

AGENDA/KAUPAPA



P O Box 747, Gisborne, Ph 06 867 2049 Fax 06 867 8076
Email service@gdc.govt.nz Web www.gdc.govt.nz

MEMBERSHIP: Her Worship the Mayor Rehette Stoltz (Chair), Josh Wharehinga (Deputy Chair), Colin Alder, Andy Cranston, Larry Foster, Debbie Gregory, Ani Pahuru-Huriwai, Rawinia Parata, Aubrey Ria, Tony Robinson, Rob Telfer, Teddy Thompson, Rhonda Tibble and Nick Tupara.

FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee

DATE: Wednesday 21 February 2024

TIME: 9:00AM

AT: Te Ruma Kaunihera (Council Meeting Room), Awarua, Fitzherbert Street, Gisborne

AGENDA – OPEN SECTION

1. Apologies.....	4
2. Declarations of Interest.....	4
3. Confirmation of non-confidential Minutes	5
3.1. Confirmation of non-confidential Minutes 8 November 2023	5
3.2. Governance Work Plan.....	10
4. Leave of Absence	11
5. Acknowledgements and Tributes.....	11
6. Public Input and Petitions	11
6.1. Tairāwhiti Economic Action Plan Review - Harley Dibble and Amohaere Houkamou	11
7. Extraordinary Business.....	11
8. Notices of Motion	11
9. Adjourned Business.....	11

- 10. Reports of the Chief Executive and Staff for DECISION12
 - 10.1. **24-17** Treasury Management for the Draft 2024-2027 Three Year Plan12
 - 10.2. **24-25** 2024 Proposed Fees and Charges32
 - 10.3. **24-33** Revenue and Finance Policy and Rate Remission Policy82
- 11. Reports of the Chief Executive and Staff for INFORMATION170
 - 11.1. **24-21** Treasury Report - 31 December 2023.....170
 - 11.2. **24-29** Financial Report 31 December 2023179
- 12. Public Excluded Business.....192

Finance & Performance

Reports to:	Council
Chairperson:	Mayor Rehette Stoltz
Deputy Chairperson:	Deputy Mayor Josh Wharehinga
Membership:	Mayor and all Councillors
Quorum:	Half of the members when the number is even and a majority when the membership is uneven.
Meeting frequency:	Six weekly (or as required)

Purpose

To assist Council to oversee financial and non-financial performance, including the delivery of the Council's Capital Programme and oversight of the Council Controlled Trading Organisation (CCTO).

To monitor Council activities and services performance against budget, Annual Plans, the Long Term Plan, Annual Reports and corporate and financial policies.

The Finance and Performance Committee also receives enforcement and compliance performance activity reporting to ensure financial and non-financial performance oversight of its regulatory functions.

Terms of Reference

- Set, monitor and review plans, financial measures, practices and policies; the sources of funds, banking arrangements, insurance, investment and debt criteria, future financial arrangements.
- Monitor the performance of Council's treasury function – including strategic, investment and enterprise assets.
- Set fees and charges for Council services (including parking), where such fees are not set by laws (including bylaws).
- Approve preferred suppliers for capital projects and contracts where the value of the contract exceeds staff delegations.
- Approve expenditure (including substituted capital expenditure) items that are provided for in the Long Term Plan or Annual Plan where the value of that expenditure exceeds that authority delegated to officers.
- Approve debt write-offs where those debt write-offs are not delegated to staff.
- Consider all matters regarding the Local Government Funding Agency (LGFA).

- Monitor and review Council's strategic investment and enterprise assets – including consideration of the operational and financial effectiveness of Council Organisations, Council Controlled Organisations and Council's CCTO.
- In relation to the CCTO:
 - develop and approve the draft Statement of Intent for the CCTO
 - undertake any reviews of CCTO and make recommendations on any proposed changes to CCTO governance arrangements
 - consider and approve changes to service delivery arrangements arising from the service delivery reviews required under Local Government Act 2002 (LGA) that are referred to the Committee by the Chief Executive.
- Monitor the operational performance of Council's activities and services against approved levels of service.
- Monitor the operational performance of Council's regulatory activities and in particular enforcement and compliance, financial and non-financial performance reporting.
- Review and approve business plans including any related fees, charges and expenditure (including capital expenditure).
- Review the delivery of services under section 17A of the LGA.
- Monitor the delivery of the Council's Capital Programme, including inquiring into any material discrepancies from planned expenditure.

Power to Act

To make all decisions necessary to fulfil the role and scope of the Committee subject to the limitations imposed.

To establish subcommittees, working parties and forums as required.

To appoint non-voting advisory members (such as tangata whenua representatives) to assist the Committee.

Power to Recommend

To Council and/or any Council committee as it deems appropriate.

3.1. Confirmation of non-confidential Minutes 8 November 2023

MINUTES

Draft & Unconfirmed



P O Box 747, Gisborne, Ph 867 2049 Fax 867 8076
Email service@gdc.govt.nz Web www.gdc.govt.nz

MEMBERSHIP: Her Worship the Mayor Rehette Stoltz (Chair), Josh Wharehinga (Deputy Chair), Colin Alder, Andy Cranston, Larry Foster, Debbie Gregory, Ani Pahuru-Huriwai, Rawinia Parata, Aubrey Ria, Tony Robinson, Rob Telfer, Teddy Thompson, Rhonda Tibble and Nick Tupara.

MINUTES of the FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee

Held in Te Ruma Kaunihera (Council Meeting Room), Awarua, Fitzherbert Street, Gisborne on Wednesday 8 November 2023 at 9:00AM.

PRESENT:

Her Worship the Mayor Rehette Stoltz, Colin Alder, Andy Cranston, Larry Foster, Debbie Gregory, Aubrey Ria, Daniel Thompson, Rhonda Tibble, Josh Wharehinga.

IN ATTENDANCE:

Chief Executive Nedine Thatcher Swann, Acting Director Lifelines Dave Hadfield, Director Engagement & Maori Partnerships Anita Reedy-Holthausen, Chief Financial Officer Pauline Foreman, Democracy & Support Services Manager Heather Kohn and Committee Secretary Jill; Simpson.

The meeting commenced with a karakia.

Secretarial Note: Deputy Chair Cr Wharehinga chaired the meeting in the absence of Her Worship the Mayor.

Secretarial Note: Cr Pahuru Huriwai, Cr Parata and Gene Takurua Te Kai Arataki - Tuia Whakapakari attended the meeting via audio visual link.

1. Apologies

MOVED by Cr Cranston, seconded by Cr Foster

That the apologies from Mayor Stoltz and Cr Tibble (for lateness) and Cr Robinson, Cr Telfer and Cr Tupara be sustained.

CARRIED

2. Declarations of Interest

There were no interests declared.

3. Confirmation of non-confidential Minutes

3.1 Confirmation of non-confidential Minutes 13 September 2023

MOVED by Cr Cranston, seconded by Cr Foster

That the Minutes of 13 September 2023 be accepted.

CARRIED

3.2 Action Sheet

Noted.

Secretarial Note: The meeting adjourned at 9.05 am due to a lack of a quorum and reconvened at 9.06am.

4. Leave of Absence

There were no leaves of absence.

5. Acknowledgements and Tributes

Acknowledgements were given to the many tangis and Whanau Pani in our region.

6. Public Input and Petitions

There were no public input or petitions.

7. Extraordinary Business

There was no extraordinary business.

8. Notices of Motion

There were no notices of motion.

9. Adjourned Business

There was no adjourned business.

10. Reports of the Chief Executive and Staff

10.1 INFORMATION Reports Finance

10.1.1 23-242 Treasury Report - 30 September 2023

Chief Financial Officer Pauline Foreman attended and spoke to the report.

Questions included:

- The \$104m funding from Government relating to the Buyout Package is paid to Council as work is completed. It is not paid in advance.
- The Counterparty risk is mitigated by reducing credit exposure. Council operates on a net cash flow. Council's overall position is within Policy.
- Council benchmarks itself with other Unitary Authorities. In terms of income for our region we are down this financial year.
- Project management costs can be claimed against projects. The true deliverables of the projects are recognised.

MOVED by Cr Gregory, seconded by Cr Cranston

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Notes the contents of this report.

CARRIED

10.1.2 23-243 Financial Report 30 September 2023

Questions of clarification included:

- Trade and Other Payables of \$65.9m is higher as we are carrying out more roading work. Staff endeavour to match payments received from Waka Kotahi.
- Waerenga o Kuri liability is in regard to the management of forestry and represents funds received and then paid against work completed.

MOVED by Cr Foster, seconded by Cr Thompson

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Notes the contents of this report.

CARRIED

10.1.3 23-247 Rates and Sundry Invoice Debt Management to 30 September 2023

Revenue Team Leader Fiona Scragg attended.

Questions of clarification included:

- The residual effects relating to COVID-19 are in relation to people who lost their jobs during this period and some having to use money for other things. There is still a small amount of debt relating to the COVID-19 period and arrangements are in place.
- Implication on rates following the severe weather events may start to show and this needs to be analysed to see if there is more hardship than what was expected.

Secretarial Note: Cr Tibble arrived at 9.25am.

- The Policy regarding rates remission will be consulted on early 2024 and in place by 1 July 2024. A report on the district's property revaluations will be presented to Council on 15 November.
- The collectability of Maori Freehold land debt has improved since additional penalties were stopped. By default, any debt approaching statute barred is not collectable.

MOVED by Cr Alder, seconded by Cr Thompson

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Notes the contents of this report.

CARRIED

10.2 INFORMATION Reports Performance

10.2.1 23-244 Tairāwhiti Museum Annual Report 2022-2023

Eloise Wallace Director Tairāwhiti Museum and Alan DeLatour Accountant from Chrisp & Davidson and Council's representative on the Museum Trust Board attended.

Questions of clarification included:

- Council makes two appointments to the Museum Board for a 3 year term. The Museum Trust Board have notified Council that there is a vacancy. Advertising is being prepared.
- The Museum has a process whereby items can be removed from the collection that may no longer fit with the Collections Policy. Regular reviews are undertaken on the collections by the Collection Acquisition Committee. Not everything that is offered to the Museum is accepted. Approximately only 10% meets the criteria. There is a Collections Policy, and it follows the Museum Aotearoa Code of Ethics around decommissioning. The items are offered back to the donor or descendants of the donor.
- Summer tourist numbers have been down resulting in the museum retail shop figures not being as good as previous years.
- The Contract for Services has ended however the new Contract is now close to being finalised. A key component is the Asset Management Plan.
- A Marketing Plan is in place, and this is spread across print media, radio and social media platforms as well as working with magazines and tourism brochures.

Secretarial Note: Her workshop the Mayor arrived at 9.50am and resumed the Chair.

- The Museum Cafe operates under a Licence Agreement for a 2 year term with 2 rights of renewal. A new licence has just been entered into with a new provider. The licence fee will remain at the same level.

Eloise informed the Committee that she will be resigning from Tairāwhiti Museum and moving south to Invercargill to head up their new Southland Museum.

Her worship the mayor thanked Eloise for the wonderful job in looking after our taonga and wished her all the best in her new position.

MOVED by Cr Gregory, seconded by Cr Cranston

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Notes the contents of this report.

CARRIED

Secretarial Note: The meeting adjourned at 10am for morning tea and reconvened at 10.20am.

11. Public Excluded Business

Secretarial Note: These Minutes include a public excluded section. They have been separated for receipt in Section 11 Public Excluded Business of Council.

12. READMITTANCE OF THE PUBLIC

MOVED by Cr Wharehinga, seconded by Cr Stoltz

That the Finance & Performance Committee:

1. Readmits the public

CARRIED

13. Close of Meeting

There being no further business, the meeting concluded at 12.04pm.

Rehette Stoltz

MAYOR

3.2. Governance Work Plan

Finance & Performance						Meeting Dates		
HUB	Activity	Name of agenda item	Purpose	Report type	Owner	1-Aug	13-Sep	8-Nov
Finance & Affordability	Financial Services	Rates and Sundry Debt Report	Provide an update on Rates and Sundry Debt	Information (I)	Angelee Brown			
Finance & Affordability	Financial Services	GHL (Gisborne Holdings Limited) Draft Statement of Intent Report	Provide a background paper on the Sol process and present GHL's updated draft Sol	Information (I)	Ally Campbell			
Finance & Affordability	Financial Services	Treasury Report	Provide an update on Treasury as at 30 June 2023	Information (I)	Chris Page			
Finance & Affordability	Financial Services	Financial Report - 31 May 2023	Provide an update on Councils financials for the period ending 31 May 2023	Information (I)	Mary Davis			
Finance & Affordability	Financial Services	Gisborne Holdings Limited Updates	Present GHL's draft 5-year strategic plan for consideration	Public Excluded (D)	Pauline Foreman			
Finance & Affordability	Financial Services	Financial Report - 30 June 2023	Provide an update on Councils financials for the period ending 30 June 2023	Information (I)	Melanie Hartung			
Finance & Affordability	Financial Services	Better off Funding Report	Provide alternative options for use of this funding for consideration	Decision (D)	Hayle Baker			
Finance & Affordability	Financial Services	Gisborne Holdings Notice of AGM / Proxy		Information (I)	Heather Kohn			
Finance & Affordability	Financial Services	Gisborne Holdings Limited Statement of Intent	Provide final Sol for Councils consideration and approval	Decision (D)	Ally Campbell/Pauline Foreman			
Engagement and Māori Partnerships	Recovery	Update on Land Categorisation Process - Future of Severely Affected Land		Information (I)	Sally McIntosh			

Finance & Performance						Meeting Dates		
HUB	Activity	Name of agenda item	Purpose	Report type	Owner	1-Aug	13-Sep	8-Nov
Finance & Affordability		Gisborne Holdings Limited Updates	Provide reasoning for not providing a dividend	Public Excluded (D)	Pauline Foreman			
Liveable Communities	Cultural Activities	Tairawhiti Museum Annual Report 2022-2023	The purpose of this report is to present the Annual Report of Tairawhiti Museum 2022-2023.	Information (I)	Pene Walsh			
Finance & Affordability	Financial Services	Treasury Report - 30 September 2023	To report on the Council's interest rate exposure, debt, and cash position as of 30 September 2023	Information (I)	Chris Page			
Finance & Affordability	Financial Services	Presentation District Rating Revaluation 2023	Provide Council with an overview of trends for the triennial district-wide General Rating Revaluation dated 1 August 2023	Information (I)	Fiona Scragg			
Finance & Affordability	Financial Services	Financial Report 30 September 2023		Information (I)	Melanie Hartung			

10. Reports of the Chief Executive and Staff for DECISION



24-17

Title: 24-17 Treasury Management for the Draft 2024-2027 Three Year Plan
Section: Principal Financial Advisor
Prepared by: Lucy Gibson - Principal Financial Advisor
Meeting Date: Wednesday 21 February 2024

Legal: No

Financial: Yes

Significance: **Low**

Report to FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee for decision

PURPOSE - TE TAKE

The purpose of this report is to present the Liability Management and Investment Policies as part of the review of policies for the 2024 – 2027 Three Year Plan.

SUMMARY – HE WHAKARĀPOPOTOTANGA

Under the Local Government Act 2002, Local Authorities must adopt a Liability Management Policy and Investment Policy with the purpose of providing predictability and certainty about the sources and levels of funding.

The Liability Management Policy and Investment Policy are not required to use the special consultative procedure in adopting these policies.

The Liability Management Policy has been included as **Attachment 1**, and the Investment Policy has been included as **Attachment 2**.

The decisions or matters in this report are considered to be of **Low** significance in accordance with the Council's Significance and Engagement Policy.

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

- Approves the Liability Management Policy for inclusion in the draft 2024 – 2027 Three Year Plan.**
- Approves the Investment Policy for inclusion in the draft 2024 – 2027 Three Year Plan.**

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: Liability Management Policy, Investment Policy, 3 year plan, 3YP.

BACKGROUND - HE WHAKAMĀRAMA

1. The Local Government Act 2002, Part 6 Section 102 states that Local Authorities are required to adopt a Liability Management Policy and Investment Policy.
2. The Liability Management Policy must state Councils policies in respect of the management of both borrowing and other liabilities, including:
 - a. Interest rate exposure;
 - b. Liquidity;
 - c. Credit exposure; and
 - d. Debt repayment.
3. The Investment Policy must state the Councils policies in respect of investments, including:
 - a. The mix of investments;
 - b. The acquisition of new investments;
 - c. An outline of the procedures by which investments are managed and reported on to the Council; and
 - d. An outline of how risks associated with investments are assessed and managed.
4. The Liability Management Policy and Investment Policy have both been reviewed in conjunction with the Financial Strategy.
5. The Liability Management Policy and Investment Policy will be adopted as part of the 2024 – 2027 Three Year Plan adoption. Both these policies feed into the Treasury Management Policy and Procedure Manual, the working document for treasury management.
6. On the adoption of the Financial Strategy, Liability Management Policy and Investment Policy, the Treasury Management Policy and Procedure Manual will be updated to reflect the adopted changes.
7. In accordance with Section 102 (5) of the Local Government Act, both the Liability Management Policy and Investment Policy are not required to use the special consultative procedure in adopting the policies.

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

8. There have been various minor changes to both policies. The more significant changes are noted for discussion below.
9. Liability Management Policy key measures are presented in Table 1 below. Net debt as a percentage of income has increased from <130% to <175% which is in line with the Local Government Funding Agency covenants.
10. Key changes made have been to reflect the forecast debt (maximum level estimated \$232m), population forecasts and rateable units.

11. The limits below are the upper limits, where throughout the 3Yp the ratios change. Net debt per capita starts at around \$3,520 in Year 1 and is forecast to increase to \$4,090 by Year 3. Net debt per rateable unit starts at \$8,510 in Year 1 and is forecast to increase to \$10,140 by Year 3.

TABLE 1

2021 - 2031 LTP		2024 - 2027 3Yp	
GDC Limits	Ratio	GDC Limits	LGFA Lending Covenant
<130%	Net External Debt* / Total Revenue *Net external debt is financial liabilities less financial assets (excluding trade and other receivables) and less lease/debt arising from CCTO arrangements	<175%	<175%
<10%	Net Interest / Total Revenue	<10%	<20%
<15%	Net Interest / Annual Rates Income	<15%	<25%
>110%	Liquidity	>110%	>110%
<\$2,800	Net debt per capita (56,682 residents, figure based on 2027 projected population for 3Yp modelling). This is based on a \$232m debt	<\$4,500	
<\$6,400	Net external debt per rateable unit (Based 22,787 forecast 2027, projected from 2022/23 rateable units with 0.5% pa growth). This is based on a \$232m limit.	<\$10,250	

12. There have been some minor changes to the Investment Policy. The main change is the inclusion of Councils Investment Purpose Statement. These were first discussed and approved by Council Public Excluded Finance & Performance 3 August 2022 [22-165].
13. The policy has been updated to include Councils Investment Purpose Statement:
 "To provide and activate sustainable and economic returns in the Tairāwhiti region for our communities".
14. The purpose of the Council Controlled Trading Organisation (CCTO) has been included:
 "To get the best financial return by operating within agreed principals".
15. The agreed principals and how the CCTO must operate have also been incorporated.

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation

Overall Process: Low Significance

This Report: Low Significance

Impacts on Council's delivery of its Financial Strategy and Long Term Plan

Overall Process: Low Significance

This Report: Low Significance

Inconsistency with Council's current strategy and policy

Overall Process: Low Significance

This Report: Low Significance

The effects on all or a large part of the Gisborne district

Overall Process: Low Significance

This Report: Low Significance

The effects on individuals or specific communities

Overall Process: Low Significance

This Report: Low Significance

The level or history of public interest in the matter or issue

Overall Process: Low Significance

This Report: Low Significance

16. The decisions or matters in this report are considered to be of Low significance in accordance with Council's Significance and Engagement Policy.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

17. Tangata Whenua will not be engaged in consultation regarding the review of the Liability Management Policy or the Investment Policy.

COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

18. The community are not required to be engaged in consultation regarding the review of the Liability Management Policy or the Investment Policy.

CLIMATE CHANGE – Impacts / Implications - NGĀ REREKĒTANGA ĀHUARANGI – ngā whakaaweawe / ngā ritenga

19. This report does not have any impacts on climate change.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

20. There are no direct financial implications in this report. As part of the treasury function Council is exposed to financial risks and costs. The attached Liability Management Policy and Investment Policy, outline the policies Council adheres to, to minimise the financial impacts of these risks to Council.

Legal

21. There are no legal implications in this report.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

22. This is part of the review of policies for the 2024 – 2027 Three Year Plan process. The Liability Management Policy and Investment Policy must be prepared in accordance with the Local Government Act 2002 sections 102, 104 and 105.

RISKS - NGĀ TŪRARU

23. Council acknowledges that there are financial risks arising from its treasury activities, such as liquidity, funding, interest rate, credit and operational risks. Council is a risk adverse organisation and does not wish to incur additional risks from its treasury activities. Accordingly, Councils finance function in relation to its treasury activities is a risk management function focused on protecting Council's budgeted interest costs, interest income and stabilising Council's cash flows. Council seeks to prudently manage these risks and any activity that is unrelated to its underlying cash flows or may be construed as speculative in nature is strictly forbidden.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
February 2024	Adoption of Draft Financial Strategy	To be adopted as part of the adoption of the Three Year Plan.
February 2024	Updated Draft Liability Management Policy and Draft Investment Policy	To be adopted as part of the adoption of the Three Year Plan.
April 2024	Update Draft Treasury Management Policy and Procedure Manual	Updated with changes from Draft Financial Strategy.

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - 2024 2027 Draft Liability Management Policy 3YP [**24-17.1** - 8 pages]
2. Attachment 2 - 2024 2027 Draft Investment Policy [**24-17.2** - 7 pages]

Liability Management Policy

This policy outlines how the Council will manage its borrowings and other liabilities.

This policy is required under Sections 102 and 104 of the Local Government Act 2002¹.

Council's detailed operational policy is included in the Treasury Management Policy and Procedure Manual².

1. Objectives

Liability management is based on the following key elements:

- liabilities must be maintained at a prudent level;
- borrowings provide a basis to achieve intergenerational equity;
- borrowings are made globally to fund the entire Council balance sheet; and,
- borrowings must be undertaken efficiently and in accordance with this policy.

Council will borrow as it considers appropriate. Generally, Council will approve borrowing and financing facilities as part of either the Long Term Plan or the Annual Plan.

The estimated debt levels are based on the cash flow projections in these plans.

A resolution of Council is not required for hire purchase, credit or deferred purchase of goods if:

- the period of indebtedness is less than 91 days; or
- the goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, an amount determined by resolution of Council as detailed in the delegated authority manual.

Council delegates its borrowing powers to the Chief Executive and management of Council in accordance with the Instrument of Delegation and as set out in the Treasury Management Policy and Procedure Manual.

¹ The Local Government (Financial Reporting and Prudence) Regulations 2014 is also relevant, in particular Schedule 4 and Schedule 6.

² This includes Council's detailed objectives, policies, strategies, monitoring and reporting procedures.

2. Borrowing limits

Council will manage external borrowing within the limits approved by Council as set out in the Treasury Management Policy and Procedure.

In managing borrowing limits Council will utilise the following measures³:

Ratio	GDC Limits	LGFA Lending Covenant
Net External Debt* / Total Revenue *Net external debt is defined as total external debt less cash and near cash equivalents and less debt arising from CCTO arrangements. Cash or cash equivalents are defined as overnight bank deposits. Cash deposits must be unrestricted and freely available for liquidity purposes.	=<175%	<175%
Net Interest / Total Revenue	<10%	<20%
Net Interest / Annual Rates Income	<15%	<25%
Liquidity	>110%	>110%
Net debt per capita (56,682 residents, figure based on 2027 projected population for 3YP modelling). This is based on a \$232m limit.	<\$4,500	
Net external debt per rateable unit (Based 22,787 forecast 2027, projected from 2022/23 rateable units with 0.5% pa growth). This is based on a \$232m limit.	<\$10,250	

3. Types of Borrowing

Council will utilise the most appropriate and cost-effective borrowing source as determined by management. Approved sources for borrowing are:

- short-term and medium-term borrowing from the NZ banking market
- leasing and hire purchase (including sale and lease back where appropriate)
- issue of Local Authority stock and debentures to the wholesale/retail investor market
- issue of Commercial Paper, notes, and bonds to the wholesale/retail investor market
- short-term, medium and long term borrowing through the Local Government Funding Agency (LGFA).

