90%) to all residents of the District.</p> <p>Council noted that part of this activity is funded through user charges, sponsorship and other funding that is collected directly by Sport Waikato.</p>	<p>The operating costs of District Sports Co-ordinator Scheme are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council concluded that this activity was a people driven activity, and funding should be 67% by way of the Uniform Annual General Charge over the whole District and 33% from the General Rate.</p> <p>Council acknowledges that the effect of the policy is that non-users may be receiving less benefit and subsidising users but consider that the policy is in the best interests of the district.</p>	<p>Council acknowledged that funding should be 100% public because it wishes to encourage active participation in recreation and sport.</p>
<p><u>Kawhia Harbour Services</u></p> <p>Although the wharf has local historical origins, Council considers the facility is of benefit to the whole district and that ratepayers of the district support Council's continued involvement.</p> <p>Council considered that the benefits were 80% private and</p>	<p>The operating costs of the Kawhia Wharf are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council will maximise user charges to what the market can bear, 75% of the remainder will be funded half from the UAGC. The remaining 25% will be funded half from a Kawhia Uniform Targeted Rate and half from a Kawhia Uniform Targeted Rate on CV.</p>	<p>Council considered that the benefits were 80% private and 20% public. The private beneficiaries are the users of the facilities such as, commercial boats and recreational users. The public benefit is derived from the availability of the structure, and the Community value that it has.</p>

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>20% public. The private beneficiaries are the users of the facilities such as, commercial boats and recreational users. The public benefit is derived from the availability of the structure, and the Community value that it has.</p>				
<p><u>Kawhia Community Centre</u> Council considers that the benefit of the Kawhia Community Centre is primarily private to the Kawhia Community.</p>	<p>The operating costs of Public Halls are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council will maximise user charges to what the market can bear and the remainder of the cost of the Kawhia Community Centre will be funded by way of a Uniform Targeted Rate over the Kawhia Community.</p>	<p>Council considers that the benefit of the Kawhia Community Centre is primarily private to the Kawhia Community.</p>
<p><u>Housing for the Elderly</u> Council considered the benefits of the provision of this service 90% private (benefit to the tenants) and 10% public.</p>	<p>The operating costs of Housing for the Elderly are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council confirmed its policy that this activity should be fully funded by property rentals.</p>	<p>Councils current policy is the Housing for the Elderly will be self-funding. This has developed from past practice and recognises that the benefit is primarily private.</p>
<p><u>Other Property</u> Council considered that the benefit for this activity was exclusively public and that based on the historical background of these properties, the "ownership" (and therefore benefit) of each property remains within the area which it is located except for properties considered to be district wide assets.</p>	<p>The operating costs of Other Property are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council will charge rentals that the market will sustain (approximately 70%) and the remaining costs will be funded equally from Uniform Targeted Rates and targeted rates on capital value over the whole district. Rural area, Otorohanga Community and Kawhia Community, generally based on the property location or whether a property is considered to be a district wide asset.</p>	<p>Council policy is to maximise the recovery of costs through the rental of other property as where property, is rented that is primarily of private benefit.</p>
<p><u>Solid Waste</u> Council considers that 90% of the benefit of solid waste collection, is to the user i.e.; those who create it are able to dispose of their waste. Council recognises that there is some public benefit to all</p>	<p>The operating costs of Solid Waste are an annual cost and therefore funded on an annual basis.</p>	<p>The need for this activity is entirely due to the actions or inactions of individuals or groups, as such, it is therefore an exacerbator issue.</p>	<p><u>Refuse</u> The residents of Otorohanga, Kawhia and Aotea communities will fund the costs through a Uniform Targeted Rate over the properties in the Otorohanga, Kawhia and Aotea communities to recover 90% of the</p>	<p><u>Refuse</u> Council considers that the contribution it makes to the costs of solid waste collection should be funded by those who benefit.</p>