Council may approve other sources of financing as recommended by management which will be subsequently incorporated into the Treasury Management Policy and Procedure Manual.

³ Financial covenants are measured on Council only, not consolidated group.

4. On-lending and direct lending to Council Controlled Organisations (CCO) and Council Controlled Trading Organisations (CCTO)

To better achieve its strategic and commercial objectives Council may provide financial support in the form of debt funding directly or indirectly to CCOs and CCTOs.

Guarantees of financial indebtedness to CCTOs are prohibited, but financial support may be provided by subscribing for shares as called or uncalled capital.

Any on-lending or direct lending arrangement from Council to a CCO/CCTO must be approved by Council. In recommending an arrangement for approval the following considerations are taken into account:-

- Credit risk profile of the borrowing entity, and the ability to repay interest and principal amounts outstanding on due date;
- Impact on Council's lending covenants with the LGFA and other lenders and Council's future borrowing capacity;
- The form and quality of security arrangements provided;
- The lending rate given factors such as; CCO/CCTO credit profile, external Council borrowing rates, borrower note and liquidity buffer requirements, term etc.;
- Lending arrangements to CCO/CCTOs must be documented on a commercial arm's length basis. A term sheet, including matters such as; borrowing costs, interest payment dates, principal payment dates, security, expiry date is agreed between the parties; and,
- Accounting and taxation impact of on-lending arrangement

All on-lending arrangements must be executed under legal documentation (e.g. loan, guarantee) reviewed and approved by Council's independent legal counsel.

5. New Zealand Local Government Funding Agency Limited

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

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

6. Security

All Council loans and interest rate risk management instruments will be either unsecured, or secured under the Council's Debenture Trust Deed.

This security relates to any loan and to the performance of any obligation under any incidental agreement.

A charge will be granted over assets only where:

- there is a direct relationship between the debt and the asset purchase/construction, for example operating lease or project finance
- the Council considers a charge over assets to be appropriate
- any charge must comply with the terms and conditions contained within the trust deed.

Before securing borrowings over specified assets or rates revenue, Council will consider all options and choose the preferred option balancing flexibility, overall cost of borrowing and terms/conditions. A register of charges is maintained at the Council's offices.

Any approved lending to a CCO or CCTO will be on a secured basis.

7. Debt repayment

The Council will manage debt on a netting basis, i.e. it will fund the balance sheet as a whole, netting off reserves and borrowings to minimise external borrowings.

The Council may repay borrowings from renewal loans or surplus funds.

Subject to any specific direction from Council, the funds from the disposition of fixed and investment assets will be applied in reduction of debt and/or borrowing requirements. Operating surpluses unless identified as being transferred to a reserve for a future purpose, it will also be applied to the reduction of debt.

8. Internal debt management

As external borrowings fund the entire Council balance sheet, Council utilises internal loans to allocate borrowing costs to the appropriate cost centre.

The Treasury function will be responsible for administering the Council's internal debt portfolio.

Internal loans are set up within the internal debt portfolio for each department's loan-funded expenditure.

9. Credit exposure

The Council is exposed to credit risk when there is a deterioration of the credit rating:

- of an entity with which the Council places its investments;
- of a counterparty with whom the Council may transact financial derivative contracts; or,
- of a contractual counterparty with whom the Council may have concluded major supply, construction or service contracts.

The Council limits its credit risks by:

- placing investments with approved organisations and within the maximum levels set out in the Treasury Management Policy and Procedure Manual.
- financial derivative contracts are only transacted with registered banks with a strong long-term credit rating issued by Standard and Poors (or an equivalent) and the maximum exposure to any one party will be limited as set by Council in the Treasury Management Policy and Procedure manual.
- all parties with whom Council intends to conclude a major contract will be subject to formal credit approval process as set out in the Treasury Management Policy and Procedure Manual.

10. Interest rate risk exposure

Interest rate risk is the risk that funding costs (due to adverse movements in market interest rates) will exceed the Annual Plan or the Long Term Plan cost projections. This would adversely impact on borrowing cost controls, capital investment decisions and the feasibility of some projects.

Interest rate risk management is carried out using approved financial instruments including:

- interest rate swaps
- forward rate agreements
- purchased interest rate options, including options on bank bills (caps) and swaps (swaptions)
- interest rate collars but only on a 1:1 basis.

Credit exposure on these financial instruments is restricted by specified counterparty credit limits set out in the Treasury Management Policy and Procedure Manual.

Any other financial instrument must be specifically approved by Council on a case-by-case basis.

Approved instruments cannot be sold outright for the purpose of generating income as this represents speculative investment which is prohibited by Council. Approved instruments can be dealt on a forward start basis but are limited to a forward start period of no more than 36 months, unless linked to the expiry date of an existing instrument and has a notional amount which is not greater than that of the existing instrument. This is in accordance with the limits set out in the Treasury Management Policy and Procedure Manual.

Interest rate risk control limits

Council's interest rate repricing risk on its forecast debt amounts are managed within the interest rate risk control limits set by Council. These limits are set out in the Treasury Management Policy and Procedure Manual.

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

11. Liquidity risk

Council cash flows will have deficits in various periods and years as a result of working capital requirements, the nature of net cash flows, the capital expenditure programme and the maturity profile of loans and other advances.

Liquidity risk management focuses on the ability to borrow at these times to fund these deficits.

Funding risk management concentrates on the ability to refinance or raise new debt at these times in a cost-effective manner (including fees, borrowing margins and the maturity profile).

Liquidity and funding risk control limits are set out in the Treasury Management Policy and Procedure Manual.

Council will minimise its liquidity risk by:

- matching expenditure closely to its revenue streams and managing cash flow timing differences through its bank facilities
- maintaining its cash management investments in liquid and negotiable instruments and unutilised committed bank facilities
- ensuring that treasury investments are only made with approved institutions utilising approved financial instruments in terms of the Council's investment policy
- avoiding a concentration of debt maturity dates
- maintaining external debt and available committed debt facilities together with available liquid investments at an amount greater than 110% over existing external debt. Liquid investments is cash or near cash equivalents and must be unrestricted and freely available for liquidity purposes.
- establishing committed bank debt facilities with strong credit rated banks that are registered with the Reserve Bank of New Zealand.

Council has the ability to prefund up to 18 months in advance of forecast debt requirements including refinancing.

12. Operational risk

Operational risk arises from the nature of treasury activities.

These are principally financial transactions of often large denominations, regularly initiated verbally and often comprising complex instruments where simple mistakes can lead to significant loss.

Council will minimise losses arising from mistakes and lack of adherence to policies by:

- appropriate and clear delegation of authority to specified individuals within the organisation
- clear cut division of responsibilities between authorising/executing and recording/settling transactions
- timely and accurate reporting to allow monitoring of risk and policy adherence
- annual reviews of Treasury Policy and Treasury operation.

Detailed procedures and controls are documented within the Treasury Management Policy and Procedure Manual.

13. Reserves

The Council has a number of reserves that have been created for specific purposes which the Treasury function is responsible for administering. The Council does not generally hold liquid assets to support reserves, rather funding is arranged as required to match withdrawals from reserves.

14. Contingent liabilities

Council provides financial guarantees to community and service organisations. Management ensures that the business plan of the guaranteed party furthers the strategic objectives of Council and that financial statements are received on a regular basis. Should the guarantee be called up, Council takes immediate action to recover the money.

15. Foreign exchange risk

From time-to-time Council may have foreign exchange exposure through the occasional purchase of foreign currency denominated plant, equipment and services.

All foreign exchange exposures are recognised and hedged in accordance with the Treasury Management Policy and Procedure Manual when the exact timing and amount of the exposure is known. Exposures are hedged using foreign exchange contracts arranged by the Council or the supplier.

Council will not borrow or enter into incidental arrangements within or outside New Zealand in a currency other than the New Zealand dollar.

16. Other grants and advances

Council acts as a middleman for various community organisations. It receives grants from various sources and makes advances on these funds after relevant approvals.

17. Review

This policy will be reviewed and updated at least every three years as part of the update of the Council's Long Term Plan (LTP).

Definitions

Annual Rates Income

Defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other local authorities for services provided (and for which the other local authorities rate).

Financial Facilities

Defined as any debt facilities, arrangements, instruments, trust deeds, commercial paper facilities or overdraft facilities with banks, other financial institutions or investors.

Liquidity

Defined as external debt plus committed loan facilities plus liquid investments divided by external debt.

Net External Debt

Defined as total external debt less unencumbered liquid financial assets. For the purposes of financial limits.

Net Interest

Defined as the amount equal to all interest and financing costs less interest income for the relevant period.

Total Revenue

Defined as cash earnings from rates, grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. Developer contributions and vested assets).

Investment Policy

1. Investment Purpose Statement

Councils Investment Purpose Statement is:

“To provide and activate sustainable and economic returns in the Tairāwhiti region for our communities”.

This Purpose Statement is an umbrella statement, sitting above all of Council investments and the Council Group.

2. Our Objectives

Council will manage its investments in a prudent manner in accordance with legislation and this policy. Council will manage its investment portfolios to optimise the value of the investment and their returns in the medium to long term, while balancing risk and return considerations.

In managing and selecting investments Council will aim to:

- protect the investment value
- optimise the investment return
- ensure investments provide Council sustainable income flows from commercial investments
- diversifying the mix of investments to spread risk
- promote economic and business development within the district.

3. Scope of the Policy

Council has a wide range of assets and investments that are used in different contexts. Council may make strategic, commercial and semi- commercial investments.

Council's commercial investments are made primarily for capital gain or maximum investment yield. The performance of these investments will be assessed on a purely financial basis. They are items where the primary goal is the generation of commercial returns to reduce the level of rates and increase the investment in infrastructure.

Strategic and semi-commercial investments are those made to promote economic and business development within the district and/or achieve other goals set out in the Council's Long Term Plan, Three Year Plan or Annual Plan. These investments are not covered under this policy as they are a fundamental part of Council activity delivery and so are included within the activities that the assets support.

4. Our mix of investments

Council has a mix of investments for the purpose of fulfilling various strategic, economic development and financial objectives as outlined in the 2024-2027 Three Year Plan (3YP). Council's investments include holdings in Council Controlled Trading Organisations (CCTO) and other entities (where there is a specific strategic objective for holding the investment or the investment is required to comply with legislation).

Council may maintain investments in:

- equity investments
- property investments
- forestry investments
- financial investments
- loan advances
- Council Controlled Trading Organisation (CCTO) and Council Controlled Organisations (CCO).
- Infrastructural asset investments
- Industrial land and property investments

Equity Investments

Council equity investments includes minority share holdings, Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs).

Council has a responsibility to ensure that the expenditure incurred by it and the Group is optimal. To do this Council need to review the performance of these investments on a regular basis to ensure strategic and economic objectives can be achieved.

Council Controlled Trading Organisations (CCTOs)

Council has one CCTO, Gisborne Holdings Ltd (GHL), which is wholly owned by Council (100% shareholder). Council seeks to regularly monitor the performance of GHL so that it remains confident that it is still an appropriate vehicle for holding Council's investments and to ensure that existing investment activities are achieving appropriate income generation and returning benefit to the community.

GHL dividends are an important income stream used to reduce the level of rates and to allow investment in infrastructure.

The primary purpose of our investment in GHL is for the CCTO to get the best financial return by operating within agreed principals.

The agreed principals are:

1. All decisions must take into account Te Tiriti responsibilities
2. Returns must be demonstrably sustainable
3. Returns must have intergenerational benefits
4. Investments must be socially, environmentally, and ethically responsible
5. Collaborating where possible with strategically aligned partners
6. New businesses must pay for themselves and growth must not come at the expense of existing dividends

The CCTO must operate:

- In a way that complements the strategic vision and goals of Council
- In a way that does not compromise the reputation of Council
- Ensuring preservation of the investment where
 - The investment or businesses are not speculative in nature
 - Avoids placing the capital value of the individual investments at risk
- With a no surprises approach
- As a good corporate citizen and good employer.

New Zealand Local Government Funding Agency investment

The Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency (LGFA), and may borrow to fund that investment.

The Council's objective in making any such investment will be to:

- Obtain a return on the investment.
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of these dual objectives, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments. If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA and be a Guarantor.

Council's small minority investments are outlined in the following table.

Equity Investment	Objectives
<p>Civic Financial Services Limited</p> <p>Civic Financial Services was initially established as an insurance vehicle for local authorities, New Zealand Local Authority Protection Programme Disaster Fund (LAPP). Council is no longer a member of LAPP, but still retails shares.</p> <p>Civic Financial Services provides financials services for the Super Easy and Super Easy Kiwi Saver superannuation schemes.</p> <p>Council is a minority shareholder with 92 shares</p>	<p>Council initially invested in Civic Financials Services Ltd through Riskpool and LAPP schemes to provide disaster recovery and public and professional indemnity insurance.</p> <p>Council now sources these insurances through commercial brokers.</p> <p>Council is unlikely to purchase further shares</p>
<p>New Zealand Local Government Funding Agency (LGFA)</p> <p>Council is a minority shareholder: holding 100 shares</p> <p>The LGFA is owned by the Crown and local authority members</p>	<p>Access loan funding at lower rates</p>
<p>BoPLASS LTD</p> <p>BoPLASS LTD is a Council Controlled Organisation (CCO) that was formed to investigate, develop and deliver shared services for its council members in the Bay of Plenty and Gisborne regions.</p> <p>Council is a minority shareholder with 9 shares</p>	<p>To deliver shared services more effectively and where possible financial savings from the group alliance</p>

Financial investments

Council's financial investments include call and term deposits with banks and other financial institutions. These investments are held for medium term cash management and liquidity.

Council holds the financial investments as part of the day to day working capital and debt management as required by the Local Government Funding Agency. In addition to holding liquidity in the form of call and term deposits (and available committed funding facilities, as a borrower from the Local Government Funding Agency, Council is required to buy borrower notes. The quantum of borrower notes is related to the level of borrowing from the LGFA, and the term of the notes mirrors the term of the loan.

Council manages all of these investments together.

Council does not have an established level of cash investments, or funds separate reserves.

Council will invest in financial investments in accordance with the Treasury Management Policy and Procedures Manual. Council will ensure that there is an appropriate spread of risks and maturities between the different counterparties.

Property investments

Council owns property investments for strategic, operational and commercial purposes. Property investments are predominantly for the delivery of activities. Council review ownership through assessing the benefits including financial returns, in comparison to other arrangements that could deliver similar results.

Surpluses generated from commercial and semi-commercial property investments are treated as an internal dividend. Other surpluses from property are treated as income in the related Council activity.

Property disposals are managed to ensure compliance with statutory requirements and where appropriate with Community Boards and Committees.

Councils owns land and buildings for the purposes of providing services and parks and reserves. Where the properties are owned for operational purposes or future operational purposes they are not considered to be an investment covered by this policy.

5. Loan Advances

Council may provide loan advances to CCOs, CCTOs, charitable trusts and community organisations for strategic, operational and commercial purposes.

New loan advances are approved by Council resolution. Council does not lend money, or provide any other financial accommodation, to a CCO or CCTO on terms and conditions that are more favourable than what would apply if Council were borrowing the money.

6. Our acquisition and disposal of investments

Acquisition or disposal of any non-day-to-day investment requires Council approval (excluding any financial investment). Council may consult with the public on an acquisition or disposal, depending on the significance of the proposal, or the intended use of the funds from that disposal.

Property acquisition and disposals are conducted under statutory requirements and, where appropriate, consultation with Council. Property acquisitions are supported by registered valuations and, where appropriate, a full business case analysis (depending on the significance of the acquisition).

Council will not purchase and sell investments on a speculative basis.

Council should be ethical and act with integrity when funding or acquiring investments.

Council should:

- act, and be seen to be acting, in a fair, open and unbiased manner;
- observe ethical standards, principles and behaviour throughout the investment process and while monitoring investments; and
- where possible, observe that the publicly available ethical profile of any potential investment aligns with Council.

Council will only make new investments and/or retain existing investments if all the following criteria are met:

- the investment has clear long-term benefits for the community or the district
- the risks associated with the investment can be managed within acceptable levels
- the investment will provide Council with funds when required, including sustainable income flows (where appropriate)
- it would not result in a material breach of the borrowing limits set out in the Liability Management Policy

7. Our investment management and reporting

In determining investment holding structures, Council will consider the following criteria:

- appropriate separation of management and governance
- imposing commercial discipline on the investment activity to produce an appropriate return by ensuring appropriate debt/equity funding; and requiring a commercial rate of return
- separation of Council's investment assets from Council's public good assets.

As part of managing the risk and performance of Councils CCTO investment, an annual Statement of Intent (Sol) is submitted by the Board of the CCTO for approval by Council. If Council does not agree to the contents of a Sol delivered, it has powers under the Local Government Act (LGA) to pass a resolution which requires the Board to modify the Sol. Another mechanism for managing and reporting on the CCTO investment is the half yearly and annual reports provided by the CCTO to the relevant Council committee¹.

¹ A requirement of s.66 and 67 of the LGA

The Finance and Performance Committee (the Committee) reviews performance of all investments on a regular basis to ensure strategic and financial objectives are being achieved.

Periodically Council will review its investment holding structure to determine if it is still an appropriate vehicle for holding Council's investments and to ensure that existing investment activities are achieving appropriate income generation and returning benefit to the community.

8. Our investment risk assessment and management

There are three primary risks in relation to Council's investment portfolio:

- Investments may lose money and Council maybe required to provide additional funds to support the investment
- Investments do not provided the expected level of cash return, as forecast within the Long Term Plan, risking the need for higher levels of rates funding
- Investments do not provide the community and social returns that justified the Council's investment

Council investments give rise to a direct exposure to credit, risk, interest rate risk, liquidity risk and market risk which can impact on the capital value of its investments.

Credit risk is managed by placing maximum limits for each class of investment by issuer, performing credit evaluations as appropriate, and investing funds with approved institutions that have satisfactory credit ratings.

Interest rate risk is managed by matching investment and borrowing maturities, and the use of interest rate instruments for interest rate risk management purposes.

Liquidity risk is managed by ensuring that all investments are capable of being liquidated in a readily available secondary market or that appropriate standby facilities have been established.

Market risk is managed as part of the overall management of interest rate risk².

Treasury investments are made from short-term surplus funds available to Council and typically made in the form of financial instruments. To minimise operational risks, these investments will be made in accordance with the policies and procedures set out in Councils Treasury Management Policy and Procedure Manual.

Council recognises that there are risks associated with holding equity investments. Council's overall investment risk is spread by ensuring that the value of any single investment does not exceed either the percentage of the total consolidated assets of Council or the percentage of total investments as set out by council from time to time, and detailed in the Treasury Management Policy.

The Finance and Performance Committee will monitor the performance of its CCTO and CCO equity investments to ensure that the stated objectives are being achieved. Council seeks professional advice regarding its equity investments when it considers this appropriate.

All investments will be made in accordance with the policies and procedures set out in Council's Treasury Management Policy and Procedure Manual. Commercial investments are subject to a broad range of active commercial reviews including regular hold/ sell reviews, portfolio analysis and comprehensive monitoring.

² Market risk is the risk that arises from the potential change in the value of an investment. Market risk results primarily from changes in market interest rates.

9. Group Tax Efficiency

To ensure that existing investment activities achieve appropriate income generation Council needs to be proactive in the way it manages the Group tax level to ensure it operates at maximum efficiency.

Optimizing the overall income tax position for Council and the Group members means that Council is not needlessly paying income tax.

The onus is on Council, as the ultimate owner of each entity within the Group, to take lead responsibility for decisions that impact on the level of income tax paid within the Group as a whole. As part of Council's due diligence to make sure review its investment holding structure is still the most appropriate vehicle for holding Council's investments, Council needs to regularly consider:

- The profits available within the Tax CCTOs for return to Council
- The most efficient method to extract profits from each entity within the Group and
- The capital funding requirements of each entity in the group, and how this could limit reserves available for distribution.

The Group tax position is dynamic and ongoing monitoring is required to ensure tax efficiency is optimal. This can be best achieved through a strong collaborative relationship with the entire group and a commitment to regular reporting and monitoring.

10. Review

This policy will be reviewed every three years as part of Council's Long Term Plan.

11. Definitions

Asset Investment

Investments held in physical capital assets rather than shares (equity investment). Council's holds investments in commercial and semi-commercial property, including community housing and forestry woodlots.

Equity Investment

An equity investment generally refers to the buying and holding of shares in anticipation of income from dividends and capital gains, as the value of stock rises. Council can also hold equity investments for strategic purposes.

CCTO, CCO

Council current equity investments include interests in the Gisborne Airport Authority, forestry and may include other Council Controlled Organisations (CCOs) or Council Controlled Trading Organisations (CCTOs). At its most basic level a CCO is a not-for-profit sharing arrangement with Council and a CCTO is a profit-making vehicle controlled by Council.

Uncalled Capital

Capital that a company has raised by issuing shares or bonds but that the company has not collected because it has not requested payment.

Title: 24-25 2024 Proposed Fees and Charges
Section: Finance & Affordability
Prepared by: Ally Campbell - Executive Policy Advisor
Meeting Date: Wednesday 21 February 2024

Legal: Yes

Financial: Yes

Significance: **Medium**

Report to FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee for decision

PURPOSE - TE TAKE

The purpose of this report is to present Council with the proposed fees and charges schedule for 2024/25.

SUMMARY – HE WHAKARĀPOPOTOTANGA

Fees and charges are a primary source of funding for Council, alongside income from rates and external funding grants. Council's fees and charges are reviewed and set annually, however, fees can be changed or updated during the year. Information on any changes to the fees and charges are published via Council's website.

While reviewing fees and charges, several principles are considered. These include the cost of providing a service; value for money and; community expectations while considering the balance of affordability and accessibility of services. However, fees and charges are predominantly set based on cost recovery or are set by legislation.

Fees and charges have predominately increased by the rate of inflation used for year 1 of the Three Year Plan, which is 2.9%. Unless the fee is regulated, we round to the nearest dollar so some fees may be slightly higher than inflation, especially in lower fees. Regulated fees are updated when we are notified by the authority.

A listing of all fees and charges proposed for 2024/25 is included in **Attachment 1** for review and approval for consultation as part of the Three Year Plan consultation scheduled for March-April.

The decisions or matters in this report are considered to be of **Medium** significance in accordance with the Council's Significance and Engagement Policy.

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Approves the draft 2024/25 Fees and Charges document for consultation.

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: fees and charges 2024/25, three-year plan, 3YP, consultation document

BACKGROUND - HE WHAKAMĀRAMA

1. In accordance with the Local Government Act 2002 (LGA), Council may prescribe fees or charges to recover the reasonable costs incurred by Council for the matter for which the fee is charged – such as processing, monitoring and enforcement undertaken by Council.
2. While rates are generally applied more broadly, fees and charges are specific to particular services that mainly benefit the individual using them. Examples of services funded through fees and charges include resource consents, licenses, and registrations. Charging for fees and charges separately from rates ensures that the cost of providing specific services is covered by those who directly benefit from them.
3. Fees and charges are reviewed annually as part of the long term plan (LTP) or annual plan process. This year, Council is preparing a shorter Three Year Plan (3YP), which will focus primarily on helping our people and region to recover from the impacts of repeated severe weather events. Fees and Charges have therefore been reviewed in light of the draft 2024-2027 Three Year Plan and the user pays proportion as set out in the Revenue and Financing Policy.
4. When reviewing fees and charges, Council takes into account the cost of providing the service and the effects of increasing inflation on these expenses. If a fee or charge is raised beyond the inflation rate, it is done to cover the costs associated with providing the service and to maintain an equitable balance between ratepayer funds and those utilising the service i.e. a 'user pays' system.
5. The full proposed draft Fees and Charges for 2024/25 are included (**Attachment 1**). It is consistent with the 2021–2031 LTP and follows the Revenue & Financing Policy.

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

6. Fees and Charges have mostly increased by the rate of inflation. Fees have needed to be increased further in some activities to recover the costs of providing the service, in alignment with Council's Revenue and Financing Policy.
7. The main changes to the proposed fees and charges for 2024/25 (other than inflation costs) are as follows:
 - Some fees and charges have been removed or made exempt e.g. building consents for Fast Track garages, due to the variability and complexities these now require a normal building consent.
 - There is a new fee for telemetered water meter readings which are automated, and no web portal/text reading entries are required
 - A new fee has been introduced for a Project Information Memorandum for entities not required to obtain a building consent i.e. Kainga Ora
 - The building consent fee for Marquees has been increased more than inflation due to the amount of work involved being comparable to a regular building consent.
 - The standard fee for scanning building consents has been reduced, this fee historically was on-costed to Council, this has now stopped.

- The printing charges for Building consents has increased due to the increase in volume in printing required.
 - The Accreditation Levy Charge has been increased from 55c to \$1.00 per \$1000 to cover one fulltime equivalent employee, IANZ costs plus competency reviews (external).
 - There has been an increase in the hireage fees for the Gisborne Soundshell, this is due to increased maintenance requirements (fencing off wet areas & extra cleaning of building costs prior to a booking).
 - The parking fee for the Library Car Park has increased to \$2 per hour, this is premium CBD parking.
8. The charges for Kiwa Pools have not been increased, these are to remain unchanged until the first review after the first 12 months of operation. This is expected to occur before the 1 October 2024.

Water by Meter fees

9. Water by Meter fees are based upon a cost recovery basis. The fees are determined on how much it costs to produce water and how much water is being used by commercial/industrial sector.
10. The costs per cubic meter excluding GST, has risen from \$1.64 to \$1.85.
11. The proposed charge of \$1.85 plus GST, equals \$2.13 (inclusive of GST) and is comparative to other Councils water meter fees. Below is a table of benchmarks against other Council's metered water rates:

Council	Cost (including GST)	Comment
Tauranga	\$1.95	
Nelson	\$2.006 to \$2.34	Depends on volume
New Plymouth	\$2.50	
Horowhenua	\$2.50	
Waikato	\$2.27	
Far North	\$3.92	
Hamilton	\$1.8 to \$3.5	Dependent on type of user
Watercare	\$1.54	

12. Following consultation on the proposed fees and charges, Council will need to consider any feedback provided by the community and if necessary, adjust the fees before setting them by resolution at the 27 June Council meeting.

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation

Overall Process: Low Significance

This Report: Low Significance

Impacts on Council's delivery of its Financial Strategy and Long Term Plan

Overall Process: Medium Significance

This Report: Medium Significance

Inconsistency with Council's current strategy and policy

Overall Process: Medium Significance

This Report: Medium Significance

The effects on all or a large part of the Gisborne district

Overall Process: Low Significance

This Report: Low Significance

The effects on individuals or specific communities

Overall Process: Medium Significance

This Report: Medium Significance

The level or history of public interest in the matter or issue

Overall Process: Medium Significance

This Report: Medium Significance

13. The decisions or matters in this report are considered to be of **Medium** significance in accordance with Council's Significance and Engagement Policy.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

14. There are no significant changes to the draft 2024/25 fees and charge that require additional Māori engagement. Tangata whenua will be engaged and consulted with during the 3YP consultation process.

COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

15. Consultation of the draft 2024/25 Fees and Charges document will occur in March-April 2024 as part of the 3YP consultation process.
16. Following the consultation period, staff will review the feedback received from the community and will provide an updated version of the fees and charges for consideration by Council, prior to adoption of those fees.
17. At least once during the month preceding the start of every dog registration year, councils must publicly notify in a newspaper circulating in its district the dog control fees fixed for the registration year.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

18. The fees and charges support the estimated income levels included in the 2024-2027 Three Year Plan. The Revenue and Financing Policy sets out how Council funds each of its activities. In deciding how to fund each activity, Council takes into account:

- The community outcomes to which an activity contributes.
- The distribution of benefits between the community as a whole, identifiable parts of the community and individuals (beneficiary pays principle).
- The period during which the benefits are expected to occur (inter-generational equity principle).
- The extent to which actions, or inactions, of individuals or groups contribute to the need to undertake the activity (exacerbator pays principle).
- The costs and benefits of funding the activity distinctly from other activities.

Legal

19. The draft 2024/25 Fees and Charges document complies with legislative requirements.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

20. There are no policy and planning implications around the proposed 2024/25 changes to Fees and Charges.

RISKS - NGĀ TŪRARU

21. If the proposed Fees and Charges are not adopted, there is a risk that Council will not meet costs forecast in the LTP.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
21 February 2024	Approval of draft fees and charges for 2024/25 for consultation.	
March-April 2024	Consultation of 3YP and associated documents (including draft fees and charges).	
May 2024	Hearings on consultation feedback	
27 June 2024	Adoption of final fees and charges for 2024/25	

ATTACHMENTS - NGĀ TĀPIRITANGA

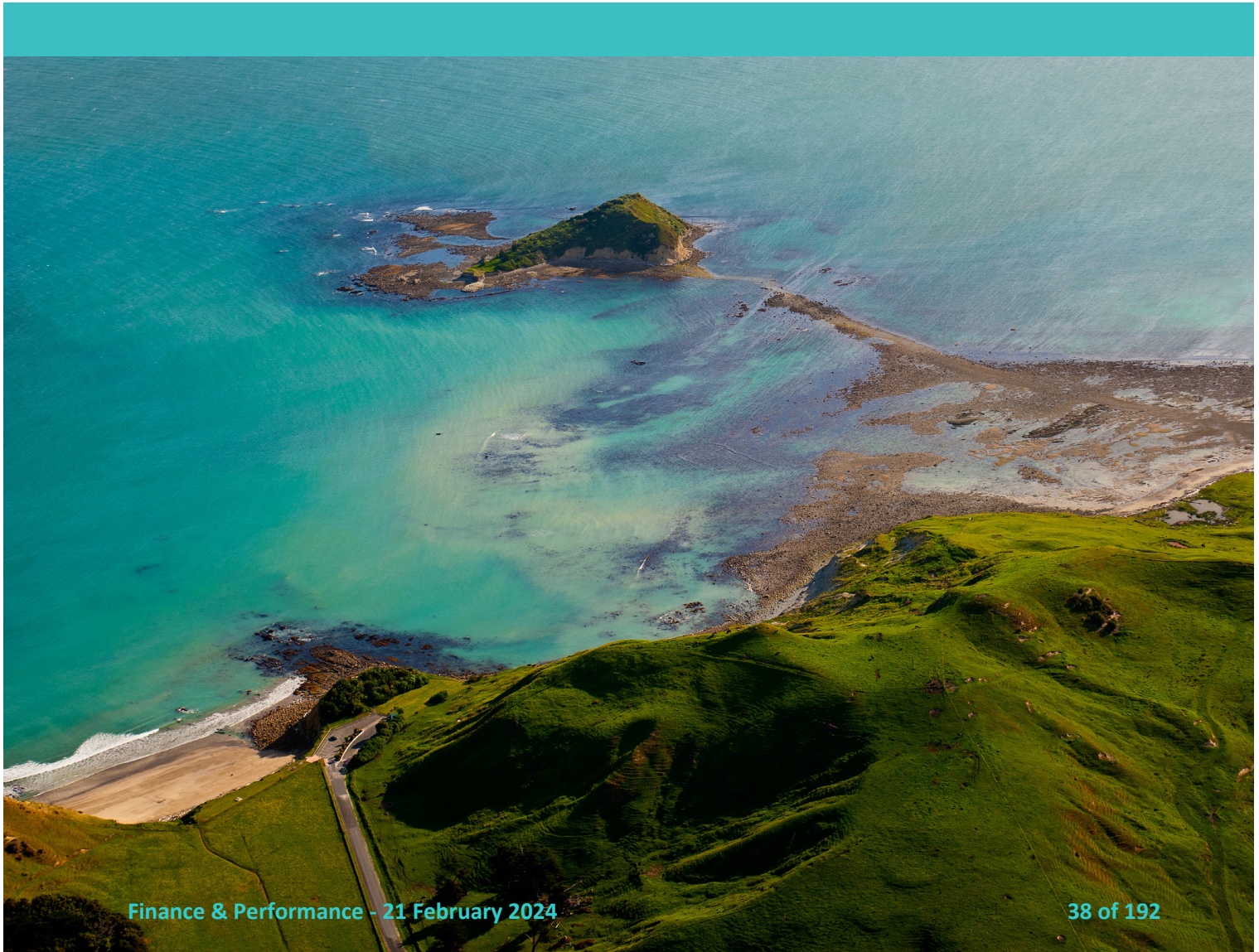
1. Attachment 1 - Draft 2024/25 Fees and Charges [24-25.1 - 44 pages]

2024/25

Ngā utu me ngā utu whakauru

Fees and charges

The Council fees and charges are used to fund the operation and maintenance of a variety of services provided to the community



Contents

About the fees and charges	3
Corridor access requests	4
CAR type definitions	5
Cemeteries	6
Community housing	7
Environmental and regulatory services	8
• Staff time, basis of charges and disbursements	8
• Resource consents	10
• Policy planning	18
• Building services	19
• Environmental health services	25
• Parking	36
Gisborne theatres	37
HB Williams Memorial Library	41
Parks, reserves and sports grounds	42
Pools	42
Stormwater, wastewater and water supply	43
Rates	44
Summer camping	44
Conveniences	44



Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

About the fees and charges

The Council fees and charges are used to fund the operation and maintenance of a variety of services provided to the community. **Fees and charges are reviewed annually as part of the Annual Plan or Long-Term Plan.** However, fees can be changed or updated during the year. These changes will be updated via the website. While reviewing fees and charges, several principles are considered. These include the cost of providing a service, value for money, and community expectations while considering the balance of affordability and accessibility of services. However, predominantly fees and charges are set based on cost recovery or set by legislation.

Fees and charges have predominately increased by the rate of inflation used for year 1 of the Three year Plan, 2.9%. Unless the fee is regulated, we round to the nearest dollar so some fees may be slightly higher than inflation, especially in lower fees. Regulated fees are updated when we are notified by the authority.

Summary of new fees or changes (other than inflation costs)

- Some fees and charges have been removed or made exempt (eg. building consents for Fast Track garages, due to the to variability and complexities these now require a normal building consent.
- There is a new fee for telemetered water meter readings which are automated and no web portal/text reading entries are required
- A new fee has been introduced for a Project Information Memorandum for entities not required to obtain a buliding consent.
- The building consent fee for Marquees has been increased more than inflation due to the amount of work involved being comparable to a regular building consent.
- The water by meter charge has increased more than inflation, from \$1.64 to \$1.85 per cubic meter, exclusive of GST. This rate increase is primarily attributed to the increased production costs.
- The standard fee for scanning building consents has been reduced, this fee historically was oncosted to Council, this has now stopped.
- The printing charges for Building consents has increased due to the increase in volume of printing required.
- The Accreditation Levy Charge has been increased from 55c to \$1.00 per \$1000 to cover one fulltime equivalent employee, IANZ costs plus competency reviews (external).
- There has been an increase in the hireage fees for the Gisborne Soundshell, this is due to increased maintenance requirements (fencing off wet areas & extra cleaning of building costs prior to a booking).
- The parking fee for the Library Car Park has increased to \$2 per hour, this is premium CBD parking.
- The charges for Kiwa Pools have not been increased, these are to remain unchanged until the first review after the first 12 months of operation.

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Corridor access requests

Car Type	2024/25 Fees \$
Standard CAR	353
Will incur an inspection charge – fee below*	
Project CAR	353
Will incur an inspection charge – fee below*	
Non-Standard CAR	528
Will incur an inspection charge – fee below*	
Blanket CAR	176
Will incur an inspection charge – fee below*	
* Close inspection per site	176
* Commercial utility providers can avoid this charge if they provide photographic evidence of the completed work site. This will reduce the inspection workload. These sites are assessed as low risk as these are professional tradespeople operating to the 'National Code of Practice for Utility Operators'. There will be clear guidelines on requirements for this self-service aspect.	
Non-Compliance	580
Minor CAR	At Council discretion
Work Access Permit Extension	90
Cancelation of CAR Application	90
Time Restricted per car park per day (Designated pay-to-park areas)	41

Authority/Requirement: Section 150 of the Local Government Act (2002)

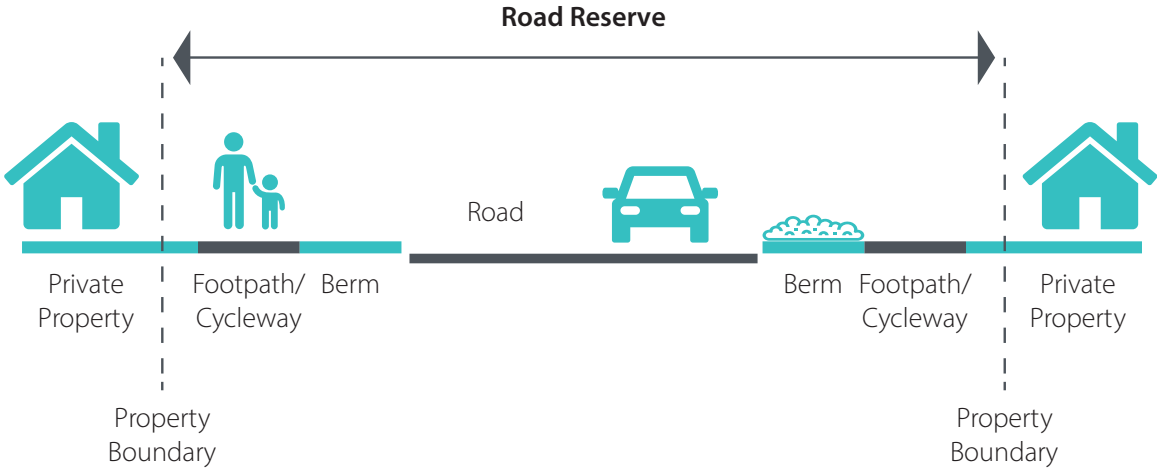
- A CAR is required for, but not limited to, the following activities:
- Any activity that will alter, or cause to be altered, the surface of any part of the road corridor - including and not limited to excavating, drilling and resurfacing
- The placement of any pipe, duct, pole, cabinet or other structure below, on or above the road corridor
- A new vehicle crossing, driveway works
- Building construction (commercial)
- Scaffolding works associated with renovations or building maintenance
- Shop front fit outs/repairs/replacements
- Crane operators
- Building cleaning/painting up to 4 hours
- Events



Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

CAR type definitions

Standard CAR	This is a CAR that requires no expert input from the Network Managers or Contract Managers. These are mostly excavation CARS.
Project CAR	This covers professional project work that is either long and/or has standard work site practices that can be bundled under one CAR. For example, connecting ultra-fast broadband to houses or undertaking emergency work like repairing burst water pipes.
Non-standard CAR	This is a CAR that requires expert input from the Network Managers or Contract Managers. It may have implications for other roading activities. It may need interdepartmental consideration as well.
Non-compliance	This is a charge for those working on the network that either do not have a CAR or are in breach of their CAR conditions.
Inspection per site	This is a fee for having network professionals investigate the worksite as required at completion, at the end of the defect liability period or other as required.



Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Cemeteries

Item	2024/25 Fees \$
Burial Plot Purchase Fee	
Full size - 2.4m x 1.2m	
Taruheru	1260
Motu	345
Ormond	345
Patutahi	1260
Rakauroa	345
Ruatōria	345
Te Araroa	345
Te Puia	345
Tokomaru Bay	1260
Tolaga Bay	1260
Children's Lawn (Taruheru Cemetery) - 0.6m x 1.2m	345
Interment Fee	
Monday - Friday	
Standard	600
Children (12 years and under)	300
Additional fee for out-of-district residents (additional to normal interment fee)	300
Saturday and Sunday	
Standard	885
Children (12 years and under)	450
Additional fee for out-of-district residents (additional to normal interment fee)	590
Statutory Holiday	
Standard	1375
Children (12 years and under)	690
Additional fee for out-of-district residents (additional to normal interment fee)	590
Ashes Plot Purchase and Placement	
Ashes - 450mm x 450mm berm (placement of ashes extra)	285
Garden block (includes two placements of ashes)	515
Niche area (includes first placement of ashes and plaque with 14 words inscription)	257
Tokomaru Bay and Tolaga Bay (2 placements of ashes)	285
Placement of ashes in any plot already purchased in cemetery	80
Other Charges	
Disinterment fee	765
Extra deep digging of grave	180

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.



Community housing

Rental amounts are set at 90% of the average rental for similar units (as stated by Tenancy Services). Rents are reviewed on an annual basis. Please refer to the GDC website for rent updates:

<https://www.gdc.govt.nz/community-housing/>

Complex	Location
Attlee Place	Carnarvon Street
Awhina Court	Ayton Street
Barwick Place	Wainui Road
Craig Court	Craig Road
Elgin Court	Lytton Road
Frances Gregory Court	Jackson Street
Lytton Court	Lytton Road
Lytton Court - Disabled Unit	Lytton Road
Rangimarie Court	Hospital Road
Te Karaka Court	Balfour Road
Wildish Court	Wildish Street

Note: Applicants must be aged 55 or older, hold a current community services and/or an equivalent SuperGold Card. A bond of \$350 plus two weeks' rent in advance must be paid at the commencement of a tenancy. When a tenant wishes to vacate a unit, bond payments are fully refundable if the unit is in the same condition as when it was first occupied.

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Environmental and regulatory services

Staff time, basis of charges and disbursements

Staff time

An hourly charge-out rate will apply unless otherwise stated:		2024/25 Fees \$
Team Leader/Manager		
Senior Scientist		206
Senior Officer and Principal Planner		
Development Engineer & Geotechnical Officer		
Science Officer		
Planner, Intermediate Planner		184
Building Services Officer		
Building Technical Officer		
Administrative services / Consent Co-ordinator (per hour)		123
Consultant, Technical Expert - External		Charge at cost plus disbursements

Basis of charges

The hours applied by staff to the resolution of an application or event, and subsequently charged for, will be reasonable taking into account Council's responsibilities, cost to applicant and welfare of the community.

Provision of information in response to general enquiries is a free service to the public unless otherwise specified in this document.

Provision of professional advice in relation to specific building and development proposals is free for an initial period of 15 minutes. Thereafter it is charged on a cost of service basis.

For resource consent applications, Council requires a cost recoverable deposit to be paid, this is a deposit only and further fees may be charged on a full cost recovery basis.

A 50% premium may be added to normal charge-out rates for activities caused by working without or outside the terms of consents required by Council.

Where the Tairāwhiti Plan has stated that other fees and charges provisions apply or that no charges will apply this is also specified in this document.



Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Disbursements

The hourly charge-out rates include normal office overheads such as telephone calls, office accommodation records and typing. Other actual disbursements such as photocopying will be charged as follows, unless otherwise stated in the fees and charges document:

		2024/25 Fees	
Microfilming/scanning			
Scan per page		\$2.25 - \$8.99	
Photocopies/printing		B&W	Colour
Less than 20 copies			
A4		0.89	1.44
A3		1.44	2.66
More than 20 copies*			
A4		0.44	0.66
A3		0.55	0.78
Mapping printing/copying		Full colour	With aerial photo
A4		11	15
A3		15	21
A2		21	27
A1		27	39
A0		39	59
Mapping scanning		\$	\$
<100		11	39
>100 same original size		7	59

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Resource consents

Section 36, 125, 127, 128, 139 and 150 - Resource Management Act 1991, Local Government Official Information Act

We charge the actual and reasonable costs for processing a consent application, apart from a limited number of applications which are subject to a fixed fee as detailed below. Actual and reasonable costs include, but are not limited to:

- Staff time spent processing a resource consent at the staff charge out rates detailed in section 1.0.
- Contractor's or consultant's time based on the charge out rate of the contractor or consultant engaged to do the work.
- Disbursements which may include travel costs, expert advice, photocopying / scanning and hearing costs.

Authority/ Requirement	Subject	2024/25 Fees
	Subdivision	
	Deposit Fee	
	a. Non-notified deposit ⁽²⁾	1,400
	b. Notified deposit ⁽²⁾	5,000
	c. Section 223 deposit ⁽²⁾	250
	d. Section 224(c) deposit ⁽²⁾	470
	e. Combined Section 223 and Section 224(c) deposit ⁽²⁾	750
	f. Section 221 - Consent Notice deposit ⁽²⁾	110
Resource Management Act 1991 Section 36	Actual Fee	
	g. Section 222 - Completion Certificate plus Bond	207
	h. Section 108(2)(b) - Bond*	Actual and reasonable cost
	i. Engineering Plan check (including site visits)*	Actual and reasonable cost
	j. Section 226 - certificate to separate record of title*	Actual and reasonable cost
	k. Section 241 - certificate to cancel amalgamation*	Actual and reasonable cost
	l. Section 243 - surrender of easements*	Actual and reasonable cost

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.



Authority/ Requirement	Subject	2024/25 Fees
Regional and District Resource Consents		
Deposit Fee		
Resource Management Act 1991 Section 36	a. Certificate of Compliance / Certificate of Existing Use Rights (Deposit Fee) ⁽²⁾	600
	b. Partial transfer of water consent to another person within the existing consent term (Deposit Fee) ⁽²⁾	110
	c. Non-notified (Deposit Fee) ⁽²⁾	1400
	d. Notified (Deposit Fee) ⁽²⁾	5000
	e. Bore Permit (Deposit Fee) ⁽²⁾	600
	f. Section 127 - variation (Deposit Fee) ⁽²⁾	545
	g. Bundled - More than one activity type bundled together triggers this fee (Deposit Fee) ⁽²⁾	1800
	h. Clustered / Global Consents - Five or more consent applications lodged together triggers this fee (Deposit Fee) ⁽²⁾	3000

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Authority/ Requirement	Subject	Subject
	Actual Fee	
	Whole transfer of Coastal Permits, Water Take consents, Water Permits for Damming or Diverting and Discharge Permits (but not limited to) to another person at the same site within the existing consent term	96
	Application to reduce the allocated rate of surface water take consent or allocated annual volume of groundwater take consent	Nil
	Applications for activities identified in regional and district plans that have a zero fee - Activity which only infringes the Soil Conservation (and no other) Rules in the Tairāwhiti Plan ³	Nil
	Water Take Consent - Non-Refundable Waitlist Payment*	57
	Pre-Lodgement advice/Pre application meeting****	Actual & reasonable cost
Resource Management Act 1991 Section 36	Land Use Consent Condition(s) Certification*	Actual & reasonable cost
	Section 108(2)(B) - Bond*	Actual & reasonable cost
	Section 125 - Extension of Time*	Actual & reasonable cost
	Section 128 - Review of consent conditions by consent authority*	Actual & reasonable cost
	Section 36 - Miscellaneous Certificates of Compliance*	Actual & reasonable cost
	Section 36 - Cancellation of RMA instruments*	Actual & reasonable cost
	Section 87BB - Deemed Permitted Activity*	Actual & reasonable cost
Local Government Act 2002 Section 50	Right of way approval – Section 348*	Actual & reasonable cost

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.