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>residents of the District, by having the communities waste disposed of in a controlled and acceptable manner.</p>			<p>costs and a targeted Community Rate on Capital Value to fund the remaining 10%</p> <p><u>Solid Waste Management</u></p> <p>Council considers that both Otorohanga and Kawhia closed landfills and recycling centre should be funded 80% from the Otorohanga and Kawhia/Aotea community respectively and 20% from the Rural area.</p>	<p><u>Solid Waste Management</u></p> <p>Council considers that the closed Otorohanga Landfill and recycling centre and that the closed Kawhia landfill and recycling centre should be funded 100% Uniform targeted rates from the communities that benefit.</p>
<p><u>Litter Control</u></p> <p>100% of this activity was identified as private, as the exacerbator in this activity is the person who drops the rubbish.</p>	<p>The operating costs of Litter Control are an annual cost and therefore funded on an annual basis.</p>	<p>The exacerbator is the person who is responsible for dropping the rubbish.</p>	<p>Council recognised that it is impossible to identify the exacerbator (those responsible for the rubbish) and considered that the activity should be funded publicly.</p> <p>Council considers that litter control should be funded 33.33% from the Uniform Annual General Charge and 66.66% from the District Wide general rate.</p>	<p>Council considered that the benefit of this activity is primarily property related, and that there is potentially equal benefit from this activity to all areas of the District.</p>
<p><u>Planning &amp; Development</u></p> <p>Council considers that the benefits of expenditure on this activity (consent application and monitoring) are 100% private, based on the exacerbator principle.</p>	<p>The operating costs of Planning and Development are an annual cost and therefore funded on an annual basis.</p>	<p>Those people applying for resource consents and creating pressure on resources through development are creating a need.</p>	<p>Council recognises that a significant portion of the cost of this activity involves dealing with general public enquiries, many of which lead to a consent application, but some that do not. Council considered that it was not appropriate to charge for general enquiries, as that would be a disincentive, which would not be in the best interests of the district.</p> <p>Council determined that the cost of processing and monitoring consent applications should be funded by maximising user fees such that consent applicants are paying the full cost of the application. The remainder,</p>	<p>Council considers that the benefits of expenditure on this activity (consent application and monitoring) are 100% private, based on the exacerbator principle.</p>



Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
			including the cost of public enquiries, should be funded by the District Wide general rate based on Capital Value.	
<p><u>Building Control</u></p> <p>Council considers that the benefits of expenditure on this activity are 100% private, based on the exacerbator principle.</p> <p>Council recognises that a portion of the cost of this activity involves dealing with general public enquiries, many of which lead to a building consent application, but some that do not. Council considers that general enquiries provide a public benefit to the District as a whole.</p> <p>Council considers that the benefits of this activity are property related.</p>	<p>The operating costs of Building Control are an annual cost and therefore funded on an annual basis.</p>	<p>Those people applying for building consents and creating pressure on resources through development are creating a need.</p>	<p>Council determined that the costs of processing building consents and inspections should be funded by maximising user fees such that applicants pay all costs relating to their application. The target from user charges should be maximised. The remainder, including the cost of public enquiries should be funded by a general rate based on capital value.</p>	<p>Council considers that the benefits of expenditure on this activity are 100% private, based on the exacerbator principle.</p> <p>Council recognises that a portion of the cost of this activity involves dealing with general public enquiries, many of which lead to a building consent application, but some that do not. Council considers that general enquiries provide a public benefit to the District as a whole.</p> <p>Council considers that the benefits of this activity are property related.</p>
<p><u>Civil Defence</u></p> <p>Council determined that the benefits of expenditure on this service were entirely public (100%) in nature in that the whole district benefited from the knowledge that there was a state of readiness in the event of a civil emergency.</p> <p>Council noted that the allocation in step one is fair and equitable.</p>	<p>The operating costs of Civil Defence are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council concluded that this function should be funded 100% from the Uniform Annual General Charge over the District to recognise that the benefit is equally available to all people of the District.</p>	<p>Council determined that the benefits of expenditure on this service were entirely public (100%) in nature in that the whole district benefited from the knowledge that there was a state of readiness in the event of a civil emergency.</p> <p>Council noted that the allocation in step one is fair and equitable.</p>
<p><u>Dog Control</u></p> <p>Council recognises that primary benefit of this activity is to groups such as dog owners who benefit</p>	<p>The operating costs of Dog Control are an annual cost and therefore funded on an annual basis.</p>	<p>In this case it is the dog owners who are the exacerbators and Council considered that their</p>	<p>Council concluded that 80% of this activity would be funded through dog control fees and 20% through the Uniform Annual General Charge.</p>	<p>Council confirmed its policy of maximising user pays where appropriate and believes that the dog owners should pay 80% of the costs to</p>

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>through education and the identification of their animals. However, Council noted that some benefits accrue to the public by way of promotion of public safety and order, and the minimisation of public nuisances. The benefits received are likely to differ within the different sectors of the public, eg; there is more need for dog control in urban areas than rural.</p> <p>Council concluded that 80% of the benefits were private in nature (dog owners/ exacerbators), while 20% of the benefits accrue to the public.</p>		<p>contribution to the need for this expenditure should be emphasised.</p>		<p>discourage the proliferation of dogs, and promote better control by owners.</p>
<p><u>Stock Ranging &amp; Impounding</u></p> <p>Although there is some degree of private benefit in that stock owners receive benefit from the removal of their stock from public areas, Council considered that the public benefited primarily from this service as they were protected from the potential property and personal damage caused by wandering stock (75%).</p> <p>Council considers that the benefit of this activity is equally available to all residents of the District.</p>	<p>The operating costs of Stock Ranging and Impounding are an annual cost and therefore funded on an annual basis.</p>	<p>In this case it is the stock owners who are the exacerbators.</p>	<p>Council will fund this activity by maximising (to what the market can bear) the poundage fees and sustenance charges levied on the owners of impounded stock (2.5%) and the remainder (97.5%) will be funded from the Uniform Annual General Charge over the whole District.</p> <p>The effect of this policy is that the general ratepayer subsidises those who benefit.</p>	<p>There are statutory limitations on trespass fees, often the stockowner cannot be identified and often the stock is worth less than what Council would charge. Council also noted that a significant component of the cost of this activity is fixed, regardless of the number of animals impounded.</p> <p>Council considered that almost 100% of the cost of this activity would have to be publicly funded.</p>
<p><u>Environmental Health</u></p> <p>The benefits of this activity are the maintenance of public health and safety and consumer protection through ensuring minimum</p>	<p>The operating costs of Environmental Health are an annual cost and therefore funded on an annual basis.</p>	<p>Most of the costs of this activity relate to private benefits and the control of negative effects. The ability to recover costs distinctly is governed by</p>	<p>There are statutory limits on some of the charges that can be levied, and Council recognises that in some cases the cost of the activity cannot be recovered.</p>	<p>The Council felt that as this is a mandatory activity, a major proportion of the costs is fixed and is independent of the number of users/ applicants. It was noted that under Step One allocation the costs to direct</p>

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>standards are met. There is some limited economic benefit through the regulation of various industries. The Council determined that 60% of the benefit on this activity would be received by the general public through general consumer protection, and maintenance of public health and safety. The remaining 40% was considered to be received by the applicants of the various permits and consents, in that without such permits or consents they could not operate.</p> <p>Council recognises that this activity benefits both people and property.</p>		<p>statute. It is also often difficult to identify exacerbators so expenditure on non-recoverable negative effects will be funded by Council. The scale of this activity does not warrant separate funding therefore unrecovered costs will be funded from General Rates.</p>	<p>Council concluded that it would fund this activity by maximising user charges to what the market can bear where possible including a portion for general enquiries and fund the balance equally by way of the Uniform Annual General Charge over the whole district and the general rate.</p> <p>The effect of this policy is that the general ratepayer will subsidise those who receive the benefit.</p>	<p>beneficiaries could become disproportionately high, if there were relatively few applications.</p>
<p><u>Rural Fire</u></p> <p>Council considers that the benefits of the expenditure on this activity are 100% private to rural property owners through the availability of the rural fire service, and that the benefit is property related.</p>	<p>The operating costs of Rural Fire are an annual cost and therefore funded on an annual basis.</p>	<p>Rural ratepayers who carelessly light fires create a need for the service.</p>	<p>Council recognizes that it is impossible to identify and measure the extent of the benefit and considers that the activity should be funded publicly. However Council has the ability to charge for call outs. Council has concluded that the activity would be funded by charging for call outs, with the balance from the separate rate on the Rural Area based on capital value.</p>	<p>Council considers that the benefits of the expenditure on this activity are 100% private to rural property owners through the availability of the rural fire service, and that the benefit is property related.</p>
<p><u>Democracy</u></p> <p>Council determined that the benefits of expenditure on this service were 100% public. Council recognises that the Otorohanga Community and District benefits from the activities from the Otorohanga Community Board, and that the Kawhia/ Aotea Community and District benefits</p>	<p>The operating costs of Democratic Process are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Otorohanga District</p> <p>50% by way of UAGC over the whole District, to ensure that all people make some contribution and 50% from general rate to recognise benefit to property.</p> <p><u>Otorohanga/Kawhia Aotea</u></p>	<p>Council determined that the benefits of expenditure on this service were 100% public. Council recognises that the Otorohanga Community and District benefits from the activities from the Otorohanga Community Board, and that the Kawhia/ Aotea Community and District benefits from the activities of the Kawhia Community Board. The Community Boards enable the</p>