Authority/ Requirement	Subject	2024/25 Fees	
Resource Consent Administration			
Circulation Fee			
Resource Management Act 1991 Section 36	Non-notified applications (Circulation to 1 - 3 parties)	210	
	Non-notified applications (Circulation to more than 4 parties)	259	
	Notified applications	430	
	Actual Fee		
	Cancel consent - all processing costs to date, plus fee of:	98	
	Search of Council records for National Environmental Standards requirements - residential site	418	
	Search of Council records for National Environmental Standards requirements - commercial site	474	
	Subscription - Actual Fee		
	One Off / First Request - Weekly Monthly Consent Data Report*	121	
	Annual Subscription - Weekly Consent Data Report - Request of same data	915	
Annual Subscription - Monthly Consent Data Report - Request of same data	199		
Hearings			
	Commissioner's costs (external commissioners at applicant's request)*	Actual & reasonable cost	
Resource Management Act 1991 Section 36	Commissioner's costs (at submitter's request)**	Actual & reasonable cost	
	Commissioner's costs (at Council appointment)***	Actual & reasonable cost	
Designations			
Resource Management Act 1991 Section 36	DEPOSIT FEE		
	Designations (Deposit Fee) ²	3,100	
	Outline Plan Consideration (Deposit Fee) ²	425	
Section 176A	Outline Plan Waiver (Deposit Fee) ²	265	
Section 176A(2)(c)	Notice of Requirement		
	Non-notified (deposit fee) ²	1400	
	Notified (Deposit fee) ²	5000	

1. The Resource Consent Administration-Circulation Fee is non-refundable for resource consents returned as incomplete under section 88 of the Resource Management Act 1991.
2. The Council will charge for additional time processing the consent where this time exceeds the deposit paid. Under S36AAB(2), the Council is able to stop processing a consent until this fixed fee is paid.
3. Note the Tairāwhiti Plan identifies in Policy that these consents will not be charged for.

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

- * Items are charged at actual and reasonable cost unless otherwise identified.
- ** The submitter(s) pay the actual cost of the application being heard and decided, less any charges payable by the applicant for the amount (estimated by the Resource Consents Manager) it would cost for the application to be heard and decided.
- *** The applicant pays the actual cost of the application being heard and decided less any discount percentage as per Council's hearings discount policy where commissioners have been used because Council has a greater interest than the public.
- **** First hour of one staff members time is provided free of charge. Thereafter staff time for pre-lodgement advice/ pre-application meetings are charged in accordance with the fees & charges schedule. These costs will include administrative time, preparation, actual meeting time and follow up advice.

**Note: Staff time in preparing reports and attending hearings will be charged at actual time.
Miscellaneous charges (copying, venue hire, printing, etc.) will be charged at actual cost.**



Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Compliance monitoring and enforcement

The Compliance Monitoring and Enforcement Team charge actual and reasonable costs for all permitted activity, consent and non-compliance monitoring. Actual and reasonable costs include, but are not limited to:

- Staff time spent monitoring sites, including travel time, desk top monitoring (data/technical analysis etc.), meetings, phone calls, tests and samples.
- Contractor's or consultant's time based on the charge out rate of the contractor or consultant engaged to do the work.
- Disbursements which may include travel costs, expert advice, photocopying / scanning.

Authority/ Requirement	Subject	2024/25 Fees
Regional and District Resource Consents		
Consent Monitoring		
Resource Management Act 1991 Section 36	Set up the resource consent monitoring programme ⁽⁴⁾	185
	Technical Advisor - Charge-out rate per hour	206
	Compliance Monitoring Officer - Charge-out rate per hour	185
	Administrative Services - Charge-out rate per hour	124
	Fee for late submissions and/or incorrect submission of records (including data) and monitoring reports as required by consent or Resource Management Act Regulations	224
	Disbursements: Kilometres ⁽³⁾	95c/km
	Disbursements: Other ⁽⁴⁾	Actual & reasonable cost
Resource Management Act 1991		
National Environmental Standard for Plantation Forestry Part 3 & National Environmental Standard Commercial Forestry Regulations	Permitted Activity Monitoring – Forestry	
Regulation 106 (a)	Permitted Activity monitoring for Regulation 24 ⁽²⁾ (earthworks)	Actual & reasonable cost
Regulation 106 (b)	Permitted Activity monitoring for Regulation 37 ⁽²⁾ (river crossings)	Actual & reasonable cost
Regulation 106 (c)	Permitted Activity monitoring for Regulation 51 ⁽²⁾ (forestry quarrying)	Actual & reasonable cost
Regulation 106 (d)	Permitted Activity monitoring for Regulation 63 ⁽²⁾ (harvesting)	Actual & reasonable cost

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Authority/ Requirement	Subject	2024/25 Fees
Tairāwhiti Resource Management Plan	Permitted Activity Monitoring – Stormwater	
Point Source Discharges		
Rule 6.2.3(3)	Permitted Activity monitoring for Stormwater for Rule ⁽²⁾	Actual & reasonable cost
	Measuring and Reporting of Water Takes Regulations 2010	
	Water Use Returns and Audits (Annual Fee)	
	Web portal/text water meter entry fee *	172
	* Telemetered water meter entry fee	100
	Telemetered or web portal/text entry - each additional water meter	45
	Fax/email/standard post	260
Resource Management Act 1991	Fax/email/standard post - each additional water meter	89
	Where water take has not commenced during the year	89
	Other Fees	
	Compliance audit where water meters don't meet standards	315
	Site Visits ⁽⁴⁾	
	Charged at actual and reasonable cost	Actual & reasonable cost
	Enforcement Fees	
Resource Management Act 1991 Section 36	Council administration charge for issuing enforcement actions – charged to holder of consent (does not include any additional costs of non-compliance)	185
	Fee for late submissions and/or incorrect submission of records (including data) and monitoring reports as required by consent or Resource Management Act Regulations	224



Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Environmental science monitoring

Section 36, 125, 127, 128, 139 and 150 - Resource Management Act 1991, Local Government Official Information Act

Authority/ Requirement	Subject	2024/25 Fees
	Regional Impact / Monitoring / Science Charges (ongoing consents)	
	Air discharge – small	72
	Air discharge – medium	234
	Air discharge – large	467
	Discharge to land or water - small	72
	Discharge to land or water - medium	234
	Discharge to land or water - large	467
	Water take surface water <5 l/s, or groundwater <100,000m3/year	72
	Water takes surface water 5-25l/s, or groundwater 100,000 – 200,000 m3/year	234
	Water takes surface water >25l/s -60l/s, groundwater >200,000 m3/year -<400,000 m3/year	814
Resource Management Act 1991 Section 36	Water take surface water 60 l/s - <100 l/s, groundwater 400,000 m3/year - <1,000,000m3/year	1,162
	Water take surface water>100 l/s, groundwater >1,000,000m3/year	2,320
	Gravel/Sand abstraction <2000m3/annum	72
	Gravel/Sand abstraction >2000-10,000m3/annum	234
	Gravel/Sand abstraction >10,000m3/annum	350
	Forestry/woodlot harvest <100 ha	72
	Forestry harvest >100 – 200 ha	119
	Forestry harvest >200ha	234
	Quarry/other earthworks	72
	Native vegetation clearance	72

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Policy planning

Section 36 and Part 2, Schedule 1 Resource Management Act 1991 and Sub Part 5 (Section 197 to Section 211)
Local Government Act 2002

Authority/ Requirement	Subject	2024/25 Fees
Private Plan Changes - Deposit Fee		
	<p><i>Note: Council may reduce the deposit fee to the estimated actual and reasonable costs if staff consider this is likely to be significantly less than the deposit fee.</i></p> <p>The Council may, at its discretion, charge the costs incurred to date before initiating the following milestones:</p>	
Resource Management Act 1991 Section 36 AND Part 2, Schedule 1	<ul style="list-style-type: none"> • Before the request for the change to the policy statement or plan is included on the committee agenda; and • Before the matter is included on the agenda of the Hearings committee or other committee for decision. <p>The Council may also, at its discretion, require a deposit of the anticipated cost of commissioning any report in relation to the request. Costs associated with any request for a change to a policy statement or plan that is adopted by the Council, as if it was a change made by itself, will not be recovered from the applicant and a refund will be given of any charges paid.</p>	17,380
Development Contributions		
Local Government Act 2002 Sub Part 5 (s.197 to s.211)	Council will assess resource consent and building consent applications for development contributions in accordance with its current policy, available on the GDC website.	In accordance with the current policy
Cost of Hard Copy Plans (excl Postage)*		
	Tairāwhiti Resource Management Plan	1,539

*Items are charged at actual cost unless otherwise identified.



Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Building services

Authority/ Requirement	Subject	2024/25 Fees
Project Information Memoranda		
	Minor Projects	*
Building Act 2004 Section 240	Residential ⁽¹⁾	343
	Commercial ⁽¹⁾	392
	Industrial ⁽¹⁾	431
Local Government Act 2002	Project Information Memorandum for entities which will not obtain a building consent.	500
Note: Costs quoted are the minimum fees incurred and may be more.		
Land Information Memoranda		
Local Government Official Information and Meetings Act Section 44A	1. Residential: Under 1 hectare = 10 working days ⁽¹⁾	394
	2. Commercial/Industrial/Rural or Residential greater than 1 hectare = 10 working days (application fee) ⁽¹⁾	632
	Note: Costs quoted are the minimum fees incurred and may be more.	
Resource Management Act 1991 Section 36	Forestry Blocks - If in doubt regarding the category please contact Gisborne District Council	*
	Large Properties will be charged accordingly.	*
	Record retrieval fee	55
Property Search		
Building Act 2004 Section 219 & 240	Residential property search	76
	Rural package (base fee) balance to be charged at time and materials basis on completion or termination of application	70
	Most recent floor and site plan	20
	Plumbing and drainage plan	17
	Specific plan/permit	17
	Commercial	119
	Most recent site plan, floor plan, elevations, cross sections	48
	Most recent floor and site plan	20
	Plumbing and drainage plan	17
	Specific plan/permit	17
Local Government Act 2002 Section 150	Overseas Investment Certificates	*

*** Special Instructions:** Should special circumstances exist that result in a field inspection and/or substantial research, Council reserves the right to charge any additional fees that are appropriate based on the amount of time required to provide the requested information. The cost will be based on the hourly rate in Section 1.0.

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Authority/ Requirement	Subject	2024/25 Fees
Local Government Act 2002 Section 150	Rural Address Property Identification (RAPID) No.	
	To allocate and supply RAPID number and plate	29
	Product Delivery	
	Courier/ postage costs	*at cost
Building Act 2004 Section 72 (Building Subject to Hazard)	Record of Title Registration	
	Sections 73 and 74 Notice	342
	Removal of above registration	332
Building Act 2004 Section 75 (Building over two or more Separate Lots)	Record of Title Registration	
	Sections 77 and 78 Notice	333
	Removal of above registration	332
Local Government Act 2002 Section 150	Common Drains Section 461 - LGA 1974	*at cost
	Entry of Building Report to Property File	70
	Copy of Record of Title	25
	Copy of Consent Notice (base fee)	20
	Copy of each additional Consent Notice	10
Building Act 2004	Building Consent Exemption (record on Property File)	
	Exemptions	140
Building Act 2004 Section 240	Scanning of Building Consent Plans Disbursements	
	Standard fee (all A4 and A3)	45
	Standard fee for consecutive 100 pages	25
	A2, A1 plans - per sheet	15
	Note: Scanning fee is not applicable to digitally lodged or fixed fee consents.	
	Printing of Building Consent Plans Disbursements	
	Standard fee (A4 and A3 sheets) - up to 100 pages	59
	Standard fee for consecutive 100 pages	35
	A2, A1 plans - per sheet	17
	Note: Printing fee is not applicable to fixed fee consents.	



Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Authority/ Requirement	2024/25 Fees
	1. New Structures, Additions and Alterations (deposit) ⁽¹⁾ balance to be charged at time and materials basis on completion or termination of application
	Alterations and garages ⁽¹⁾ 650
	New dwellings ⁽¹⁾ 1,000
	Commercial up to and including \$1m ⁽¹⁾ 1,200
	Commercial or other above \$1m ⁽¹⁾ 2,500
	2. Fireplaces ⁽²⁾
Building Act 2004 Section 219 & 240	Freestanding ⁽²⁾ 438
	In-Built ⁽²⁾ 577
	3. Marquees 350
	4. Demolition - deposit * ⁽²⁾ balance to be charged at time and materials basis on completion or termination of application
	a. Residential (includes 1 inspection) # ⁽²⁾ 253
	b. Commercial (includes 2 inspections) # ⁽²⁾ 438
	# Additional inspections at cost
	# Plus footpath and sign damage bond (as overleaf)

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Authority/ Requirement	Subject	2024/25 Fees	
Building Consents			
Local Government Act 2002 Section 150 Building Act 2004 Section 219 & 240 Resource Management Act 1991 Section 36	5 Sign Consent	*	
	Note: Some signs will require land use consent - see 2.0 Resource Consents		
<hr/>			
Building Act 2004 Section 219 & 240	6 Pools up to \$19,000 - deposit ⁽³⁾ balance to be charged at time and materials basis on completion or termination of application	(3)	
	In-ground swimming pools, fence and drainage ⁽²⁾	629	
	Above ground swimming pools, fence and drainage including fencing existing pool ⁽²⁾	438	
	Three yearly inspection of swimming pool fencing as required by the Building Act 2004	184	
	Revisit for non-compliant pool after check *		
	Entry of swimming pool inspection report from IQPI onto property file	70	
	7 Minor Building Consent (4) Work under minor building consent must be for a residential project under the value of \$19,000 and meet the criteria listed on the Application for Minor Building Work form. ⁽²⁾	629	
	8 Solar Panels (restrictions apply)	546	
	Footpath and Sign Damage		
	Building Act 2004 Section 219 & 240	Footpath damage - refundable deposit# Note: GST exempt	1,000
Footpath damage (CBD per metre street frontage) - refundable deposit# Note: GST exempt		300	
Relocation - sign damage - refundable deposit# Note: GST exempt		0	
# Plus Administration Fee - non-refundable		68	
Technical Peer Reviews			
Building Act 2004 Section 219 & 240	Peer review fee (charged at cost)	*	
Accreditation Levy Charge (applies to all building consents)			
<i>Note: Levy is already included in fixed fee consents</i>			
Building Act 2004 Section 219 & 240	\$1.00 per \$1,000 - Minimum fee	31	
	\$1.00 per \$1,000 - Maximum fee	1000	
Code Compliance Certificate (CCC)			
<i>Note: Fee already included in fixed fee consents</i>			
Building Act 2004 Section 219 & 240	CCC - Residential and small projects	98	
	CCC - Standard commercial	286	
	CCC - Large commercial (with fire design, occupancy >100, or multi-unit >10)	570	

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.



Authority/ Requirement	Subject	2024/25 Fees
Changes to Building Consent		
	* Amendment to building consent	*
	* Extension to building consent	50
Building Act 2004 Section 219 & 240	Consent re-activation fee (no activity for more than 5 years)	113
	Record retrieval fee	55
	Refused building consents - all processing costs to date, plus fee of:	96
Compliance Schedules		
	Schedule application base fee	140
Building Act 2004 Section 219 & 240	Plus fee per feature identified in schedule +	50
	Amendment to compliance schedule base fee	74
	Plus fee per feature removed/added or altered +	50
Building Warrant of Fitness		
Building Act 2004 Section 219 & 240	Building warrant of fitness site audit	179
	Process building warrant of fitness	81
Certificate of Acceptance		
Building Act 2004 Section 97(d)	Certificate of Acceptance - Relevant building consent fees plus	778
	Certificate for Public use	219
	Renew Certificate for Public use	132
Building Act 2004 Section 219.01	Information on Building Consents (i.e. schedules, compiled data)	*
Special Services		
	Disbursements : Mileage	95c/km
	Disbursements : Other	*at cost
Amusement Devices (GST Exclusive)		
	Single device	10
Amusement Devices Regulations 1978	Each additional device	2
	Each device beyond 7 days	1
	Plus administration, processing and inspection	*at cost
Inspections		
Local Government Act 2002 Section 150	Where applicable (per hour)	185
Development Contributions		
Local Government Act 2002 Sub Parts (s.197- s.211)	Council will assess building consent applications for development contributions in accordance with its current policy (available on the GDC website)	In accordance with current policy
	Appeals	* at cost

* Items are charged at actual and reasonable cost unless otherwise identified.

(1) Items are charged at actual and reasonable cost to memorandum/consent stage. Charges for subsequent required inspections are made at uplift of consent on the basis of specific quoted schedule. Council reserves the right to recover additional inspection charges made necessary by action or inaction of consent holder. Each inspection type is charged at a standard rate. On visits where more than one inspection type is undertaken each incurs a fee.

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

- (2) Deposit and standard fee includes set number of inspections and standard processing time. Any additional inspections or time to process the consent will be charged at cost.
- (3) Pools on a hill/slope or with a value of over \$20,000 will require a full actual and reasonable cost Building Consent.
- (4) Jobs that require only one inspection will be at a lesser rate. This is at the discretion of Council building official.

NOTE: A Ministry of Business, Innovation and Employment (MBIE) levy is charged at the rate of \$1.75 inc GST for each \$1,000 or part thereof of total building value (plumbing and drainage included) when the total value of building work for which consent is sought is \$20,444 inc GST or more. A Building Research Association of New Zealand (BRANZ) levy is charged at the rate of \$1 of each \$1,000 or part thereof of the total building value (plumbing and drainage included) when the total value of building work for which consent is sought is \$20,000 or more. Some of the fees are determined by statute or regulation and Council is not able to change them. They are subject to change on direction without notice. Council reserves the right to increase charges for Land Information New Zealand should these increase.

The building services fees and charges relate to the following regulations:

- Building Act 2004, S. 45.01(d), S.72, S.75, S.240, S.219(d)
- Local Government Act 2002, S.150 and Sub Parts S.197-S.211
- Public Places Bylaw
- Amusement Devices Regulations 1978
- Resource Management Act 1991, S.36
- Local Government Official Information and Meeting Act, S.44A

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.



Environmental health services

Registrations

Authority/ Requirement	Subject	2024/25 Fees
Food Act 2014	New registration	
	Processing registration of risk based measure based upon a template or model issued by MPI of a business subject to a national programme:	
	Fixed fee ⁽⁴⁾	349
	Multisite business - extra fee per additional site ⁽⁴⁾	165
	Per hour for every extra hour of process time ⁽⁵⁾	185
	Renewal of registration	
	Processing annual renewal of existing registration:	
	Fixed fee ⁽⁴⁾	209
	Multisite business - application per additional site (4)	93
	Per hour for every extra hour of process time ⁽⁵⁾	185
Food Act 2014 Section 204 Food Regulations 2015	Amendment to registration	
	Processing amendment to registered risk based measure based on a template or model issued by MPI or to registration of a business subject to a national programme:	
	Fixed fee ⁽⁴⁾ Significant ⁽²⁾	201
	Fixed fee ⁽⁴⁾ Minor ⁽³⁾	124
	Per hour for every extra hour of process time ⁽⁵⁾	121
	Verification ⁽⁶⁾	
	Conducting verifications. Charges include time spent on scheduling and final administration, preparation, on site or remote verification, reporting and follow up.	
	Per hour for officer time ⁽⁶⁾	185
	Per hour for administration time ⁽⁶⁾	124
	Technical specialist required - at cost ⁽⁶⁾	at cost
Food Act 2014 Section 204 Food Regulations 2015	Overdue Corrective Action Follow up. Charges include time spent on email, phone calls, site visits, assessment, outcome changes and administration	185
	Compliance and monitoring: (charge per hour) ⁽⁶⁾	
	Conduct complaint driven investigation resulting in issue of improvement notice by food safety officer.	185
	Conduct emergency investigation resulting in issue of direction or seizure notice.	
	Disposal costs for seized food or food related accessories. ⁽⁶⁾	at cost
	Storage costs for seized food or food related accessories. ⁽⁶⁾	at cost
	Application for review of issue of improvement notice ⁽⁶⁾	185
	Monitor food safety and suitability ⁽⁶⁾	185
	Cancellation of verification audits ⁽⁶⁾	
	These can come on same working day or non-attendance by essential personnel preventing completion of a verification.	
Loss of 1 hour cost recovered at:	185	
Mentoring services: (charge per hour)	185	

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Authority/ Requirement	Subject	2024/25 Fees
Harbourmaster		
Gisborne District Navigation and Safety Bylaw	Application for suspension or exemption Plus Disbursements	68 at cost
Local Government Act 2002 Section 150		
General Harbour (Nautical and Miscellaneous) Regulations 169, Section 21 Gisborne District Navigation and Safety Bylaw	Removal of vessel or obstruction (per hour), plus vessel hire and any other contractor costs.	207
Tier 1 Marine Oil Spill Plan Assessment		
Local Government Act 2002 Section 150	Lodgement	45
	Assessment (per hour)	207
	Audit (per hour)	207
Harbour Master and Boat Charge out rates		
Gisborne District Navigation and Safety Bylaw	Per Hour (or part thereof)	350
	Per Half Day (up to four hours)	1000
	Per Day (up to eight hours)	2000

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.



Authority/ Requirement	Subject	2024/25 Fees
Registrations		
Health (Registration of Premises) Regulations 1966 Regulation 7	Change of ownership of registered or licensed premises ⁽⁴⁾	176
Local Government Act 2002 Section 150	Application Fee for Proposed New Registered or Licensed Premises (excluding food) ⁽⁴⁾	203
Hairdressers Annual Registration and inspection		
Health (Registration of Premises) Regulations 1966 Regulation 7	Health (Hairdressers) Regulations 1980 Regulation 3 - Non A-Grade Premises ⁽⁴⁾ - A-Grade Premises -Hairdresser ⁽⁴⁾ - Extra Inspections - charged at cost using the hourly rate of: ⁽⁶⁾	555 316 185
Unregistered Hairdressers		
Local Government Act 2002 Section 150	Health (Hairdressers) Regulations 1980 - Hygiene Inspection - charged at cost using the hourly rate of: ⁽⁶⁾	185
Funeral Directors Annual Registration and Inspection		
Health (Registration of Premises) Regulations 1966 Regulation 7	Health Burial Regulations 1946 Regulation 13	380
Camping Ground Annual Registration and Inspection		
Camping Ground Regulations 1985 Regulation 3	Normal Limited Duration Camping Grounds	556 469
Offensive Trade Registration and Inspection		
Health Act 1956 Section 54 (1)	Offensive Trade Fee	380
Saleyard Annual Registration		
Health Act 1956 Section 58	Small Large	292 380
Local Government Act 2002 Section 150	Annual Hygiene Inspection and Administration Fee for Premises Handling Food or Alcohol but exempted from Registration Under Food Act	185

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Authority/ Requirement	Subject	2024/25 Fees
Local Government Act 2002 Section 150 Gisborne District Mobile Shops, Hawkers, Stalls and Itinerant Traders Bylaw	Mobile Shop Licence (registration fee) ⁽⁷⁾	175
	Hawkers Licence ⁽⁷⁾	175
	Itinerant Traders Licence registration fee ⁽⁷⁾	175
	Subsequent inspection of Mobile Shop, Hawker or Itinerant Trader per	185
	Follow up visit to assess compliance of permit holder -per hour	185
Special Duties		
Local Government Act 2002 Section 150	Charge out per hour	185
	Plus Disbursements at cost	at cost
	Subsequent monitoring visit as a result of non-compliance with a Health Act notice (per hour)	185
Gambling Venue Consent		
Local Government Act 2002 Section 150	Application fee	282
	Plus notification/hearing costs at cost	at cost
	Extract from record	39
	Miscellaneous activity plus special events not otherwise chargeable (per hour)	185
	Plus Disbursements at cost	at cost
Litter/Rubbish		
Gisborne District Keeping of Animals, Bees or Poultry Bylaw	Investigation and clean-up of litter and dumped rubbish (per hour)	185
	Plus Disbursements at cost	at cost
	Application for approval to keep animals, bees or poultry and first monitoring visit ⁽⁷⁾	110
	Monitoring and enforcement (per hour)	185

(1) If a food business, food registration and verification fees will also apply.

(2) Significant amendment means a change in the risk based measure.

(3) Minor amendment means a change to registration or scope details.

(4) Payable by the applicant on application.

(5) Any remainder, to fixed fee, payable within 20 working days of issue of invoice.

(6) Payable within 20 days of issue of invoice.