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>from the activities of the Kawhia Community Board. The Community Boards enable the communities to keep their autonomy and provide them with unique benefits. It also noted that while the democratic activity benefits all residents of the District, the activities of Council can be of greater benefit to larger properties.</p>			<p>To recognise the role of the community boards in the overall governance of the district, 30% of the support costs to be funded 50% from the UAGC and 50% from General rate, and the remaining cost of the activity to be funded 50% from the UAGC and 50% from General Rate, and the remaining cost of the activity to be funded 50% by Uniform Targeted Rate and 50% by Targeted Rate based on CV over the respective communities of Otorohanga and Kawhia/ Aotea. Prpject Kiwiana and Community Promotions within the Otorohanga Community Board is to be funded 50% Otorohanga Commercial Rate on CV and 50% Otorohanga Commercial Uniform Charge.</p>	<p>communities to keep their autonomy and provide them with unique benefits. It also noted that while the democratic activity benefits all residents of the District, the activities of Council can be of greater benefit to larger properties.</p>
<p><u>Council Support</u> Council considers that 100% of the benefits of the expenditure on this activity are public in nature and that generally the activities benefit the whole of the District. Council recognizes that the benefits of this activity are primarily people related.</p>	<p>The operating costs of Council Support are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues</p>	<p>Council considers that there is no practical mechanism to easily capture the private benefit and concludes that this activity should be funded 50% from the UAGC and 50% from the general rate.  The effect of the policy is that the general ratepayer might subsidise those who benefit.  In terms of external grants such as the Rural Travel Fund and the Creative Communities grants, these are funded through grants received from the relevant agencies, with administrative costs covered from the general rate.</p>	<p>Council considers that 100% of the benefits of the expenditure on this activity are public in nature and that generally the activities benefit the whole of the District. Council recognizes that the benefits of this activity are primarily people related.</p>
<p><u>Corporate Planning</u> Council has determined that the benefits of the expenditure on this</p>	<p>The operating costs of Corporate Planning are an</p>	<p>This activity has no exacerbator issues</p>	<p>Council concluded that this activity should be funded equally by way of the</p>	<p>Council has determined that the benefits of the expenditure on this service is 100% public, as they are related to Council complying with</p>

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>service is 100% public, as they are related to Council complying with various statutory responsibilities. Council recognizes however that larger properties generally have the opportunity for greater benefit from Council's collective activities.</p>	<p>annual cost and therefore funded on an annual basis.</p>		<p>Uniform Annual General Charge and the District Wide general rate.</p>	<p>various statutory responsibilities. Council recognizes however that larger properties generally have the opportunity for greater benefit from Council's collective activities.</p>
<p><u>Policy Management</u> Council considered that 100% of the benefits of the expenditure are public in nature. The public benefits are the general preservation and sustainable management of the resources of the District and protection of those who may be subject to environmental impacts. Council considers that the benefits of this activity are property related and that properties with greater value are likely to receive greater benefit.</p>	<p>The operating costs of Policy Management are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council concluded that 100% of this activity should be funded equally by way of a Uniform Annual General charge over the whole district and a general rate on capital value.</p>	<p>Council considered that 100% of the benefits of the expenditure are public in nature. The public benefits are the general preservation and sustainable management of the resources of the District and protection of those who may be subject to environmental impacts. Council considers that the benefits of this activity are property related and that properties with greater value are likely to receive greater benefit.</p>
<p><u>District Promotion and Development</u> Council considers that 50% of the benefits of the expenditure on this activity are public in nature as the whole District benefits from the promotion of the District and the attraction of visitors to the District. The private benefit is considered to be 50% to those who benefit directly from visitors to the District, for example tourism operators and associated service industries. The activity has the potential to benefit all residents of the District,</p>	<p>The operating costs of District Promotion and Development are an annual cost and therefore funded on an annual basis.</p>	<p>This activity has no exacerbator issues.</p>	<p>Council considers that there is no practical mechanism to easily capture the private benefit and concludes that this activity will be funded by seeking direct external funding with 60% of the remainder funded through the Uniform Annual General Charge over the whole District and 40% of the remainder funded from the District Wide general rate.  The effect of the policy is that the general ratepayer may subsidise those who benefit.</p>	<p>Council considers that 50% of the benefits of the expenditure on this activity are public in nature as the whole District benefits from the promotion of the District and the attraction of visitors to the District. The private benefit is considered to be 50% to those who benefit directly from visitors to the District, for example tourism operators and associated service industries. The activity has the potential to benefit all residents of the District, but it is likely to be of lesser benefit to the rural area.</p>

Who Benefits	Time period of benefit	Who's act creates a need	Funding Sources	Rationale
<p>but it is likely to be of lesser benefit to the rural area.</p>				
<p><u>Property Development</u></p> <p>Council recognises that this development will be of potential benefit to all residents of the District with 10% being public and 90% private. Council considers that the private benefit of this development is to those who occupy the industrial or residential sites. The public benefit is considered to be an increase in the rating base which leads to a greater number of ratepayers to spread the rate requirement across, and an increase in property values. While it is considered that all residents of the District can benefit from this development, it is recognised that larger properties are likely to receive greater benefit.</p> <p>Council also recognises that this activity will also benefit future generations of ratepayers.</p>	<p>The public benefit will extend many years into the future by promoting future growth and economic well-being.</p>	<p>This activity has no exacerbator issues.</p>	<p>To recognise the longer-term benefits of this development, expenditure will be met by borrowing with the cost of borrowing's being funded from section sales.</p>	<p>Council's policy is to recover all of the costs of the development from the sale of sections with any shortfall funded by the community that benefits.</p> <p>The policy recognises that the benefit is primarily private.</p>



## SIGNIFICANCE & ENGAGEMENT POLICY

### Purpose and Scope

To enable Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities.

To provide clarity about how and when communities can expect to be engaged in decisions made by Council.

To inform Council from the beginning of a decision-making process about the extent, form and type of engagement required.

### Definitions

Community	A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders
Decisions	Refers to all the decisions made by or on behalf of Council including those made by officers under delegation. (Management decisions made by officers under delegation during the implementation of council decisions will not be deemed to be significant).
Engagement	Is a term used to describe the process of seeking information from the community to inform and assist decision making. There is a continuum of community involvement.
Significance	As defined in Section 5 of the LGA2002 "in relation to any issue, proposal, decision, or other matter that concerns or is before a local

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

(a) the district or region:

(b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:

(c) the capacity of the local authority to perform its role, and the financial and other costs of doing so

### Significant Activity

Is an activity (or group of activities) as listed below:

- i. Rooding
- ii. Water Treatment and Supply
- iii. Waste Water Drainage and Treatment
- iv. Urban Stormwater Drainage
- v. Otorohanga Flood Protection
- vi. Parks and Reserves and associated buildings
- vii. Cemeteries
- viii. Any other non-administrative activity that has an annual operating expenditure greater than 5% of

	<p>Council's total operating expenditure for that financial year.</p> <p>Activity categories i to vii above are considered significant primarily because of their strong relevance to the Purpose of Local Government as defined in the Local Government Act and the extent of potential to change the form and level of service in respect of that activity. Many of these activities also represent a large proportion of overall Council expenditure.</p> <p>The inclusion of category viii reflects a belief that any discretionary operational activity with a high cost is also significant in respect of the need for cost-effectiveness in the defined Purpose of Local Government.</p>
<p>Strategic asset</p>	<p>As defined in Section 5 of the LGA2002 "in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes—</p>

	<p>(a) any asset or group of assets listed in accordance with <a href="#">section 90(2)</a> by the local authority; and</p> <p>(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</p> <p>(c) any equity securities held by the local authority in—</p> <p>(i) a port company within the meaning of the <a href="#">Port Companies Act 1988</a>;</p> <p>(ii) an airport company within the meaning of the <a href="#">Airport Authorities Act 1966</a>"</p>
<p>Strategic aspirations</p>	<p>Refers to any high level, direction setting goal or document that the Council aims to deliver.</p>

*Policy*

Engaging with the community is needed to understand the views and preferences of people likely to be affected by or interested in a proposal or decision.

An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will therefore be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops.

The Council will take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:

- There is a legal requirement to engage with the community

- The level of financial consequences of the proposal or decision
- Whether the proposal or decision will affect a large portion of the community
- The likely impact on present and future interests of the community, recognising Māori culture values and their relationship to land and water
- Whether the proposal affects the level of service of a significant activity
- Whether community interest is high
- Whether the likely consequences are controversial
- Whether community views are already known, including the community's preferences about the form of engagement
- The form of engagement used in the past for similar proposals and decisions
- How readily a potential decision would be reversible

If a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance.

In general, the more significant an issue, the greater the need for community engagement.

The Council will apply a consistent and transparent approach to engagement.

Council is required to undertake a special consultative procedure as set out in Section 83 of the Local Government Act 2002, or to carry out consultation in accordance with or giving effect to Section 82 of the Local Government Act 2002 on certain matters (regardless of whether they are considered significant as part of this policy).

For all other issues requiring a decision, Council will determine the appropriate level of engagement on a case by case basis.

The Community Engagement Guide (attached) identifies the form of engagement Council will use to respond to some specific issues. It also provides examples of types of issues and how and when communities could expect to be engaged in the decision making process.

Joint Management Agreements, Memorandum of Understanding or any other similar high level agreements will be considered as a starting point when engaging with Māori.

When Council makes a decision that is significantly inconsistent with this policy, the steps identified in Section 80 of the Local Government Act 2002 will be undertaken.

When Council may not engage –

Information is always necessary for the decision making process. There may however be times when it is not necessary, appropriate or possible to engage with the community on a matter of decision, even if the matter or decision is significant.

Circumstances where community engagement may not be undertaken include the following, some of which are described in Section 82 of the Local Government Act 2002:

- Council already has a sound understanding of the views and preferences of the persons likely to be affected or interested in the matter; or
- There is a need for confidentiality or commercial sensitivity; or
- The costs of consultation outweigh the benefits of it; or

- The matter has already been addressed by the Council's policies or plans, which have previously been consulted on; or
- An immediate or rapid response or decision is needed or it is not reasonably practical to engage; or
- Works are required unexpectedly or following further investigations on projects that have already been approved by Council; or
- The works required are of a 'business as usual' nature related to the operation and maintenance of a Council asset and responsible management requires those works to take place; or
- Where Council has consulted on the same issue in the last 24 months

## *SCHEDULE 1 – STRATEGIC ASSETS*

Section 5 of the Local Government Act requires the following to be listed in this Policy:

- a. any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
- b. any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- c. any equity securities held by the local authority in—
  - (i) a port company within the meaning of the Port Companies Act 1988
  - (ii) an airport company within the meaning of the Airport Authorities Act 1966

The following is a list of assets or group of assets that the council needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community.