(7) Compliance Monitoring & Enforcement Manager may waive if application was made voluntarily and not subject to a complaint.



Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Alcohol Licensing

Sale and Supply of Alcohol (Fees) Regulations 2013 - S.7, S.18, Local Government Act 2002, S.150

Authority/ Requirement	Subject	2024/25 Fees	
District Licensing Committee (includes annual and registration fees)		These charges are exclusive of GST.	
Registration fees*			
Sale and Supply of Alcohol (Fees) Regulations 2013	On Licence	140 -1,250	
	Renewal On Licence	140 -1,250	
	Variation or cancellation to conditions of On Licence	140 -1,250	
	On Licence (BYO)	140 -1,250	
	Variation or cancellation to conditions of On Licence (BYO)	140 -1,250	
	Renewal On Licence (BYO)	140 -1,250	
	Conveyance On Licence	140 -1,250	
	Off Licence	140 -1,250	
	Renewal Off Licence	140 -1,250	
	Variation or cancellation to conditions of Off Licence	140 -1,250	
	Club Licence	140 -1,250	
	Renewal Club Licence	140 -1,250	
	Variation or cancellation to conditions of Club Licence	140 -1,250	
	Registration Fee category*	Application Fee	Annual Fee
	Very low	368	161
	Low	609.5	391
	Medium	816.50	632.50
	High	1023.5	1035
	Very High	1207.50	1437.50
Other Application fees			
	Manager's Certificate	275	
	Renewal Manager's Certificate	275	
	Extract from record	50	
	Permanent Club Charters Annual Fee	550	

NOTE: All fees set by regulation. Set Value of fee is payable to Alcohol Regulatory Licensing Authority for above.

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Authority/ Requirement	Subject	2024/25 Fees
Special Licence - Application Fees		
Sale and Supply of Alcohol (Fees) Regulations 2013	Class 1 - One large event or more than three medium events or more than 12 small events	500
	Class 2 - One to three medium events or three to 12 small events	180
	Class 3 - One or two small events	55
	Temporary Authority	258

NOTE: 16% of fee payable to Alcohol Regulatory Licensing Authority.

Compliance Certificate		
Local Government Act 2002 Section 150	Compliance Certificate (Building Act and Resource Management Act) for new premises or premises seeking variations.	185

In the event the application is withdrawn, consideration will be given by the Regulatory Services Manager for a refund. Administration costs will be charged prior to any refund being made. There will be no refund on Special Licence applications. Fees are set by regulation and are outside Council's control. They are subject to change without notice.

Enforcement

Authority/ Requirement	Subject	2024/25 Fees
The depositing of any litter in or on any public place (definitions as below):		
Litter Act 1979 Section 15(1)(a)	• Minor	100
	• Medium	200
	• Major	400
The depositing of any litter in or on any private land without the consent of its occupier (definitions as below):		
Litter Act 1979 Section 15(1)(b)	• Minor	100
	• Medium	200
	• Major	400
Having deposited any litter in or on any public place or in or on any private land without the consent of its occupier, leaves the litter there (definitions as below):		
Litter Act 1979 Section 15(1)(a) Section 15(1)(b)	• Minor	100
	• Medium	200
	• Major	400



Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Definitions

a. Minor Littering - INFRINGEMENT FEE \$100

Minor littering is defined as depositing in or on a public place or in or on private land without the consent of the occupier:

- Cigarette butts
- Wrappers/paper
- Chewing gum
- Small food waste
- Takeaway food/drink containers
- Fish and chip papers
- Plastic drink bottle(s)
- Aluminium cans

NOTE: For cigarette butt littering, this is a two-step enforcement process.

First Step: Educate/warning – offender advised this is not acceptable.

Second Step: If a person is found depositing cigarette butt litter, having already been warned, an infringement fee of \$100 will be issued.

b. Medium Littering - INFRINGEMENT FEE \$200

Medium littering is defined as - depositing in or on a public place or in or on private land without the consent of the occupier:

- Single used disposal nappy or nappies
- Small dumping (e.g. shopping bags) – domestic/commercial waste in or by public litter bins
- Small dumping in or by commercial waste bins/clothing bins/recycling stations
- Persistent use of unofficial bags without Council stickers
- Small insecure load from truck or trailer
- Domestic waste placed in a Council litter bin.

Small dumping defined as - one shopping bag or single item

Small insecure load - paper, single item, grass clippings, dust that has come off a truck or trailer

c. Major Littering - INFRINGEMENT FEE \$400

Major littering is defined as depositing in or on a public place or in or on private land without the consent of the occupier:

- Household waste
- Commercial waste
- Any other litter defined in the Litter Act 1979 not defined as a minor or medium littering above.
- Green waste
- Car parts

Other Definitions

Domestic Waste - waste generated in households, both urban and rural

Commercial Waste - waste generated by commercial businesses, institutions and small industrial businesses such as retail and construction

NOTE: Sections 15(2) and 16 of the Litter Act 1979 define the depositing of glass or glass bottles (or broken glass bottles) as a dangerous form of litter and thus considered by Council as a major littering offence. The decision whether to issue an infringement notice for major littering or to refer the matter to the District Court will be determined on a case-by-case basis, based on the severity and malicious intent of the alleged offence.

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Authority/ Requirement	Subject	2024/25 Fees
Gisborne District Public Places Bylaw Clause 6.2(a)	No person shall play any game or use any object including skating devices, cycles or motorised scooters recklessly or in a manner which may intimidate, cause annoyance or inconvenience, be dangerous or injurious or cause an obstruction or nuisance to persons in the public place, or damage the public place.	
	- First offence	68
	- Second offence	123
Gisborne District Public Places Bylaw Clause 6.2(b)	No person shall drive any vehicle in a manner that is dangerous or inconsiderate to pedestrians or other vehicles.	
	- First offence	68
	- Second offence	123
Gisborne District Public Places Bylaw - Clause 9.1(c)	The depositing of any household or trade refuse in or around a public litter receptacle on any public place.	123
Gisborne District Public Places Bylaw - Clause 9.2	Causing, permitting or suffering any litter to escape from a receptacle or vehicle onto any public place.	123
Gisborne District Public Places Bylaw - Clause 17.1	No person shall ride a skating device in any area defined in the schedule of this bylaw:	
	- First offence	68
	- Subsequent offence	123
Gisborne District Public Places Bylaw - Clause 17.2	No person shall ride a skating device on any footpath outside areas defined in the schedule of this bylaw without due care to ensure no damage is caused to any property or without reasonable consideration for other persons using the footpath:	
	- First offence	68
	- Subsequent offence	130
Resource Management Act 1991 Section 336(2)(b)	Return of seized equipment - stereos	246
Resource Management Act 1991 and Resource Management (Infringement Offences) Regulations 1999	Infringement offences	As per regulations
Local Government (Infringement Fees for Offences Gisborne District Navigation Bylaw) Regulations	Infringement offences	As per regulations

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.



These fees and charges refer to the following regulations:

- Health (registration of premises) Regulations 1966 - Regulation 3 and 7
- Local Government Act 2002, S.150
- Camping Ground Regulations 1985 - Regulation 3
- Health Act 1956 - S.54(1), S.58
- Food Hygiene Regulations 1974 - Regulation 4(1), (2), Regulation 83,
- Food Act 2014 - S.204
- Food Regulations Act 2015
- General Harbour (Nautical and Miscellaneous) - Regulations 169, Section 21
- Resource Management Act 1991
- Maritime Transport Act 1994

These fees and charges are in line with the following Council bylaws:

- Gisborne District Mobile Shops, Hawkers, Stalls and Itinerant Traders Bylaw
- Gisborne District Navigation and Safety Bylaw
- Gisborne District Keeping of Animals, Bees or Poultry Bylaw

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Animal control

Authority/ Requirement	DOGS	Fee (If paid by 31.7.24) \$	2024/25 Fee De-sexed charge (If paid by 31.7.24) \$
Dog Control Act 1996 Section 37			
Dog Registration		Penalty of 25% is applied on top of charges shown below, if paid after 31 July 2024	
Rural livelihood - Income from working dogs *		58	53
Normal urban and including those in rural areas not required for rural livelihood *		105	95
Dangerous dog owner (rural and urban) *		158	143
Probationary dog owner (rural and urban) *		156	141
Selected owner policy ¹ & **		73	66
Selected owner - Superannuitants *		59	54
Superannuitants *		69	63
NZ licensed dog owner ***		62	56
Guide and hearing dogs		0	0
Replacement Dog tag		16	

* Penalty of 25% for late payment applies to all dogs registered after 31 July 2024.

** Selected Owners who do not pay by 31 July 2024 revert back to standard owner rate plus penalty for late payment.

*** No new applications for Licensed Owners will be accepted from 1 July 2019.

1 To be eligible for Selected Owner discount, the dog owner must pay registration fees on time and their dog has no infringement history, and the owner must agree to property inspections by Animal Control officers to insure required standards are met. The new metal tags are to be returned on application of a refund.

NOTE: New dog registration after 31 July 2024 will be pro-rated depending on the number of months remaining in the dog registration year and when the dog turns 3 months old.

Discount for De-sexing – with proof from licenced veterinarian, a 10% discount may be applied to registration of all qualifying dogs paid by 31 July 2024



Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Sections 37 and 68, Dog Control Act 1996 and Section 14 and 15(1), Impounding Act 1955

Authority/ Requirement	Impounding Dogs	2024/25 Fees
	Between 8.00am and 4.30pm on weekdays	
	- First impounding	70
	- Second impounding	82
	- Subsequent impounding	113
Dog Control Act 1996 Section 68	After Hours and weekends	
	- First impounding	82
	- Second impounding	93
	- Subsequent impounding	124
	Sustenance per day	26
	Advertising	Actual & reasonable cost
Authority/ Requirement	Stock Ranging / Impounding	2024/25 Fees
	Between 8.00am and 4.30pm on weekdays	
	- First impounding	82
	- Second impounding	95
	- Subsequent impounding	132
Impounding Act 1955 Section 14 - Sheep	After Hours and weekends	
	- First impounding	93
	- Second impounding	106
	- Subsequent impounding	143
	Sustenance (per day)	Actual & reasonable cost
	Advertising	Actual & reasonable cost
	HORSE AND CATTLE	
	Between 8.00am and 4.30pm on weekdays	
	- First impounding	149
	- Second impounding	174
	- Subsequent impounding	241
Impounding Act 1955 Section 14 Horse and Cattle	After Hours and weekend	
	- First impounding	161
	- Second impounding	185
	- Subsequent impounding	253
	- Sustenance (per day)	Actual & reasonable cost
	- Advertising	Actual & reasonable cost
	DRIVING CHARGES	
	Stock control charge out rate (per hour)	123
Impounding Act 1955 Section 15(1)	Plus Disbursements:	Vehicle cost/km
	- Mileage	95c/km
	- Others	Actual & reasonable cost

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Parking

Refer to the Gisborne District Traffic and Parking Bylaw

Authority/ Requirement	Subject	2024/25 Fees
	Parking prices are under review and are subject to change, please refer to the Gisborne District Council website.	
Gisborne District Traffic and Parking Bylaw	Parking 2 hours CBD metered parking spaces Gladstone Road, Bright Street, Hardy Lane and Peel Street (per hour)	2
	Parking 2 hours CBD metered parking spaces Derby Street, Grey Street, Lowe Street, Palmerston Road and Reads Quay (per hour)	1.50
	Parking 8 hours CBD metered parking spaces Grey Street car park, Customhouse Street and Reads Quay (per hour)	1
	Parking 2 hours Maximum, Library Car Park (per hour)	2
	CBD Contractor's Parking Permit (per week)	12
	CBD Resident's Parking Permit	184
	Timed Parking Offences and Infringement Fees (Note: Fee increases on time factor)	
Land Transport (Offences and Penalties) Regulations 1999	Parked at an expired meter	12
	Displayed expired parking authorisation	12
	Time variations of timed offences ⁽¹⁾	
	Not more than 30 minutes	12
	More than 30 minutes but not more than one hour	15
	More than one hour but not more than two hours	21
	More than two hours but not more than four hours	30
	More than four hours	42
Failing to display parking authorisation ticket in Pay and Display area	40	

¹ Indicates authority also under Section 139 Land Transport Act 1998

Note: All other parking infringement fees and stationary vehicle offences infringement fees are set by statute, specifically Schedule 1 of Land Transport (Offences and Penalties) Regulations 1999.



Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Gisborne theatres

War Memorial Theatre

	2024/25 Fees					
	Professional or Touring Groups & Artists	Performances Professional Groups & Artists Not for Profit	Local Amateur Groups & Schools	Meetings & Seminars Commercial, Professional, Government	Community, Voluntary Groups	Social Functions Weddings, Gatherings, Celebrations
Theatre Hire: Performance day	1,801	1,276	556	1,143	608	1,637
Theatre Hire: Set up or rehearsal day	530	530	268	530	278	530
Additional shows: (on same day extra charge)	638	428	268			
Foyer Only:	638	530	428	530	428	798
Green Room Only:	\$40 per hour (minimum 3 hours)					

War Memorial Theatre Additional Charges:

Energy charges	*30¢ per unit metered
House Technician	\$65 per hour. Minimum required tech hours apply for events using the Theatre.
Front of house staff	\$35 per hour
Security	Supplied on request, charged to hirer
Projector and screen	\$275
Sound system basic, including 1 microphone	\$180 (Full sound system quote available on request)
Use of Kitchen	\$80
Tablecloths	\$10 each
Raised staging, per section	\$45 per day (external hire)

All scheduled fees and charges are inclusive of GST, unless otherwise stated.

A hire deposit will be required to confirm a booking.

Proprietary Ticketing Services. Licensed Premises.

**Fees relating to Theatre additional charges are subject to change and may be updated at any time during the year based on actual costs that Council incurs.*

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Lawson Field Theatre

	2024/25 Fees					
	Performances			Meetings & Seminars		Social Functions
	Professional or Touring Groups & Artists	Professional Groups & Artists Not for Profit	Local Amateur Groups & Schools	Commercial, Professional, Government	Community, Voluntary Groups	Weddings, Gatherings, Celebrations
Theatre Hire:	916	711	412	711	412	1,081
Theatre Hire: Set up or Rehearsal day	371	319	186	330	186	330
Additional shows: (on same day extra charge)	319	268	206			
Theatre Hire Half Day: (8am-12pm or 1-5pm)				381	258	
Theatre Hire Evening: (6-11pm)				546	340	
Rose Room Only Full Day:	494	433	309	479	309	479
Rose Room Only Half Day: (8am-12pm or 1-5pm)				268	186	268
Rose Room Only Evening: (6-11pm)	381	330	258	319	258	319
Commercial Kitchen	\$40 per hour, \$95 per half day, \$165 per full day.					



Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Lawson Field Theatre Additional Charges:	
Energy charges	*30¢ per unit metered
House Technician	\$65 per hour. Minimum required tech hours apply for events using the Theatre.
Front of house staff	\$35 per hour
Security	Supplied on request, charged to hirer
Projector and screen	Theatre \$175/ Rose Room \$60
Sound system basic, including 1 microphone	Theatre \$125 / Rose Room \$40 (Full sound system quote available on request)
Use of Kitchen	80
Tablecloths	\$10 each
Raised staging, per section	\$45 per day (external hire)

All scheduled fees and charges are inclusive of GST, unless otherwise stated.

Hire charge includes tables and chairs.

Theatre Hire may include access to Rose Room, subject to availability.

To qualify for Half Day or Evening hire, the entire event (including all set up and packdown) must fit into the specified hours. If any event activity takes place in the venue outside of these hours, then it will revert to Full Day hire charge

*A hire deposit may be required to confirm a booking.
Proprietary Ticketing Services. Option for Licensed Premises.*

** Fees relating to Theatre additional charges are subject to change and may be updated at any time during the year based on actual costs that Council incurs.*

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Gisborne Sound Shell

	2024/25 Fees					
	Performances		Local Amateur Groups & Schools	Meetings & Seminars		Social Functions
	Professional or Touring Groups & Artists	Professional Groups & Artists Not for Profit		Commercial, Professional, Government	Community, Voluntary Groups	Weddings, Gatherings, Celebrations
Per Day (minimum)	1,500	-	1,000	-	-	-
Set up or rehearsal day	50% daily hireage					
<i>Ticketing services available. Contact halls@gdc.govt.nz</i>						
<i>No private functions</i>						
Sound Shell Additional Charges:						
Energy charges	*30¢ per unit metered					

Patutahi Hall

	2024/25 Fees					
	Sport and Performance		Local Amateur Groups & Schools*	Meetings & Seminars		Social Functions
	Professional or Touring Groups, Govt Depts. (up to 1.00am)	Community Groups		Commercial, Professional, Government	Community, Voluntary Groups	Weddings, Gatherings, Celebrations (up to 1.00am)
Hall Hire: per day (including kitchen)	515					309
Hall Hire: per hour (including kitchen)		31	31	37	31	
Hall Hire: per day Setup or rehearsal	62	62	62	62	62	62
Kitchen only:	\$30 per hour					
Cleaning if Hall left untidy	\$100					

Patutahi School entitled to 3 free bookings per year (children's activities only)



Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

HB Williams Memorial Library

Item	Loan Period	2024/25 Fees
Artworks	6 weeks	5
Periodicals	2 weeks	1
Interloans - plus any fees from loaning libraries	Various	12
Replacement membership cards		12
Photocopying - A3 b/w	N/A	0.40
Photocopying and printing - A4 b/w	N/A	0.20
Photocopying - A3 colour	N/A	2
Photocopying - A4 colour	N/A	1
Decommissioned books - standard		2-5
Book bag		6
Splendid Isolation - Book - wholesale paperback	N/A	31
Splendid Isolation - Book - retail paperback	N/A	51
Splendid Isolation - Book - wholesale hardback	N/A	62
Splendid Isolation - Book - retail hardback	N/A	82
Lost/damaged material - administration cost per item @ plus Replacement cost per item	N/A	5
Reference enquiries (outside free membership area) - per hour or part thereof @ plus copy fees	N/A	51
Room hire		2024/25 Fees
<i>Mahutonga = Southern Cross Room*</i>		
Per hour		31
Half day		82
Full day		123
<i>Papatipu = Launch Pad</i>		
Per hour		31
Per hour		21
Half day		51
Full day		82
Cleaning fee**		51
* Half day is max 4 hours. Full day is max 8 hours.		
** Cleaning fee applies if facilities are left in unclean state.		

Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Parks, reserves and sports grounds

GDC Parks, Reserves and Sports Grounds are available for booking subject to GDC approval.

Bookings	2024/25 Fees
----------	--------------

Information about GDC's Park fees and booking information is available on the Council website.

[Booking a park, reserve, beach, sports field | Gisborne District Council \(gdc.govt.nz\)](https://www.gdc.govt.nz/booking-a-park-reserve-beach-sports-field)

To book a council reserve, park or sports ground, visit the GDC website and fill in the online Request Form. POA

Wedding on a reserve

If you're planning to get married at the rose garden or any other council park or reserve, you need to let us know.

If you wish to book the Botanical Gardens, you'll need to let us know which area of the park you would like to use.

A fee applies for weddings, you pay this once your booking has been confirmed by reserves staff. 115

Sports grounds

To hold an event or match on a council sports ground, a fee is charged based on the grounds maintenance cost. POA

Reserves

Any commercial event or activity is charged a fee based on the type of event. POA
You need to fill in the Hold an Event Form.

Alcohol in a public place

There are some rules around consumption of alcohol in public places. Generally a toast at a wedding is fine, anything more, you need to talk to our environmental health team.

If you intend to supply or sell alcohol at an event on a public park or reserve, you need to fill in the Hold an Event form or talk to our environmental health team first to clarify what you are allowed to do.

All forms and information is available on the Council website.

[Booking a park, reserve, beach, sports field | Gisborne District Council \(gdc.govt.nz\)](https://www.gdc.govt.nz/booking-a-park-reserve-beach-sports-field)

Pools

Kiwa Pools

The current charges have not changed. These will be reviewed after the first year of operation, October 2024. Please refer to the GDC website



Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Stormwater, wastewater and water supply

Connection fee to the public network	2024/25 Fees
Stormwater and Wastewater	
Wastewater and stormwater have no connection fees.	Nil
An extraordinary wastewater connection fee to be charged at the full cost, of a tendered or quoted price, for the physical connection from the main to the boundary plus a 10% administration fee.	
DrainWise	2024/25 Fees
There are no consultation fees for DrainWise, however we will use the provisions of the Local Government Act, Building Act or Drainage Bylaw to recover costs plus a 10% administration fee.	
Trade Waste Fee	2024/25 Fees
The trade waste discharge fee is paid by industries whose trade waste flows through the city wastewater system.	
Discharge fee per cubic metre:	0.53
Discretionary Trade Waste Consent Application Fees	
Food premises	114
Wash pad / workshop premises	114
Tankered Waste	114
Significant Industry	Actual time + testing
Discretionary Trade Waste Annual Consent Renewal Charges	
Food Premises	182
Wash pad / workshop premises	182
Tankered Waste	114
Significant Industry maximum consent charge based on risk and time.	1,078
Any follow up work will be charged out at an hourly charge -out rate of:	
Senior/Team Leader Professional Service	205
Professional Services	179
Administrative services	123
Any additional testing will be charged at actual and reasonable costs.	at cost
Wastewater	2024/25 Fees
Tankered Waste Discharge Fee	56
CCTV camera hire (per hour)	309
Wastewater & Stormwater connection from mainline to boundry.	50
Water	2024/25 Fees
An ordinary water connection fee for the physical connection from the water main to the boundary. Fee is exclusive of GST and costs for traffic management, pavement / road / area reinstatements, service locates, and is limited to connections no longer than 20 lineal meters water main to boundary. (This is for existing lots prior to and on 31 January 2006).	623
An extraordinary water connection fee to be charged at the full cost, of a tendered or quoted price, for the physical connection from the main to the boundary plus a 10% administration fee on the connection works cost (plus GST). This will also apply for all subdivision connections after 31 January 2006.	cost plus 10% admin fee

Water	2024/25 Fees
A definition of an ordinary and an extraordinary connection are contained within the Gisborne District Water Bylaw 2015.	
An infrastructure supply and administration fee per delivery for the supply of water to carriers from the Waipaoa Water Treatment Plant and similar Council supply points (plus GST) .	14
A special reading fee for each unscheduled water meter reading (plus GST)	73
Water by Meter Fee	
The water pricing model has been used to calculate the average cost per unit of water produced. The model determines the appropriate level of charging to cover fixed, variable and availability costs of providing water to both residential and commercial users.	
Council's Funding Policy for this activity is 100% targeted rates to people connected to the reticulation system (50% for those that have availability but are not connected). Commercial users, water carriers and bulk users have a combination of targeted rate, water carrier fees and water by meter charges.	
From 1 July 2024 - \$1.85 per cubic metre + GST	1.85

Rates Summer camping Conveniences

Rates	2024/25 Fees
Finance Admin Fees	
Rates Refund Fee: A fee of \$28 per transaction may be included in Fees and Charges for processing a rate refund. This would exclude refunds on properties involving sale and purchase agreements.	28
Annual Fee for provision of valuation data supply. E.g. Trademe, Headway QV, REINZ.	857
Restricted Seasonal Camping	2024/25 Fees
Gisborne District Council Restricted Seasonal Camping is allowed with a permit. Information about the Gisborne District Council Restricted Seasonal Camping sites and permit conditions is available on the Council website.	
http://www.gdc.govt.nz/summer-camping/	
Note: The Gisborne District Council Restricted Seasonal Camping season opens at Labour Weekend and closes 31st March 2024.	
Conveniences	2024/25 Fees
Bright Street toilets	0.20
Bright Street showers	2.00



Note: All scheduled fees and charges are inclusive of GST (15%) unless otherwise stated.

Title: 24-33 Revenue and Finance Policy and Rate Remission Policy
Section: Finance & Affordability
Prepared by: Fiona Scragg - Revenue Team Leader
Meeting Date: Wednesday 21 February 2024

Legal: Yes

Financial: Yes

Significance: **Medium**

Report to FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee for decision

PURPOSE - TE TAKE

The purpose of this report is to present the draft Revenue and Financing Policy and the draft Rate Remission and Postponement Policy for approval to consult with the community alongside the draft 2024–2027 Three Year Plan (3YP).

The Local Government Act 2002 requires Council to consult the community on the draft policies before adopting a final Revenue and Finance Policy and Rate Remission Policy.

SUMMARY – HE WHAKARĀPOPOTOTANGA

Draft Revenue and Finance Policy

The draft Revenue and Financing Policy identifies how Council uses the sources of funding it has available to fund its operating and capital expenditure.

The key changes to the Policy are:

- Soil Conservation Rate – This rate has been updated to better reflect where the costs occur in our region. It will transition over time to be charged on the same basis as our Water Conservation Rate over the Inner and Outer zones of our District. The transitioning is reflective of the costs and how they are changing over the time of the 2024-2027 Three Year Plan.
- The Roads and Footpaths activity - the roading rate sector weightings (Residential, Commercial, and Industrial, Horticulture and Pastoral and Forestry) for subsidised and non-subsidised roads may be reviewed annually. These weighting are based on sector as a whole, the forward works programme and the impact that sector has on the roads. For 2024/25 the Forestry weighting – or differential rate – will be 13.75 x (previously 12.5x).

- A new activity for Cyclone Gabrielle recovery has been introduced and involves creating two new rates.
 1. Recovery rate – General, which is spread across the district as a fixed amount in the Uniform Annual General Charge, and
 2. Woody Debris which is a targeted rate to the Forestry and Pastoral Sectors. The technical matters, such as definitions and weightings, will be disclosed in the Rating Funding Impact Statement rather than the policy.

The draft Revenue and Financing Policy is attached (**Attachment 1**).

Draft Rate Remission and Postponement Policy

The Rates Remission and Postponement Policy allow Council to fine-tune the somewhat blunt rating system and can address any unintended consequences. The draft Rate Remission and Postponement Policy was reviewed in several workshops and meetings in 2023, where the recommendations were to:

- Update the remission policy for Whenua Māori as recommended in the Strategic Review of Whenua Māori Rating Policies carried out in 2022 and 2023. As a result, five policies were amalgamated to one policy.
- Update existing general remission policies for practical workability.

All the changes are incorporated into the draft Rate Remission and Postponement Policy (**Attachment 2**).

The decisions or matters in this report are considered to be of **Medium** significance in accordance with the Council's Significance and Engagement Policy.

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

- 1. Approves the Draft Revenue and Finance Policy for inclusion in the draft 2024 to 2027 Three Year Plan (3YP) for consultation.**
- 2. Approves the Draft Rate Remission and Postponement Policy for inclusion in the draft 2024 to 2027 Three Year Plan for consultation.**

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: Revenue and Financing Policy, Rate Remission Policy, Postponement Policy

BACKGROUND - HE WHAKAMĀRAMA

1. The Local Government Act 2002 (LGA) requires that Council manage its revenues, expenses and other financial responsibilities in a prudent manner and in a way that promotes the current and future interests of the community as a whole [refer to section 101(1)].
2. Local Authorities are required to review their Revenue and Financing Policy (RFP) every three years. Similarly, as part of our Long Term Plan Process Council also reviews its Rates Remissions and Postponement Policies even though the legal requirement is to review at least once in every six years.

Revenue and Finance Policy

3. Council is required to adopt a Revenue and Financing Policy (RFP) under section 102 of the Local Government Act 2002. As required under section 103 of the LGA, Council's RFP must set out how Council intends to use the available funding sources to fund its activities having undertaken a Funding Needs Analysis using the criteria set out in s101(3) of the Local Government Act.
4. A full principle led review of Council's RFP was completed in 2019-2020 for the 2021-2031 LTP (Long Term Plan). Seven workshops were held: March 2019 (context setting), June 2019 (issues and opportunities), December 2019 (guiding principles), March 2020 (Options to address issues), June 2020 (Funding Needs Analysis – Step 1), July 2020 (Rates Modelling), August 2020 (further Rates Modelling) and October 2020 (Funding Needs Analysis – Step 2).
5. The RFP was modernised at that time and has provided more flexibility for council when making decisions. This included the use of funding bands for each activity rather than a precise funding allocation and greater flexibility to consider changes to the Uniform Annual General Charge (UAGC, in order to improve community wellbeing for current and/or future communities.
6. There will be further review during the 2024-2027 Three Year Plan of the RFP for robustness. Full economic impacts of all our sectors needs to be completed before we have wholesale changes to the way we rate. In particular, moving from the more regressive Uniform Annual General Charge (UAGC). This includes impacts of transfer of any UAGC (i.e. spread across all properties) to Capital value.
7. The approach taken this review was to review rates in light of changes, inconsistencies with other rates or new changes. It will also incorporate the previously consulted changes relating to the new rate "FOSAL Category 3 Voluntary Property Buy out".

Amendment to the 2021-2031 Revenue and Financing Policy

Recovery Rate – FOSAL Category 3 Voluntary Property Buy out

8. On 1 November 2023 [**Report 23- 227**] Council approved the Government support funding package which assists recovery from Cyclone Gabrielle and improve resilience to future severe weather events. Council needed to change the RFP to implement the new activity for Cyclone Gabrielle recovery. Council resolved to consult on the RFP on 28 September 2023 along with consultation for the Government Cyclone recovery support package **Report 23-212**.

9. The changes to the RFP, related to property transactions. Irrespective of the significant investment in flood control schemes, some areas will still be unsafe to live in. Those properties were identified as FOSAL Category 3 properties. A new Uniform Annual General Charge rate was approved, and it referred to as the FOSAL Category 3 Voluntary Property Buy out.
10. Consultation on the amendment to the Revenue and Financing Policy occurred concurrently with the Consultation Document on the Government Support Package. Public engagement occurred between 2 and 16 October 2023 Council ran a media campaign to encourage feedback, and specifically contacted Category 3 landowners to advise of the opportunity to provide feedback. 84% of respondents supported the changes to the RFP.

Rates Remission and Postponement Policy

11. The Rates Remission and Postponement Policy allow Council to fine-tune the somewhat blunt rating system and can address any unintended consequences.
12. They are a cost to Council but do allow for specific, targeted adjustment of rates for individual or small groups of ratepayers.
13. At the Finance and Affordability meeting on 19 April 2023 (**Report 23-73**) Council were informed of the Strategic Review of Māori Freehold Land that was being carried out. The review focused on the councils rating policies in relation to Māori freehold land. This meeting included a presentation on the findings and proposed recommendations.
14. Further to the above presentation, a workshop was held with Council on 24 May 2023 (report **23-103**). This workshop addressed issues arising from the earlier report and allowed Councillors the opportunity to raise questions on the day and give any feedback. The outcomes from this Workshop fed into Council's draft Rate remission and Postponement policy the 2024-2027 3YP.
15. Attached are the:
 - Draft Revenue and Financing Policy 3YP 2025 (**Attachment 1**).
 - 2024-2027 Three Year Plan Draft Rates Remission and Postponement Policy FLS (**Attachment 2**).

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

Draft Revenue and Finance Policy

16. The draft Revenue and Financing Policy (RFP) summarises how Council intends to fund its activities and includes a Funding Needs Analysis for each activity of Council. (Refer to the legal section for the two step process).
17. For the most part the review of the RFP has been based on what is new (Recovery Rate), what has changed (Soil Conservation) and what needed to be updated (Roading Differential Weightings).

Recovery Rate – General

18. An activity has been created for Cyclone Gabrielle Recovery under Regional Leadership and Support Services.

19. The "Recovery Rate – General" incorporates the previously consulted on "FOSAL Category 3 Voluntary Property Buyout Costs" as well as the additional costs arising from sedimental removal, Category 2 Flood Projection costs and over Recovery Office costs (not covered by central government funding).
20. These costs are mainly around reducing risk to residents and our community at large that cannot be easily differentiated in terms of benefits received or actions/inactions. Action by Council and impacted property owners will provide benefit through reducing the risk to residents and reducing the cost of emergency response and recovery actions.
21. The impact of the cyclone warrants a separate focus funding mechanism to differentiate it from business-as-usual activity. Both in terms of the different nature of the expenditure, the joint funding with the government, the period of recovery and for transparency with our community.

Recovery Rate – Woody Debris

22. As a result of Cyclone Gabrielle and subsequent weather events, a large amount of woody debris (estimated at 1.4 million cubic meters) has built up along Tairāwhiti beaches and river catchments.
23. The rate will cover maintenance and preemptive work to protect Council assets including our bridges and the Waingake area. The mobilisation of woody debris has become a significant issue in recent years that has continues to impact our environment, rivers, beaches and amenities. Large woody debris in our district has been comprehensively assessed in the last six years. Recent analysis of large woody debris counts since November 2023 from Uawa and Waimata catchments alone has shown the woody debris is largely pine ranging between 69% to 86% of the total wood debris count.
24. This targeted rate on capital value to the Forestry and Pastoral Sector is for recovery costs for woody debris and Infrastructure work that we need to do to protect our assets each year.
25. An assessment guide was established together with analysis which is used for the rationale to apportion the targeted rate across the district. The targeted rate is apportioned, and the Forestry sector contribute (70%), Pastoral Farms (15%), and a public good component collected from the community in the UAGC (15%).

Soil Conservation

26. The Soil Conservation Rate has been reviewed in line where the costs of the activity occur in our region. It also is bringing the rate into alignment with similar targeted rates using the Inner Zone and Outer Zone rating groups. This process will be done gradually to avoid a rates spike. The rate will move from being on specific Differential Rating Areas to more appropriately reflect where the costs lie, Inner Zone 70% and Outer Zone 30% and is consistent with other targeted rates.
27. In transitioning the rate to avoid rates spikes, for 2024-25 Financial year the Inner zone will contribute 40% (previously 20%), DRA3 and 4 30% (no change), and DRA5 30% (before 50%) based on land value.

Weighted Targeted Roading Rates

28. Roading activity has two rates that are based on a differential basis (or "weighting"), namely the Subsidised roading and Flood Damage and Emergency Reinstatement. The differential is to recognise different groups (or sectors) and how they impact on the roading network. The rate is applied on Capital Value basis.
29. The four sectors and the current weightings are:
 - Residential – weighting of 1 (lowest impact)
 - Horticulture and Pastoral - weighting of 1.5
 - Industrial and Commercial - weighting of 1
 - Forestry - weighting of 12.5 (highest impact)
30. Forestry sector weighting will increase from 12.5 to 13.75. The impact assessment is completed on the whole network, based on the assessment of damage caused to the roading pavements by Heavy Commercial Vehicles and the forward works programme.
31. The weightings maybe updated in any year based on actual assessed damage. The technical information regarding the rate is documented in the Funding Impact Statement for 2024-25.

Draft Rate Remission and Postponement Policy

32. Council has reviewed its Rate Remission and Postponement Policy as part of the 3YP process.
33. The review of the Rate Remission and Postponement policy for the 2024-2027 3YP sees the implementation of recommendations from the strategic review of Gisborne District Council Whenua Māori Rating Policies.
34. Staff have also reviewed the policy for completeness. This was to provide further clarity and ease of workability for both staff and the community.
35. The main changes are:
 - Aligning councils' principles to Te Ture Whenua Māori Act Preamble.
 - Updating our Rate remission and postponement policy to take into consideration the Local Government (Rating of Whenua Māori) amendment act changes to the Local Government (rating) Act 2002 (Report **21-187**). The amendment promotes the retention and use of Māori Freehold Land (MFL), facilitates the occupation, development, and use of that land, ensures decisions made about Māori freehold land are fair and balanced, and considers the needs of owners and their beneficiaries. Many of the changes enacted were already being carried out by Council in existing rate Remission policy.
 - Remit rates on unused separately rateable parts of a rating unit.
 - Includes Wahi tapu within the ambit of the remission policy.

- Amalgamate our five rate remissions specific to Māori freehold land to one policy. This provides ease to the community for applications and staff working with community, applications, and policy.
 - Provide clarity to the rate remissions.
36. The draft Rate Remission and Postponement Policy (see Attachment 2) was provided to Council on 14 December 2023 as part of the draft financial strategy for 2024-2027 3YP.
37. All the recommendations from the strategic review of MFL relating to the Rate remission and Postponement Policy have been incorporated into the updated policy. All other recommendations from the strategic review have also been addressed:
- **Identify potential unused MFL in 2024-** this job has been scheduled with Councils Valuation service provider as recommended and will commence after implementation of the District Rating Valuation project is complete in July 2024.
 - **Create a single application form for the MFL rate remission and Postponement policy.** This will be done and available at customer services and on Councils website after the policy has had public consultation and approved by Council as part of the 2024-2027 3YP.
 - **Add clarity for rural properties in the Separately Used or Inhabited Part (SUIP) definition.** This definition is within the Funding Impact Statement is being currently being updated for the 3YP
 - **Identify 1967 Land.** This project to identify MFL that became General Land as part of a 1967 enactment is nearing completion and will be reported to the Finance and Performance meeting on 17 April 2024.
 - **Increase Council Engagement with Māori.** This is being addressed through the Māori Responsiveness team. Specific consultation with Māori will be carried out for the updated Rate Remission Policy in the 3YP.
38. In addition to the Māori Freehold Land remissions updated as above, the Rate Remission and Postponement policy was also reviewed by staff for completeness. This was to provide further clarity and ease of workability for both staff and the community. The following changes were made:
- Aligning Council objectives to Te Ture Whenua Māori Act Preamble.
 - Updating the wording of Exceptional Circumstance remission to allow for exceptional circumstance or financial hardship to be considered separately. This reinstates a previous remission policy that was inadvertently changed when policies were amalgamated and rewritten in the 2021-2031 LTP.
 - Adding clarity that penalties can be remitted when an invoice is not received by a ratepayer.
 - Adding clarity that a payment arrangement is a written and signed agreement.

39. A recommendation of the strategic review was to review the level of UAGC charges. the Uniform annual general charge will be reviewed in completeness for the 2027- 2037 Long term plan.

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation

Overall Process: Low Significance

This Report: Low Significance

Impacts on Council's delivery of its Financial Strategy and Long Term Plan

Overall Process: Medium Significance

This Report: Medium Significance

Inconsistency with Council's current strategy and policy

Overall Process: Medium Significance

This Report: Medium Significance

The effects on all or a large part of the Gisborne district

Overall Process: High Significance

This Report: High Significance

The effects on individuals or specific communities

Overall Process: Medium Significance

This Report: Medium Significance

The level or history of public interest in the matter or issue

Overall Process: High Significance

Overall Process: Medium Significance

40. The decisions or matters in this report are considered to be of **Medium** significance in accordance with Council's Significance and Engagement Policy.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

41. Specific and targeted engagement with Māori will be undertaken as part of the formal consultation on Council's 2024-2027 3YP for both the draft Revenue and Finance policy and the draft Rate Remission and Postponement Policy.

COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

42. The 3YP Consultation will include samples of the new rates with the 2024-2025 budget and new 2023 rating valuations. The proposed Rating Funding Impact Statement will provide technical detail and support the draft 3YP Revenue and Finance Policy.
43. Formal consultation including these policies will be 18 March to 19 April 2024.

CLIMATE CHANGE – Impacts / Implications - NGĀ REREKĒTANGA ĀHUARANGI – ngā whakaaweawe / ngā ritenga

44. The draft RFP supports the 3YP provision for climate change response planning.
45. The frequency and impact of severe weather events is expected to increase due to the impacts of climate change. The Revenue and Finance Policy has taken into consideration these impacts so that Council is better prepared and more resilient for future events.
46. The Rate Remissions budget has been increased in the 3YP and will assist those in our community facing significant hardship from weather events.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

47. The draft Revenue and Financing Policy is in alignment Council's draft Financial Strategy 2024–2027 and budgets.
48. Technical details of each rate will be within the Funding Impact Statement. This statement forms part of the 3YP supporting information that is provided for consultation.
49. Remissions and postponements reduce the rates collected. Accounting requirements are to budget for the full amount of rates and to budget for the Remissions and Postponements separately as an expense.
50. Remissions are a cost to the ratepayer and are funded from the general rate.
51. Recognising that affordability is important and the ability to pay is not universal across our district, we have increased provisions for rates remissions for the 2024-2027 3YP. Our approach directly addresses those who are facing hardship. In doing so, we hope to balance supporting the needs of our current communities facing significant hardship, without overly burdening future generations.

Legal

52. Council is required to adopt a Revenue and Financing Policy under section 102 of the Local Government Act 2002. The LGA sets out what must be addressed in the policy in sections 101(3) and 103. Rates must comply with the Local Government (Rating) Act (2002) and the Rating Valuations Act 1998 and associated rules.
53. Council is required to adopt a Remission & Postponement Policy on Māori freehold land and may adopt general remissions and postponement policies under section 102 of the Local Government Act 2002 (the Act). The Act sets out what must be addressed in these policies in sections 108, 109 and 110.
54. These sections are general in their requirements and provide considerable latitude for developing remissions and postponement policies.
55. These draft policies will be reviewed by Council's lawyers Simpson Grierson as part of the 3YP process.

Funding Needs Analysis

56. Funding Needs Analysis is a two step legislative process that provides the background and basis for the funding decisions made for each activity. The first step in the process (S101 (3)), is to determine the appropriate sources of funding for each activity.
57. In determining this, they must take into consideration under s 101(3)(a):
 - The community outcomes to which the activity primarily contributes.
 - The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.
 - The period in or over which those benefits are expected to occur.
 - The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.
 - The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.
58. Having completed the above analysis the Council must then consider, under section 101(3)(b): "The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community."

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

59. The draft Revenue and Financing Policy is consistent with Council's alignment of activities for the draft 2024-2027 3YP.
60. The principles used to guide these policies are consistent with the Tairāwhiti 2050 outcomes.
61. The Rate Remission & Postponement Policy is part of the set of financial policies that inform how Council is funded. These policies have been updated to align with the Te Ture Whenua Māori Act Preamble.
62. The final policies when adopted apply to rates within the 2024/25 financial year and take effect from 1 July 2024.

RISKS - NGĀ TŪRARU

63. The Policies will be included in the adopted 2024–2027 3YP. The Revenue and Finance Policy is essential to the legal use of all funding sources.
64. These Policies are subject to any proposed changes resulting from audit, external review, consultation feedback and final amendments.
65. The policies are aligned with the 3YP processes and must be completed before the 2024/25 rates are set.
66. Potential changes to the Rate Remission & Postponements Policy may affect some groups of ratepayers. An increase in remissions would be a cost impacting ratepayers across the rest of the district.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
21 February 2024	Approve Revenue and Finance policy, and Rate Remission and Postponement Policy for consultation	This will feed into the consultation documentation
March/April 2024	Community Consultation.	Consultation document will include additional information and rates examples. Messaging on changes to the Revenue and Finance Policy and The Rate Remission and Postponement policy.
27 June 2024	Approve Revenue and Financing Policy, Rate Remission and Postponement Policy and the 2024–2027 Three Year Plan.	Council approves the policies and the 2024–2027 3YP which includes the rates funding impact statement.
1 July 2024	Set Rates for 2024-25 Financial year	
2024-2027	Economic impact assessment along with a review of UAGC /Capital Value rates	

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - Draft - Revenue and Finance Policy 3YP 2025 [**24-33.1** - 51 pages]
2. Attachment 2 - 2024 2027 Three Year Plan 3YP Draft Rate Remission and Postponement policies FLS [**24-33.2** - 26 pages]



He Tauira Kaupapa Here Tahu me te Moni Whiwhi Revenue and Financing Policy

This policy determines the appropriate funding for operating and capital expenditure. It determines the mix of debt, rates, and user fees for what we do and how it should be funded.

This includes targeted rates for the cost of an activity or service that should be paid for by particular groups or ratepayers who benefit from the activity or service.



Contents

Purpose and scope	1
Principles	2
Policy	3
Funding sources for operating expenses	3
Grants, sponsorship, subsidies, and other income	4
Investment income and proceeds from the sale of assets	4
Development contributions, financial contributions, and Lump sum contributions	4
Reserve funds	4
Borrowing	4
Rates.....	4
Summary of sources of funding for operation costs by activity	5
Funding sources for capital costs	8
User charges	8
Grants, subsidies, and other income	8
Development contributions	8
Financial contributions.....	9
Proceeds from the sale of assets	9
Reserve funds	9
Borrowing	9
Lump sum contributions.....	9
Rates.....	10
Summary of sources of funding for capital costs by activity.....	10
Overall funding consideration	11
Rates.....	11
General rates.....	12
Cap on rates.....	13
Targeted rates	13
References.....	13
Funding Needs Analysis	15
Purpose and scope	15
Previous reviews	15
Funding sources for operating costs	16
Table 1: Matters the Council considers in applying the legislation for operating expenses	
Funding sources for capital costs	18
Analysis for capital costs by activity.....	18
Table 2: Matters the Council considers in applying the legislation for capital expenses.....	19
Funding bands.....	20

Table 3: Funding bands	21
Funding sources and rationale	21
Schedule One: Activity Funding Needs Analysis	22
Group Activity: Environmental Services and Protection	22
Group Activity: Land, Rivers, and Coastal.....	26
Group Activity: Roads and Footpaths	29
Group Activity: Solid Waste	31
Group Activity: Wastewater	34
Group Activity: Water Supply.....	35
Group Activity: Urban Stormwater	36
Group Activity: Liveable Communities	37
Group Activity: Regional Leadership and Support Services.....	41
Group Activity: Commercial Operations.....	45

Purpose and scope

This policy outlines the choices Council has made in deciding the appropriate sources of funding for operating and capital expenditure from those sources listed in the Local Government Act 2002 (LGA). The policy also shows how the Council complied with section 101(3) of the LGA which sets out a number of factors we must consider when making these decisions. A comprehensive analysis of this is included in the Funding Needs Analysis (Appended).

The LGA requires that Council manages its revenues, expenses, and other financial responsibilities in a prudent manner and in a way that promotes the current and future interests of the community as a whole.

Deciding the best way to fund activities is complex. Applying the legislation is complex and involves many statutes, regulations, and multiple statutory policies. The outcome of balancing all those matters requires judgement having considered many factors including but not limited to:

- Legal
- Social
- Competition
- Affordability
- Impact of change
- Efficiency
- Equity
- Cost
- Intergenerational equity
- Transparency
- Accountability
- Business
- Strategic Alignment
- Benefit

In essence, the process involves council determining the activities that should be undertaken and the sources of funding (funding stream) that are most appropriate having regard for

Section 101(3)(a)

- a. The community outcome to which the activity primarily contributes.
- b. The distribution of benefits between the community as a whole, any identifiable part of the community and individuals.
- c. The period in or over which those benefits are expected to occur.
- d. The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.
- e. The costs and benefits, including consequences for transparency and accountability of funding the activity distinctly from other activities.

Section 101(3)(b)

The overall impact of any allocation of liability for revenue needs on the current and future social, economic environmental and cultural wellbeing of the community.

Principles

In applying those considerations (section 101(3) a and b), the Council has developed some principles to assist in making informed and consistent choices under the legal framework, the following principles have been developed and applied:

- a. All funding options will consider affordability.
- b. Funding choices will support the outcomes of Tairāwhiti 2050.
- c. Council will explore funding options from all other sources before choosing rates to fund activities.
- d. In collaboration with Māori, funding choices will contribute to enabling the development of Māori land.
- e. Each generation should pay for the services they receive.
- f. Revenue collection will be obvious, transparent, efficient, and simple.
- g. Actions and inactions that adversely affect the community, environment or Council assets can expect to pay more.
- h. Users of services can expect to contribute to the cost of operating the service.
- i. Borrowing will be used when it is financially efficient to do so and in the best interest of the community.

Supports Te Ture Whenua Māori Act 1991 Preamble principles by:

- a. Recognising of Māori freehold land as taonga tuku iho.
- b. Promoting the retention of, and facilitating the occupation, development, and utilisation of Māori freehold land in the hands of its owners, whanau, and hapū.
- c. Protecting wāhi tapu.