All assets associated with Significant Activity categories i to vii as described under Definitions.

Land and Buildings provided for Housing for the Elderly at the following locations:

- Windsor Court, Haerehuka Street, Otorohanga
- Elizabeth Place, Rangitahi Street, Otorohanga
- Rosamund Terrace, Kawhia

3.25% shareholding in Waikato Regional Airport Ltd

## *SCHEDULE 2 – COMMUNITY ENGAGEMENT GUIDE*

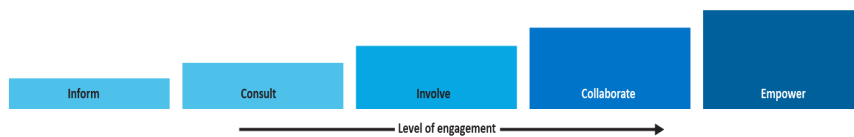
Community engagement is a process, involves all or some of the public and is focussed on decision-making or problem-solving.

The International Association for Public Participation (IAP2) has developed a Public Participation Spectrum to demonstrate the possible types of engagement with the community. This model also shows the increasing level of public impact as you progress through the spectrum from left to right - 'inform' through to 'empower'. In simply 'informing' stakeholders there is no expectation of receiving feedback, and consequently there is a low level of public impact. At

the other end of the spectrum, 'empowering' stakeholders to make decisions implies an increase in expectations and therefore an increased level of public impact. Differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders.

It will not always be appropriate or practicable to conduct processes at the 'collaborate' or 'empower' end of the spectrum. Many minor issues will not warrant such an involved approach. Time and money may also limit what is possible on some occasions.

In general, the more significant an issue, the greater the need for community engagement.



### Forms of engagement

The Council will use the Special Consultative Procedure (as set out in section 83 of the LGA 2002) where required to do so by law, including for the following issues requiring decisions:

- The adoption or amendment of a Long Term Plan (in accordance with section 93 A of the LGA 2002)
- The adoption, amendment, or revocation of bylaws if required under section 156(1)(a) of the LGA 2002
- The adoption, amendment or revocation of a Local Alcohol Policy

- The adoption or review of a Local Approved Products (Psychoactive Substances) Policy
- The adoption or review of a class 4 venue policy under the Gambling Act 2003
- The preparation, amendment or revocation of a waste management and minimisation plan

Unless already explicitly provided for in the Long Term Plan, the Council will seek to amend its Long Term Plan, and therefore use the Special Consultative Procedure, when it proposes to:

- alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, including commencing or ceasing such an activity; or
- transfer the ownership or control of strategic assets, as listed in Schedule 1.

The Council will consult in accordance with, or using a process or a manner that gives effect to the requirements of, section 82 of the LGA 2002 where required to do so by law, including for the following specific issues requiring decisions::

- Adopting or amendment the annual plan if required under section 95 of the LGA 2002
- Transferring responsibilities to another local authority under section 17 of the LGA 2002
- Establishing or becoming a shareholder in a council-controlled organisation
- Adopting or amending a revenue and financing policy, development contributions policy, financial contributions policy, rates remission policy, rates postponement policy, or a policy on the remission or postponement of rate on Māori freehold land

For such consultation, Council will develop information fulfilling the requirements of Section 82A of the LGA 2002, will make this available to the public, allow written submissions for a period of up to 4 weeks, and will consider all submissions prior to making decisions.

For all other issues, the following table provides an example of the differing levels of engagement that might be considered appropriate, the types of tools associated with each level and the timing generally associated with these types of decisions/levels of engagement.



Level	Inform	Consult	Collaborate	Empower
What does it involve	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened.	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision making.	Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions.	The final decision making is in the hands of the public. Under the LGA 2002, the Mayor and Councillors are elected to make decisions on behalf of their constituents.
<b>Types of issues that we might use this for</b>	Hamilton Water restrictions	Rates review	River Plan	Election voting systems (MMP, STV or first past the post)
<b>Tools Council might use</b>	Websites Information flyer Public notices	Formal submissions and hearings, focus groups, phone surveys, surveys.	External working groups (involving community experts)	Binding referendum Local body elections
<b>When the community can expect to be involved</b>	Council would generally advise the community once a decision is made	Council would advise the community once a draft decision is made Council and would generally provide the community with up to 4 weeks to participate and respond.	Council would generally involve the community at the start to scope the issue, again after information has been collected and again when options are being considered.	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process. e.g. typically a month or more.

*Engagement tools and techniques*

Over the time of decision making, Council may use a variety of engagement techniques on any issue or proposal based on a range of other factors, including history and public awareness of the issue, stakeholder involvement, and timing related to other events and budgets. Council will also take into consideration that the community can feel 'over consulted'. Each situation will be assessed on a case-by-case basis.

## Council-Controlled Organisations

The Local Government Act 2002 requires that Council include in the LTP information on those organisations in which Council is a shareholder.

In particular, Council must include:

- Its significant policies and objectives regarding ownership and control of the organisation;
- The nature and the scope of the activities to be provided by the organisation; and
- The key performance targets and other measures by which performance may be judged.

### Waikato Regional Airport

Waikato Regional Airport Ltd (Hamilton International Airport) is jointly owned by five local authorities: Hamilton City, Waikato District, Waipa District, Otorohanga District and Matamata / Piako District Councils.

Otorohanga District Council's shareholding is 3.125%

#### Corporate Mission

The mission of Waikato Regional Airport is to operate a successful commercial business providing safe, appropriate and efficient services for the transportation of people and freight in and out of the port of Hamilton.

#### Goal

Retention of the Airport as a major infrastructural facility, important to the economy of the Waikato. A Statement of Intent provided by the Airport Company (as required by Section 64 of the Local Government Act 2002) is available but does not form part of this Plan.

#### Policies and Objectives

Council intends to maintain its current shareholding for the foreseeable future. There are no formal policies or objectives relating to ownership and control of Waikato Regional Airport.

#### Performance Targets

	2019	2020	2021
Earnings before interest, taxation and depreciation	\$3.00m	\$3.20m	\$3.40m
Net surplus/(deficit) after tax	\$75,000	\$150,000	\$200,000
Net profit after tax to shareholders' funds	0.1%	0.1%	0.1%
Net surplus after tax to total assets	0.08%	0.1%	0.1%
Percentage of non-landing charges revenue	74%	74%	74%
Total Liabilities / Shareholders Funds	35:65	35:65	35:65

## Local Authority Shared Service Limited

### Establishment

The local authorities of the Waikato Region have worked closely together over a number of years on mutually beneficial joint projects. These projects have demonstrated the benefits that can be gained, both in terms of outcomes achieved and reductions in costs to the community.

Taking this a step further the local authorities have begun to develop new shared service initiatives, including a valuation database to provide on-line, up-to-date, information for all Councils.

The initiative has been formalised by the establishment of Local Authority Shared Service Limited (LASS).

Local authorities of the Waikato Region have established LASS as a Council Controlled Organisation by way of a company, in which each local authority will have a single share. This company will be used as an umbrella for future development of shared services throughout the region.

### Share Holders

Local Authority Shared Service Limited is jointly owned by the 13 local authorities of the Waikato region, being:

- Waikato Regional Council (Environment Waikato);
- Hamilton City Council;
- Hauraki District Council;
- Matamata-Piako District Council;
- Otorohanga District Council;
- Rotorua District Council;
- South Waikato District Council;
- Taupo District Council;
- Thames-Coromandel District Council;

- Waikato District Council;
- Waipa District Council; and
- Waitomo District Council.

### Constitution

The constitution of Local Authority Shared Services Limited sets out the principles according to which the company will be operated and governed. This includes shareholders' rights and the appointment of directors.

The annual Statement of Intent identifies the activities and intentions of the company for the year, and the objectives to which those activities will contribute.

### Company Objectives

The company, Local Authority Shared Services Limited (LASS), provides Waikato Region local authorities with a vehicle to procure shared services and provide them to local authorities.

The services that will be initiated under the umbrella of this company will only be promulgated if the business case shows that they will provide benefit to the shareholders in terms of improved levels of service and/or reduced cost. All such proposals will be presented to the Directors for approval prior to implementation.

### Policies and Objectives

Council intends to maintain its current shareholding for the foreseeable future. There are no formal policies or objectives relating to ownership and control of Local Authority Shared Service Limited.

### Nature and Scope of Activities

The principle nature and scope of the activity for the company is to:

Provide shared services to all local authorities within the Waikato Region. LASS may also sell processes and systems, as set up under individual agreements, to local authorities outside the region.

Pursue all opportunities to procure shared services that may benefit the community, either through enhanced services and/or through reduced cost.

Give consideration to developing shared services that a majority of local authorities of the Region believe are of value. The objective is to provide the most effective access to Regional information that may be of value to the community, using modern technology and processes.

Explore all possible avenues to provide these services itself or contract them from outside parties, each depending on a rigorous business case and risk assessment.