Complying with these principles can be challenging and compromise between principles is often required.

Preamble to Te Ture Whenua Maori Act

Nā te mea i riro nā te Tiriti o Waitangi i motuhake ai te noho a te iwi me te Karauna: ā, nā te mea e tika ana kia whakaūtia anō te wairua o te wā i riro atu ai te kāwanatanga kia riro mai ai te mau tonu o te rangatiratanga e takoto nei i roto i te Tiriti o Waitangi: ā, nā te mea e tika ana kia mārama ko te whenua he taonga tuku iho e tino whakaaro nuitia ana e te iwi Māori, ā, nā tērā he whakahau kia mau tonu taua whenua ki te iwi nōna, ki ō rātou whānau, hapū hoki, a, a ki te whakangungu i ngā wāhi tapu hei whakamāmā i te nohotanga, i te whakahaeretanga, i te whakamahitanga o taua whenua hei painga mō te hunga nōna, mō ō rātou whānau, hapū hoki: ā, nā te mea e tika ana kia tū tonu he Kooti, ā, kia whakatakototia he tikanga hei āwhina i te iwi Māori kia taea ai ēnei kaupapa te whakatinana.

Whereas the Treaty of Waitangi established the special relationship between the Māori people and the Crown: And whereas it is desirable that the spirit of the exchange of kawanatanga for the protection of rangatiratanga embodied in the Treaty of Waitangi be reaffirmed: And whereas it is desirable to recognise that land is a taonga tuku iho of special significance to Māori people and, for that reason, to promote the retention of that land in the hands of its owners, their whanau, and their hapu, and to protect wahi tapu: and to facilitate the occupation, development, and utilisation

of that land for the benefit of its owners, their whanau, and their hapu: And whereas it is desirable to maintain a court and to establish mechanisms to assist the Māori people to achieve the implementation of these principles.

What has changed since 2021-2031 Revenue and Financing Policy?

The aftermath of Cyclones Hale and Gabrielle in 2023 resulted in significant and far-reaching damage. These recent cyclones have left scars on our landscape, environment, infrastructure and our people. These effects were taken into consideration for the 2024-2027 Revenue and Financing Policy and within the 2024-2027 Three Year Plan (3YP).

Order in Council – Severe Weather Emergency Recovery Legislation Bill was passed in March 2023 in response to the heavy rain events in the upper North Island and Cyclones Hale and Gabrielle in January and February 2023 to assist local authorities and communities in the areas affected by the severe weather events. The purpose included provision to assist economic recovery, planning processes, rebuilding and recovery of land, infrastructure, and other property, and increasing safety and resilience, as they relate to people and the natural and built environment. This enabled temporary relaxation or flexible operation of some legislative requirements following the severe weather events.

The focus of the 2024-2027 (3YP) is to deliver critical activities and provide a strong foundation and building blocks for our region's future. In doing so, the 2024-2027 3YP aims to strike a balance between our recovery from the impacts of Cyclone Gabrielle, addressing community needs and aspirations, and ensuring the maintenance and restoration of our assets, all while considering affordability and financial sustainability.

New recovery rates have been introduced for 2024/25 onwards. These new rates are to fund and aid recovery. It includes the costs for the FOSAL Category 3 Voluntary Property buyouts, Category 2 increased Flood projection across our district, increased response for sediment removal in our drains and wood debris removal in our water ways.

We have spread the majority of recovery response costs across the district opting for an approach that spreads the costs rather than applying a rate based on capital value. This acknowledges that the costs and benefits (after the benefits of impacted property owners are considered) are district wide, unable to be easily differentiated between different groups.

It also acknowledges that parts of our communities such as pastoral and horticultural properties with high capital value, faced significant damage following adverse weather events.

While the uniform charge is most appropriate for the next three years, it has an unintentional consequence. The flat tax is regressive in nature and has a greater impact on lower income households.

Council recognises that affordability is an issue for our region and the ability to pay is not universal across our district. We have parts of our community which face high deprivation and there are others who facing hardship following the impacts of the cyclones. In order to address some of these issues we have increased our provisions for rates remissions to directly address those that are facing hardship. For more information refer to the Rates Remission and Postponement Policy. Refer to all the changes under the Funding Needs Analysis Section (2024-2027 3YP).

Policy

Funding sources for operating expenses

Operating expenses are the everyday spending on the services Council provides. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and overheads.

The funding of each activity must be considered individually. Some activities may be best funded by user charges, such as swimming pool admission fees, others with targeted rates, such as a roading, and others from the general rate, such as civil defence.

The funding sources used for operating expenses are described in the following sections.

User Charges

User charges are applied to services where it is identified there is a benefit to an individual or group. User charges are a broad group of fees charged directly to an individual or entity including but not limited to:

- Entry fees
- Service charges
- Hire
- Rent, lease, licences for land and buildings
- Permits
- Regulatory charges
- Fines and penalties
- Connection fees
- Disposal fees
- Deposits
- Private works
- Memberships
- Planning and consent fees
- Statutory charges
- Retail sales

The price of the service is based on a number of factors, including:

- a. The cost of providing the service.
- b. The estimate of the users' private benefit from using the service.
- c. The impact of cost to encourage/discourage behaviours.
- d. The impact of cost on demand for the service.
- e. Market pricing, including comparability with other councils.
- f. The impact of rates subsidies if competing with local businesses.
- g. Cost and efficiency of collection mechanisms.
- h. The impact of affordability on users.
- i. Statutory limits.
- j. Other matters as determined by the Council.

The ability to charge user charges is limited by various statutes and regulations. As a general rule, fees for statutory functions should be set at no more than the cost of providing the service. In some cases, legislation sets the fees at a level that is below cost and in other cases, where provided by legislation (such as the Waste Minimisation Act 2008) fees may be set at greater than the cost of providing the service. It is appropriate to incorporate overhead costs when determining the cost of

providing a service.

Generally, where goods or services are sold commercially, and taking into consideration legislative limitations, fees are charged on sound commercial basis. This includes retail sales, leases, rents and licences for land and buildings.

Fees and charges may be set at any time and are reviewed annually. A list of current fees and charges is maintained on our website.

Generally, revenue from user charges is allocated to the activity which generates the revenue.

Grants, sponsorship, subsidies, and other income

Grants, sponsorship, and subsidies are used where they are available. Many of these types of income are regular and predictable and can be budgeted for. Some other types are unexpected or unpredictable and may not be able to be prudently budgeted (such as reparation payments, civil defence and other reimbursements, legal settlements, and insurance claims).

Investment income and proceeds from the sale of assets

The Council's approach to investments is documented in the Investment Policy. These investments generate income such as dividends, interest, and rents.

Generally, income from all asset disposals are receipted to the activity that manages the asset. Low value items are likely to fund operating costs. How proceeds from high value items are used will be decided by Council.

Development contributions, financial contributions, and Lump sum contributions

Generally, there is little revenue from these funding sources to fund operating costs. Development Contributions revenue can be used to fund the interest cost on debt for growth related capital projects and some financial contributions can be used for operating costs. Refer to Development Contributions Policy.

Reserve funds

Reserve funds are used for the purposes that they were created. Cash-backed reserve funds may be used to meet operating costs. Depreciation Reserve funds are used for the purposes they were created, including the use for operating purposes where they may aid or protect the asset, such as significant costs for repairs and maintenance. Operational costs, such as feasibility studies, instigation costs are generally funded by other operational sources of funding, but reserves (including depreciation reserves) could be used when it is prudent to do so.

Borrowing

Council generally plans to fund all cash operating costs from sources other than borrowing but may in specific circumstances, where it determines it is prudent to do so, fund some operating costs from borrowing.

Rates

Council funds its operating expenses from rates when it is appropriate to do so. For many activities this is the main funding source.

The Council may establish general or targeted rates to fund operating costs.

Summary of sources of funding for operation costs by activity

The funding sources as described above were considered when determining the funding required from general rates or targeted rates for each activity in the Funding Needs Analysis, as required by section 101(3)(a).

Table 1 shows the degree (expressed as a range) to which each funding source is used to fund operating costs following the s101(3)(a) of the LGA.

After the activity by activity analysis, the Council undertakes an analysis of the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community. The results of this analysis may vary the outcome of the activity by activity analysis. This represents section 101(3)(a) assessment when it may be modified by the s101(3)(b) assessment of the LGA.

The ranges in Table 1 are expressed as a percentage of the revenue budgeted to fund each activity and are indicative only. They may change over time because of changes in expenditure requirements. Actual funding sources may differ from the budgeted funding sources.

Funding Needs Analysis Ranges

ACTIVITY	Funding Stream	Funding Stream No.	GENERAL RATE (Includes		TARGETED RATES	FEEs AND CHARGES	GRANTS AND SUBSIDIES	INVESTMENT INCOME	DCS	BORROWING
			x	x						
Section One - Commercial Operations (Group Activity)										
	Community Housing	FS-014	x	x	✓	x	x	x	x	x
	Dividends to Council from Commercial Operations & CCO's	FS-006	x	x	x	x	✓	x	x	x
	Gisborne Airport, Quarry & Miscellaneous Semi-commercial Properties	FS-005	✓	x	✓	x	x	x	x	x
	Staff Housing	FS-015	x	x	✓	x	x	x	x	x

Section Two - Environmental Services and Protection (Group Activity)										
Building Consents	Building Consents	FS-030	x	✓	✓	x	x	x	x	x
	LIMs/PIMs	FS-029	x	x	✓	x	x	x	x	x
Resource Consents	Resource Consents	FS-043	x	✓	✓	x	x	x	x	
Enforcement & Compliance	Animal Control (includes stock control)	FS-041	x	✓	✓	x	x	x	x	
	Business Area Patrols (Also known as City Watch)	FS-022	x	✓	x	x	x	x	x	
	Food & Registered Premises	FS-033	x	x	✓	x	x	x	x	
	Gambling, Housing, Septic tanks, swimming pools, Harbour Master, Surf-lifesaving	FS-031	✓	x	✓	x	x	x	x	
	Liquor Policy, Footpath occupation permits	FS-035	x	x	✓	x	x	x	x	
	Noise Control	FS-032	x	✓	x	x	x	x	x	
	Parking Services	FS-050	x	x	✓	x	x	x	x	

Section Three - Community Lifelines										
Land, Rivers and Coastal (Group Activity)	Coastal Erosion Management Scheme	FS-062	✓	x	x	x	x	x	x	
	Land Drainage	FS-060	x	✓	x	x	x	x	x	
	Rivers Asset Management	FS-058	✓	x	✓	x	x	x	x	
	Te Karaka Flood Control	FS-059A-B	✓	✓	x	x	x	x	x	
	Waiapu River Erosion Protection Scheme	FS-059B	✓	✓	✓	x	x	x	x	
	Wainui Property Protection Capital Works	FS-061	x	✓	x	x	x	x	x	
	Waipaoa River Flood Control Scheme	FS-059A-A	✓	✓	✓	x	x	x	x	
Roads and Footpaths (Group Activity)	Flood damage & Emergency Reinstatement	FS-054	✓	✓	x	✓	x	x	x	
	Non Subsidised Local Roads	FS-051	x	✓	x	x	x	x	x	
	Passenger Transport	FS-052	x	✓	x	✓	x	x	x	
	Subsidised Local Roads	FS-053	✓	✓	✓	✓	x	x	x	
Solid Waste (Group Activity)	Waste Management									
	Cleaning of Defined Public Places	FS-064	✓	x	x	x	x	x	x	
	Commercial Recycling	No FS	x	✓	x	x	x	x	x	
	Rural Transfer Stations	FS-066	✓	✓	✓	x	x	x	x	
	Solid Waste	FS-065	x	✓		x	x	x	x	
	Solid Waste Legacy Debt & after care provisions	FS-068	✓	x	x	x	x	x	x	
	Waiapu Landfill	FS-067	✓	x	✓	x	x	x	x	
	Waste Minimisation									
Waste Minimisation	FS-069	✓	x	x	✓	x	x	x		
Stormwater (Group Activity)	Stormwater	FS-057	✓	✓	x	x	x	x	x	
Wastewater (Group Activity)	Gisborne City Wastewater	FS-056-A	✓	✓	✓	x	x	x	x	
	Te Karaka Wastewater	FS-056-C	✓	✓	✓	x	x	x	x	
Water (Group Activity)	Water Supply	FS-055	✓	✓	✓	x	x	x	x	

Section Four - Liveable Communities (Group Activity)									
Cultural Activities	Libraries	FS-008	✓	x	✓	x	x	x	x
	Museum	FS-017	✓	x	✓	✓	x	x	x
	Theatres	FS-016	x	✓	✓	x	x	x	x
Recreation & Amenity	Aquatic & Recreational services	FS-007	x	✓	✓	x	x	x	x
	Cemeteries	FS-011	✓	x	✓	x	x	x	x
	Parks & Reserves	FS-013	x	✓	✓	x	x	x	x
	Leased Property	FS-009	x	x	✓	x	x	x	x
	Conveniences	FS-012	✓	x	✓	x	x	x	x
Catchments & Diversity	Animal, Plant and Aquatic Pest Management	FS-023	✓	✓	✓	✓	x	x	x
	Soil Conservation - Advocacy & Land Use	FS-024	x	✓	✓	✓	x	x	x
	Soil Conservation - Nursery and Reserve Management (included in FS-024)	FS-026	x	x	✓	x	x	x	x

Section Five - Regional Leadership and Support Services (Group Activity)									
Regional Leadership and Support Services	Civil Defence	FS-038	✓	x	x	✓	x	x	x
	Civic and Corporate Expenses of the District	FS-049	✓	x	x	x	x	x	x
	Cyclone Gabrielle Recovery- General	FS-070	✓	x	x	✓	x	x	✓
	Cyclone Gabrielle Woody Debris Removal	FS-071	✓	✓	x	x	x	x	x
	Treasury	FS-046	✓	x	x	x	x	x	x
	Governance	FS-045	✓	x	✓	✓	x	x	x
	Strategic Planning, Performance, Customer Engagement & Māori Responsiveness	FS-019	✓	x	x	✓	x	x	x
	Strategic Planning Private Plan changes	FS-037	x	x	✓	x	x	x	x
	Economic development & Tourism	FS-020	✓	✓	x	x	x	x	x
	Water Conservation	FS-027	x	✓	✓	✓	x	x	x

Range Name	Range	Key
Unlikely	0	x
Minimal	0% - 20%	✓
Low	20% - 40%	✓
Moderate	40% - 60%	✓
High	60% - 80%	✓
Most	80% - 100%	✓
All	100%	✓

If LGRA Sec 21 calculation (cap) close to 30%, this activity funding can move to general rates

Funding sources for capital costs

Capital costs are those costs associated with the purchase and improvement of assets and the repayment of debt. The funding sources for capital costs are described in the sections that follow.

Council funds capital expenditure include but not limited to: borrowing, development and financial contributions, operational surpluses, sale of assets, subsidies, depreciation reserves and other operational or capital reserves, lump sum contributions internal loans, grants, or rates.

Councils Liability Management Policy, Investment Policy and Treasury Policy gives guidance on more specifics including mechanics of internal borrowing,

User charges

User charges are not often used for capital costs as individual user contributions would generally be too large to be affordable. Borrowing and charging users annually for financing costs (interest and principal) via rates is often a more affordable method of collecting user contributions for capital costs.

The Council may charge for capital works that are solely for private benefit (such as, a network extension to a single dwelling) or where capital works are undertaken outside of Asset Management Plans at the request of individuals (for example, a rural seal extension for dust suppression).

Grants, subsidies, and other income

The Council relies on significant subsidies for capital works relating to our transport activity, Waka Kotahi, Grants, and subsidies may be available for other activities from time to time.

Other income can be from many and varied sources and is unlikely to be predictable enough to budget for in advance. Other income used to fund capital costs could include bequests, insurance claims, and legal settlements.

Grants, subsidies, and other income are used wherever they are available.

Development contributions

Development Contributions (DCs) fund capital costs necessary to service growth, in accordance with our Development Contributions Policy (DC Policy).

DCs are applied on an activity and catchment basis as identified by the DC Policy. Growth projects identified in the DC Policy may be either completed projects (with debt yet to be repaid from future development contributions) or future projects planned in the period for which DCs may be collected.

Most contributions received are used to repay the debt on the growth portion of an assets and interest on that debt. A portion may pay for capital expenditure in the year it is receipted, depending on projects.

It is important to note that, in addition to the requirements of sections 103 and 101(3), the DC Policy describes funding matters in more detail as required by section 106(2)(c) of the LGA.

Financial contributions

Financial contributions are collected under the Resource Management Act 1991 to avoid, remedy, or mitigate adverse effects on the environment as conditions to resource consents. The requirements for these contributions are outlined in the Tairāwhiti Resource Management Plan. Many contributions are received as revenue by the vesting of assets although some may be paid directly to us.

Proceeds from the sale of assets

From time-to-time, assets are disposed of. Usually these are low value items, and the revenue is received by the activity that manages the assets.

The Council holds some higher value assets for investment purposes which, although not budgeted for, could be sold. Unrestricted proceeds from the sale of these assets would be used to repay debt, unless otherwise resolved by Council. Restricted revenues would be placed in the appropriate reserve fund and used for the purpose required by the document that imposes the restriction (such as the Capital Development Reserve Fund).

Reserve funds

Reserve funds for capital projects are held and the funds are used when a project meets the specific criteria for accessing the reserve. This includes renewal funding derived from rates for operating costs such as depreciation and other accounting provisions.

Borrowing

The Council borrows to fund its asset programme. The amount of borrowing available is restricted by the debt limits set in the Financial Strategy.

Borrowed funds, both the principal and interest components, are generally repaid by future rates.

Borrowing spreads, the cost of the project over a longer period of time, smoothing changes in rates and ensuring that future ratepayers who will enjoy the benefit of long-lived assets contribute to their costs.

Lump sum contributions

When undertaking a major project, there is an option to seek lump sum contributions to the capital cost of the project from those who are identified in the project's "capital project funding plan". Lump sum contributions are provided for in the Local Government (Rating) Act 2002 and have restrictions placed on how they are used. Where a lump sum payment option is proposed, ratepayers may choose to pay the lump sum or not. If not, the rating unit will be liable to pay any targeted rate set to recover the loan costs.

Rates

Rates are mostly used to fund everyday expenses including depreciation and interest costs related to borrowing.

A portion of rates funds the capital (principal) repayments of debt.

We may establish targeted rates to fund specific capital projects where there is a benefit of separate funding.

Council holds reserve funds for capital expenditure. Some funds in these reserve funds has been sourced from rates.

Rates may include the growth portion of any project or groups of projects that are unable to be funded from a DC Policy.

We may establish rates to fund in advance of a capital project.

Summary of sources of funding for capital costs by activity

Capital costs will be funded on the same basis as the operating costs funding policy unless the Council resolves otherwise. Such a resolution will follow the funding guidelines and in doing so will be consistent with this policy and not require an amendment to the policy. Existing projects (projects resolved prior to the adoption of this policy) will be funded according to the Annual Plan, Long Term Plan or other resolution made at the time Council approved the project. It is not practicable to determine a funding policy for an unknown future project, at this time.

The Council uses the following guidelines when considering the funding of capital projects:

- a. A Funding Needs Analysis will be completed (see paragraph 54).
- b. All projects are first funded from grants, subsidies, or other income (e.g., external contributions, donations, or bequests).
- c. Renewal projects that maintain the same service level are then funded from reserve funds set aside for that purpose.
- d. Reserve funds for other purposes (such as financial or development contributions) are considered.
- e. Lump sum rating options are considered.
- f. Projects that have exhausted previous funding sources or are for new or increased service levels or for growth in non-network infrastructure are generally funded from debt.

A single project may have a mix of each of these funding options.

It is not practical to create separate funding policies for each and every capital project. The Council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity.

Whenever funding a capital project, the Council will consider the available sources of funds, the Revenue and Financing Policy, section 101(3) of the LGA in applying the above guidelines to a capital project. Generally, the Council will resolve the funding policy at the time the project is proposed in an Annual or Long Term Plan.

Overall funding consideration

We are required by section 101(3)(b) of the LGA to consider "the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community". This section allows that as a final measure, we may modify the overall mix of funding that would otherwise apply after the initial s101(3)(a) analysis for both operating and capital expenditure.

The following adjustments have been made:

- a. The allocation of the rates liability between sectors of the rating base may be altered by using differentials on the general rate and certain targeted rates. The allocations in this Long Term Plan were determined by the Council after consultation with the community in 2020. The Council may modify these differentials during the term of the Long Term Plan to reflect a change in benefit or to achieve better community outcomes or wellbeing.
- b. Rates affordability (people's ability to pay rates) is an issue in parts of the region. Adjustments to limit the impact of fixed rates on lower value homes (or otherwise referred to in general terms as "rating units") were made so that rates are more affordable for lower value homes.
- c. The Council may waive or discount fees and charges where it is considered appropriate to do so. Some matters we may consider in deciding whether it is appropriate to waive fees are for social reasons, the promotion of events and facilities, commercial reasons, due to poor service or to minimise risk.
- d. The Council may remit rates where it considered appropriate to do so and as allowed for in the Rates Remissions and Postponements Policy (including Māori Freehold Land). These policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (such as additional or no provision of some services), or unintended consequences arising from the application of a rating policy. Council has increased provision for rate remissions as part of Cyclone Gabrielle recovery.
- e. Council may apply rates across the district when it is appropriate, and when benefits or the exacerbator principal cannot easily be applied (section 101(3)(a) LGA). The majority of recovery response costs have been across the district opting for an approach that spreads the costs rather than applying a rate based on capital value. This acknowledges that the costs and benefits (after the benefits of impacted property owners are considered) are district wide, unable to be easily differentiated between different groups.
- f. The new recovery rate for Woody Debris is a mix of Targeted rate and General rate, based upon a mix of:
 - i. The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.
 - ii. Public good where costs could not be attributed to any one group.

The Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years to smooth the cost to users and ratepayers.

We may modify the allocation of liability for growth related network infrastructure projects when considering the matters required by s106 in the DC Policy.

Rates

Our final consideration of funding by rates comes:

- a. After considering how other funding sources will be used to fund operating and capital costs.
- b. After rates have been applied to activities in the Funding Needs Analysis; and/or
- c. After being adjusted for the overall funding considerations.

The following section outlines the Revenue and Financing Policy requirements that are used to set rates. To have a full understanding of rates they should be read with regard to the analysis above and in conjunction with the Funding Impact Statement and Rates Resolution.

General rates

The general rate is allocated to all rateable properties based on the capital value of the property. A Uniform Annual General Charge (UAGC) will be set on each separately used or inhabited part (SUIP) of all rating units.

The Council has determined in its Funding Needs Analysis which activities should be funded from general rates (see Table 1).

The Council primarily uses valuation data (specified in the Rating Valuations Rules) to determine the allocation of rating units to Differential rating categories. The full definitions can be found in the rates Funding Impact Statement and Rate Setting Profile and may change during the term of this Long Term Plan.

In setting the differential categories, and the differential factors, the Council considered the requirements of the LGA and a number of other considerations, including:

- a. The activities funded by the general rate and the s101(3) considerations for the activities.
- b. The impact of any change, or rate of change to the differential.
- c. The views of those impacted by the differentials.
- d. Other reasonable options, and the advantages and disadvantages of those options.
- e. The overall impact of the differential on ratepayers.

The Uniform Annual General Charge (UAGC) is part of the general rates and is a fixed rate. The Council can set the UAGC based on an allocation of the cost of specific activities or at an amount the Council considers is appropriate. In past years, the Council has preferred to base the UAGC on the allocation basis. The costs allocated to the UAGC are listed in the Rates Setting Policy.

The Council recognises the regressive nature of fixed rates. Rates affordability is a matter the Council considers when setting the UAGC. Council's remissions policies provide for some adjustment to UAGCs for properties where the rate may be unjust or unaffordable. During the term of this Long Term Plan the Council may adjust the UAGC as part of its rate setting process in order to improve community wellbeing for current and/or future communities.