#### *Future Developments*

A business case will be developed for any new service that is proposed. This business case will be approved by the Directors prior to any service proceeding. The investigation of any new services will be fully funded by Councils that wish to promote that service.

The Shared Valuation Database Service will continue to be developed to enable greater contestability in the provision of valuation services to Councils, and to provide the Regional Council, and others, with up to date and accurate valuation data.

LASS will work to improve the flow of property related data and information to its stakeholders, to the public and to the market, and, where appropriate, to cover the costs by selling the data.

LASS will explore opportunities to partner with other authorities within New Zealand to deliver services effectively and efficiently. It is anticipated that new services, which will be operated as separate business units, will be developed in the area of information services.

#### *Performance Targets*

Performance targets relate to the level of services that are current or under development. It is envisaged that these targets will change as new services are developed.

The Performance Targets are that:

Positive cash flow will be maintained so that the equity ratio is maintained at a minimum of 40 percent.

Customers will be surveyed annually to ensure that there is at least 90 percent satisfaction with the services provided.

Expenditure shall not exceed that budgeted by more than 5% unless prior approval is obtained from the Directors.

The CEO will provide a written report on the business operations and financial position of the LASS at a minimum on a six monthly basis.

*Directors*

The current directors of Local Authority Shared Service Limited are noted below:

Directors	Position	Councils Director Represents
Vaughan Payne	CEO Waikato Regional Council	Waikato Regional Council
Blair Bowcott	Executive Director Hamilton City Council	Hamilton City Council
Geoffrey Williams	CEO Rotorua District Council	Rotorua District Council
Gavin Ion	CEO Waikato District Council	Waikato District Council
Robert Williams	CEO Thames-Coromandel District Council	Thames-Coromandel District Council
Garry Dyet	CEO Waipa District Council	Waipa District Council
Donald McLeod	CEO Matamata-Piako District Council	Matamata-Piako District Council
Craig Hobbs	CEO South Waikato District Council	South Waikato District Council
Langley Cavers	CEO Hauraki District Council	Hauraki District Council
Chris Ryan	CEO Waitomo District Council	Waitomo District Council
Gareth Green	CEO Taupo District Council	Taupo District Council

Directors	Position	Councils Director Represents
Dave Clibbery	CEO Otorohanga District Council	Otorohanga District Council

*Local Government Funding Agency (LGFA)*

The Local Government Funding Agency Limited, which is a council controlled trading organization, has been established by the Local Government sector and the Crown to enable local authorities to borrow at lower interest margins than would otherwise be available.

The Local Government Funding Agency will raise debt funding either domestically and/or offshore in either New Zealand dollars or foreign currency and provide debt funding to New Zealand local authorities and may undertake any other activities considered by the Board of the Local Government Funding Agency to be reasonably related or incidentally to, or in connection with, that business.

The Local Government Funding Agency will only lend to local authorities that enter into all the relevant arrangements with it and comply with the Local Government Funding Agency's lending policies.

*Policies and Objectives*

Council intends to maintain its current shareholding for the foreseeable future. There are no formal policies or objectives relating to ownership and control of Local Government Funding Agency.

### *Nature and Scope of Activities*

The main objectives of the Local Government Funding Agency are to:

- Achieve the objectives of the shareholders in the Local Government Funding Agency (both commercial and non-commercial);
- Be a good employer;
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so;
- Conduct its affairs in accordance with sound business practice;
- Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing;
- Make longer-term borrowings available to participating Local Authorities;
- Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice; and
- Offering more flexible lending terms to Participating Local Authorities.

### *Performance Targets*

The average margin above Local Government Funding Agency's cost of funds charged to the highest rated participating local authorities will for the period to:

- 30 June 2018 will be no more than 0.10%
- 30 June 2019 will be no more than 0.10%

- 30 June 2020 will be no more than 0.10%

The Local Government Funding Agency's annual issuance and operating expenses for the period to:

- 30 June 2018 will be less than \$5.45 million
- 30 June 2019 will be less than \$5.58 million
- 30 June 2020 will be less than \$5.70 million

The total lending to participating local authorities at:

- 30 June 2018 will be at least \$8,128 million
- 30 June 2019 will be at least \$8,188 million
- 30 June 2020 will be at least \$8,391 million

Savings on borrowing costs for council borrowers:

- LGFA will demonstrate the savings to council borrowers on a relative basis to other sources of financing. This will be measured by maintaining or improving the prevailing secondary market spread between LGFA bonds and those bonds of a similar maturity issued by (i) registered banks and (ii) Auckland Council and Dunedin Council as a proxy for single name issuance of council financing.

### *Minor Shareholdings*

Council continues to hold minor shareholdings in the following companies:

Balance Agrinutrients 0.0046%

NZ Local Govt Insurance Corp 0.0078%