If the cost allocation from activities is amended, or an adjustment is made to the UAGC to improve community wellbeing, the amount removed from the UAGC will remain part of general rates.

Cap on rates

The Local Government (Rating) Act 2002 sets a maximum amount that can be collected from certain rates. Rates included in the cap are the UAGC (which is a general rate) and Targeted Rates set on a uniform basis as a fixed amount per rating unit or separately used or inhabited part. This maximum amount is 30% of the total rates revenue.

There are two rates excluded from the cap. These are targeted rates that are set solely for water supply or sewage disposal. If the 30% cap is forecast to be exceeded, Council will move one or more activities funded in this way to a district-wide General Rate based on Capital Value. This process will occur as part of the Long Term Plan and Annual Plan rates setting and modelling each year. The activities that will move out of the UAGC to the General Rate, if required, are as follows:

- a. Strategic Planning, Performance, Customer Engagement and Māori Responsiveness
- b. Civil Defence and Emergency Management
- c. Economic Development
- d. Civic and Corporate Expenses of the District

Targeted rates

Targeted rates are finalised when adopting the Funding Impact Statement in the Long Term Plan or an Annual Plan. The Council may introduce new targeted rates in accordance and in consideration of section 102 of the LGA, when setting rates in any year as documented in the respective year's Funding Impact Statement and Rates Resolution. The Council's requirement to consult on the Annual Plan is determined by s95A of the LGA.

The rates assessment contains information about what activities each ratepayer contributes to funding. Information on targeted rates is listed in the Rates Resolutions and Funding Impact Statement for each year.

The Council consulted on changes to targeted rates, the outcomes of which are reflected in this Revenue and Financing Policy and other relevant policies.

References

The Funding Needs Analysis, section 101(3) of the LGA, provides the background and analysis to explain the funding decisions we have made. It is guided by the funding principles and choices of funding sources documented in the Revenue and Financing Policy. See Appendix 1.

The Development Contributions Policy provides further analysis, as required by section 106(2)(c) of the LGA. This explains why we have chosen to use development contributions to fund the capital costs needed to meet increased demand for infrastructure.

The Investment and Liability Management Policy places restrictions on the use of the proceeds from asset sales.

The Funding Impact Statement is included in each Long Term Plan and Three Year Plan or Annual Plan as required by clauses 15 or 20 of schedule 10 of the LGA. This statement shows the results of the detailed rates calculation for each year.

The Order in Council refers to the Severe Weather Emergency Recovery Legislation Bill was passed in March 2023 in response to the heavy rain events in the upper North Island and Cyclones Hale and Gabrielle in January and February 2023 to assist local authorities and communities in the areas affected by the severe weather events.

Together the above documents form the necessary components to lawfully charge under the LGA for our revenue requirements. We must also comply with other legislation regarding the setting of some fees and charges and the Local Government (Rating) Act 2002 for the setting of rates.

Funding Needs Analysis

This Funding Needs Analysis records the detailed application of LGA s101(3). The Revenue and Financing Policy describes how the Council has complied with LGA s101(3).

Purpose and scope

The Funding Needs Analysis (FNA) provides the background and analysis to explain the funding decisions made by the Council.

To comply with section 101(3),¹ the Council must determine the appropriate sources of funding for each activity. In determining this, they must take into consideration under s 101(3)(a):

- a. "The community outcomes to which the activity primarily contributes.
- b. The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.
- c. The period in or over which those benefits are expected to occur.
- d. The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.
- e. The costs and benefits, including consequences for transparency and accountability, of funding² the activity distinctly from other activities."

Having completed the above analysis, the Council must then consider, under section 101(3)(b): "The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community."

The legislation places no more or less weight or priority on any one of the factors listed in section 101(3)(a).

The following sections document the matters and approaches the Council has taken to determine the funding needs of an activity and how that translates into the Council's decision on the appropriate funding sources to be used.

Previous reviews

The FNA was last reviewed in 2020, prior to the adoption of the Revenue and Financing Policy included in the 2021-31 Long Term Plan (LTP).

The Council undertook a full Funding Needs Analysis review in 2020. The Council considered the funding of activities in developing the 2021- 2031 Long Term Plan.

2024 - 2027 3YP

Changes to the 3YP are:

- Soil Conservation Rate. Council has looked at the funding and distribution of costs for Soil Conservation. The distribution has been updated to reflect where the costs lie within our region. This will be a gradual transition from being highly targeted to Differential Rating Areas and will be consistent with other rates which use the Inner Zone and Outer Zone to distribute costs.
- The Roading weightings for our four sectors was reviewed and adjusted to reflect road damage, repairs and exacerbators. The Policy reflects that the weightings maybe changed any one year within Annual Plan, Long Term Plan or the 3YP process. The weightings are based on forecast

sector or group impacts on our roading network.

- Two funding streams has been introduced to assist with the recovery costs from Cyclone Gabrielle for General recovery and include Councils share of residential purchases for FOSAL Category 3 properties which went out for public consultation in 2023. This also covers recovery from Cyclone Gabrielle for the costs associated with woody debris removal on our beaches and potential damage to infrastructure.

¹ All references to legislation are to the Local Government Act 2002 (LGA), unless otherwise stated.

² The funding sources are listed in section 103 LGA and the Council's preference for using funding sources is described in the Revenue and Financing Policy.

Funding sources for operating costs

Operating costs are the everyday spending that maintains the services delivered by the Council. This includes corporate overheads, funded wear, and tear on assets (depreciation) and interest costs of borrowing for capital projects.

The Council must consider the funding for each activity in a way that relates exclusively to that activity. Some activities may be best funded by user charges such as swimming pool entry fees, others with targeted rates and others from a general rate. Distinct funding may assist ratepayers or payers of user charges to assess more readily whether the cost of the service provided to them either directly or indirectly represents good value. They can also more easily determine how much money is being raised for the service and spent on the service.

The funding sources for operating and capital costs are:

- a. Fees and charges.
- b. Grants and subsidies and fuel taxes.
- c. Other income.
- d. Investment income.
- e. Financial contributions.
- f. Development contributions.
- g. Reserve funds.
- h. Borrowing.
- i. Proceeds from the sale of assets.
- j. Rates.
- k. General rate.
- l. Targeted rates.

Each funding source and how the Council prefers to use that funding source for operating expenses is described in detail in the Revenue and Financing Policy and is based on the analysis set out in this document.

Table 1: Matters the Council considers in applying the legislation for operating expenses

Section 101(3)(a) - Step 1 reference	Matters Council might consider
<p>Community outcomes - s.101(3)(a)(i)</p>	<p>The Council determines which of its community outcomes an activity primarily contributes to.</p> <p>Eight Community Outcomes are identified in Tairāwhiti 2050. This spatial plan creates a link between community wellbeing, community outcomes, opportunities, and aspirations for 2050. These then link through to five important challenges to be addressed to achieve the Tairāwhiti we want by 2050.</p> <p>The Council will consider how their funding choices will support the achievement of the community outcomes and their aspirations for 2050.</p>

Section 101(3)(a) - Step 1 reference	Matters Council might consider
Distribution benefits - s.101(3)(a)(ii)	<p>The distribution of benefits is given consideration by the Council. Determining benefit is inherently subjective and is for the Council to determine.</p> <p>Where the Council considers there is a clearly identified direct relationship between users and the services provided then the Council will consider fees and charges or targeted rates.</p> <p>Where the Council considers the services provide a benefit to the community as a whole; is of a uniform nature; or where the Council is not able to identify a direct relationship between users and the service the Council will consider using general rates.</p>

Section 101(3)(a) - Step 1 reference	Matters Council might consider
Period of benefit - s.101(3)(a)(iii)	<p>For most operational expenses the benefit is received in the year the expense is incurred.</p> <p>For most activities' depreciation (an operating expense) is cash funded from revenue sources and this is placed into reserve funds for the future renewal of assets.</p> <p>Some operational expenses (provisions) may have a benefit over multiple years and so the Council may choose to fund the activity over that period.</p>
Who creates the need - s.101(3)(a)(iv)	<p>Some services are provided because the actions or inactions of individuals or groups create the need to undertake the activity.</p> <p>The Council may choose to target these people or organisations through fines, charges, or rates.</p>
Separate funding - s.101(3)(a)(v)	<p>The Council must consider the practicalities of separate funding along with transparency and accountability.</p> <p>In some cases, while it may be desirable to charge individuals there may be no practical way of doing so.</p> <p>For all activities the Council is able to easily identify what proportion of operational expenses is recovered from each funding sources. In the case of rates, the Council is able to inform individual ratepayers of their rates contribution to each activity.</p>

Analysis for operating costs by activity is described in Schedule 1.

Funding sources for capital costs

Capital costs are those costs associated with the purchase and improvement of assets and for the repayment of debt. The funding sources for capital costs include:

- a. Fees and charges.
- b. Grants and subsidies and fuel taxes.
- c. Other income.
- d. Investment income.
- e. Financial contributions.
- f. Development contributions.
- g. Reserve funds.
- h. Borrowing.
- i. Proceeds from the sale of assets.
- j. Rates:
 - General rate
 - Targeted rates.

Each funding source and how the Council prefers to use that funding source for capital expenses is described in detail in the Revenue and Financing Policy and is based on the analysis set out in this document.

Analysis for capital costs by activity

Capital costs would be funded on the same basis as the operating costs funding policy unless the Council resolves otherwise. Such a resolution will follow the funding guidelines and in doing so would be consistent with this policy and would not require amendment to the policy. Existing projects (projects resolved prior to 3 December 2020) will be funded according to the Annual Plan, Long-term Plan, or other resolution at the time of the Council approving the project. It is not practicable to determine a funding policy for an unknown future project, at this time.

The Council uses the following guidelines when considering the funding of capital projects:

- a. A Funding Needs Analysis will be completed (see paragraph 18).
- b. All projects are first funded from grants, subsidy, or other income.
- c. Renewal projects that maintain the same service level are then funded from reserve funds set aside for that purpose.
- d. Reserve funds for other purposes (e.g., financial or development contributions) are considered.
- e. Lump sum rating options are considered.
- f. Projects that have exhausted previous funding sources or are for new or increased service levels or for growth in non-network infrastructure are then funded from debt.

A single project may have a mix of each of these funding options.

It is not practical to create separate funding policies for each and every capital project. The Council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity.

Whenever funding a capital project, the Council will consider the available sources of funds, the Revenue and Financing Policy, section 101 (3) in applying the above guidelines to a capital project. Generally, the Council will resolve the funding policy at the time the project is proposed in an Annual or Long-term Plan or 3 Year Plan . In undertaking this assessment, it shall have regard to the matters in Table 2.

Each funding source and how the Council prefers to use that funding source for capital expenses is described in detail in the Revenue and Financing Policy and is based on the analysis set out in this document.

Table 2: Matters the Council considers in applying the legislation for capital expenses

LGA s.101(3) reference	Matters Council might consider
Community outcomes - s.101(3)(a)(i)	The Council determines which of its community outcomes the capital project or activity contributes to.
	Eight Community Outcomes are identified in Tairāwhiti 2050. This spatial plan creates a link between community wellbeing, community outcomes, opportunities, and aspirations for 2050. These then link through to five important challenges to be addressed to achieve the Tairāwhiti we want by 2050.
	The Council will consider how their funding choices will support the achievement of the community outcomes and their aspirations for 2050.
Distribution benefits - s.101(3)(a)(ii)	The distribution of benefits is expected to be the same as that for the operating costs of the activity in which it is funded unless the Council resolves otherwise.
	The Council may choose to target those people or organisations who primarily benefit through financial and development contributions, lump sum options or targeted rates.

LGA s.101 (3) reference	Matters Council might consider
Period of benefit - s.101(3)(a)(iii)	For most capital projects the benefit is received over the life of the asset. The Council will have regard to the equitable distribution of costs to each generation for the construction and renewal of the asset. For example, this may result in the Council not funding asset renewal while still funding debt.
Who creates the need - s.101(3)(a)(iv)	Some services are provided because the actions or inactions of individuals or groups create the need to undertake the activity. The Council may choose to target these people or organisations through financial contributions or targeted rates.
Separate funding - s.101(3)(a)(v)	The Council must consider the practicalities of separate funding along with transparency and accountability. In some cases, while it may be desirable to charge individuals there may be no practical way of doing so. For many smaller capital projects, it is not practical to have a separate funding policy. Where the Council does not resolve otherwise a capital project will be funded in accordance with the funding mechanism adopted for the operating costs in the activity in which it is funded.

For growth-related capital projects a separate s.101 (3) analysis is required in the Financial and Development Contributions Policy, as required by s106.

Funding bands

After considering the section 101(3)(a) components, the Council considers to what extent each of the funding sources is able to fund each activity. This policy is intended to be in place for the next three years before it is reviewed and because things change over time, it is not possible to precisely determine the percentage allocated. For this reason, the Council has decided to band the percentages into the categories listed in table three.

The assessment in Schedule 1 identifies the most likely sources of funding an activity is budgeted to receive. In all cases, rates fund the balance of the activity after all other sources have been maximised. It is likely that from time to time the Council will be able to secure additional funding that may be become available.

Budgets will normally be set within these ranges. These ranges are expressed as a percentage of the cost of the activity and are indicative only. They may change over time because of changes in expenditure rather than changes in revenue. It is also likely that actual funding sources will be different from budgeted funding sources.

Table 3: Funding bands

Name	Percentage range
Unlikely	0%
Minimal	0% - 20%
Low	20% - 40%
Moderate	40% - 60%
High	60% - 80%
Most	80% - 100%
All	100%

Funding sources and rationale

The 'Rationale' column of Schedule 1 identifies which of the funding sources the Council plans to use in budgeting to fund the operating costs of each activity. It is determined by the Council after consideration of each clause of section 101(3)(a).

The assessment of the funding sources is a complex matter of weighing up the requirements of section 101(3)(a) with the available sources and the Council's preferences for using these sources. The Council has documented its rationale for choosing each the funding source in this Funding Needs Analysis and the Revenue and Financing Policy.

The funding source for an activity may be modified by the Council when it considers the requirements of section 101(3)(b). If this has occurred, it is considered as part of the overall funding considerations section in the Revenue and Financing Policy.

Schedule One: Activity Funding Needs Analysis

Group Activity: Environmental Services and Protection

Activity: Building consents						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> A vibrant city center and townships and is associated with Council's outcome: We take sustainability seriously. <p>We support quality development that improves housing choices, creates healthy homes, and meets the needs of Māori.</p>	<p>Individuals that apply for consents, licenses and use other services in this area directly drive the majority of the costs. Services within this activity also provide for the safety of the public, and requirements earthquake prone buildings. Information is supplied to the public through inquiries, for example providing support to potential applications or responding to service requests. The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Primarily to individual users. Partly to the district as a whole. 	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced. There is a secondary benefit to future housing stock that is fit for purpose.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p>	<p>The distinct beneficiaries for each component support multiple funding streams.</p>	<p>Fees and charges are favoured for the full cost of LIMs and PIMS. Although the primary benefit of a building consent sits with the consent holder the Tairāwhiti 2050 plan desires that we have a great place to live work and play. And so, Council wants to encourage growth and improvement of existing housing and businesses. For these reasons Council considers it appropriate to fund a portion of the costs of consents from ratepayers rather than consent applicants.</p>	<p>LIMs /PIMS (FS-029) ALL (100%) Fees and charges UNLIKELY All other funding sources. Building Services (FS-030) HIGH (60% - 80%) Fees and charges LOW (20% - 40%) Targeted rates UNLIKELY All other Funding sources.</p>

Activity: Enforcement and compliance						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcomes of:</p> <ul style="list-style-type: none"> A vibrant city centre and townships We celebrate our heritage. <p>Tairāwhiti has a circular economy that supports diverse, inclusive, and sustainable growth. We are future focused and plan and care about the future of the region and how to enhance its natural and built environment for future generations.</p> <p>Tairāwhiti is a great place to live, work and play and our communities have a sense of belonging. The lifestyle, services and facilities here enable communities to live a balanced and happy life and attract visitors and residents from across Aotearoa and the world.</p>	<p>Animal Control minimise danger, distress and nuisance caused by stray dogs and to ensure the control of stock on the roads of the district in the interests of public safety.</p> <p>Parking Services benefits:</p> <ul style="list-style-type: none"> Individual users benefit from vehicle rotation. Total mobility parks need controls to ensure legitimate road users can access these parks. CBD business benefit by constant rotation of parks. Individual benefit for road users for ticketing offences under the Transport Regulations. Minor enforcement role in outer suburban shopping centres. <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Primarily to individual users. Partly to the district as a whole. 	<p>The benefit of Operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals and groups drive the costs in this activity. Some activities are undertaken to protect others from the actions of licensees or consent holders.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>Fees and charges for Environment Health licensing etc, Parking Services and for some Animal Control services (e.g. impounding costs) recognise there is a direct benefit for the user the services in this activity.</p> <p>Fees and charges for Animal Control are largely collected in registration the owners of dogs in recognition that it is their action of owning a dog or then inaction of controlling a dog or stock that drives costs.</p> <p>Targeted rates recognise that a portion of animal control and environmental health benefit different parts of the community. It provides transparency of the costs a ratepayer is paying toward these activities.</p>	<p>Animal Control (includes Stock) (FS-041) HIGH (60% - 80%) Fees and charges LOW (20% - 40%) Targeted rates UNLIKELY All other funding sources. Parking (FS-050) ALL (100%) Fees and charges UNLIKELY All other funding sources. Business Area Patrols City Watch (FS-022) ALL (100%) Targeted rates UNLIKELY All other funding sources.</p>

Activity: Enforcement and compliance						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
	<p>Environmental Health promotes and improves human health, safety, comfort, and wellbeing for all persons in the Gisborne district and protects the environment from preventable harm.</p> <p>Environmental Health comprises noise control, food and registered premises, gambling policy, liquor policy, housing, on-site wastewater (septic tanks), water supply monitoring, swimming pool monitoring, footpath occupation permits, harbourmaster functions and surf lifesaving.</p> <p>The main beneficiaries are:</p> <ul style="list-style-type: none"> are business owners, consent holders, occupiers and the community as a whole. 					<p>Gambling Policy, Housing, On-site Wastewater (Septic tanks) Swimming Pool Monitoring, Harbourmaster Functions, Surf Lifesaving (FS-031) HIGH (60% -80%) General Rates LOW (20% - 40%) Fees and charges UNLIKELY All other funding sources.</p> <p>Noise Control (FS-032) ALL (100%) Targeted rates UNLIKELY All other funding sources.</p> <p>Food and registered Premises (FS-033) ALL (100%) Fees and charges UNLIKELY All other funding sources.</p> <p>Liquor Policy, Footpath Occupation Permits (FS-035) ALL (100%) Fees and charges UNLIKELY All other funding sources.</p>

Activity: Resource consents						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101(3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity Primarily contributes to Council's outcomes of:</p> <ul style="list-style-type: none"> A vibrant city centre and townships We celebrate our heritage and is associated with Council's outcome: We take sustainability seriously. <p>Tairāwhiti is a great place to live, work and play and our communities have a sense of belonging. The lifestyle, services and facilities here enable communities to live a balanced and happy life and attract visitors and residents from across Aotearoa and the world.</p> <p>We recognise the intrinsic value of ecosystems and biodiversity. There is no further loss of significant natural, cultural or historic heritage. We have restored key areas of the environment as Tairāwhiti grows. We all practice active guardianship.</p>	<p>Individuals that apply for consents and use the other services in this area are the predominant beneficiaries of this activity. Through their actions they directly drive the majority of the costs.</p> <p>These resource consent activities also provide benefit to persons other than the applicant such as future owners and occupiers of the land (a property-based benefit). There is also a person-based benefit in relation to the information that is supplied to the public through inquiries, for example providing support to potential applications or responding to service requests. Future residents benefit from the protection of our environment and our response to climate change. Resource Consent Compliance Monitoring and RMA Enforcement benefits the consent holder and the community.</p> <p>The benefits are expected to accrue: Primarily to individual users.</p> <ul style="list-style-type: none"> Partly to the district as a whole in support of the community outcomes. 	<p>The principal benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>There is a secondary benefit to future sustainability.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>A user charge recognises the benefits to people who apply for resource consents.</p> <p>Although the primary benefit of a resource consent sits with the consent holder the Tairāwhiti 2050 plan desires that we have a great place to live work and play and we look after our ecosystems. And so, Council wants to encourage a high level of consent compliance. For these reasons Council considers it appropriate to fund a high portion of the costs of consents from ratepayers rather than consent applicants.</p>	<p>Resource Consents (FS-043)</p> <p>HIGH (60% - 80%)</p> <p>Targeted rates</p> <p>LOW (20% - 40%)</p> <p>Fees and charges</p> <p>UNLIKELY</p> <p>All other funding sources.</p>

Group Activity: Land, Rivers and Coastal

Activity: Land, rivers and coastal						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101(3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome:</p> <ul style="list-style-type: none"> Resilient Communities and is associated with Council's outcomes: A vibrant city centre and townships We take sustainability seriously. <p>We have increased the resilience of our infrastructure, economy, and our communities.</p>	<p>Rivers Asset Management: There is a mix of community public good and identifiable parts of the community benefiting.</p> <p>Wider Community:</p> <ul style="list-style-type: none"> The wider community benefits through processing of consents, advocacy for the activity and providing them with information about flooding areas and erosion protection. Flood warnings are available for the wider community. <p>Identifiable parts of the community:</p> <ul style="list-style-type: none"> Those specific people who receive flood warnings for properties and land. People requesting resource consents and information. Those on the Poverty Bay flats benefit more than others from the management / administration of the activity because there is a flood protection scheme on the Poverty Bay flats. 	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a minor impact.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>Rivers management and flood control provide a large benefit to the wider community by enabling the protection of property and more resilient economic activity. For this reason, rating options extend beyond the direct beneficiaries and across the region when Council considers that appropriate. Some protection (rivers or coastal) has a high degree of direct benefit to individuals and Council when appropriate will adjust the allocation of funding to these groups.</p>	<p>River Asset Management (FS-058) MOST (80% - 100%) General rate MINIMAL (0% - 20%) Fees and charges UNLIKELY All other funding sources</p> <p>Flood Control - Waipaoa (FS-059A-A) MODERATE (40% - 60%) General rates LOW (20% - 40%) Targeted rates Fees and Charges UNLIKELY All other funding sources.</p> <p>Flood Control - Te Karaka (FS-059A-B) MOST (80% - 100%) Targeted rates MINIMAL (0% - 20%) General rates UNLIKELY All other funding sources.</p>

Activity: Land, rivers and coastal						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
	<p>Flood Control (Waipaoa, Te Karaka, Ruatoria): Economic benefit to the wider community especially employment and cropping opportunity. Individual beneficiaries - protection of private property.</p> <p>Land Drainage: Routine Maintenance (non recovery): The community as a whole does not receive any specific benefits. Individuals receive the entire benefit.</p> <p>Wainui Foredune Protection: Individual residents who have properties on the Wainui shore and the wider community who utilise this stretch of beach.</p> <p>Coastal Protection Schemes: Individual residents who have properties on the shore.</p> <p>River channel maintenance and infrastructure works:</p> <ul style="list-style-type: none"> There is a mix of community, public and identifiable parts of the community benefiting. Wider Community – The wider community benefits through continuity of access along some roadways in identified essential channel works areas. 					<p>Waipao River Erosion Protection - Ruatoria (FS-059B) MODERATE (40% - 60%) General rates Targeted rates MINIMAL (0% - 20%) Fees and charges UNLIKELY All other funding sources.</p> <p>Land Drainage (FS-060) ALL (100%) Targeted rate UNLIKELY All other funding sources</p> <p>Coastal Erosion Management Scheme Rate (FS-062) ALL (100%) General rate UNLIKELY All other funding sources</p>

Activity: Land, rivers and coastal						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
	<ul style="list-style-type: none"> • Identifiable parts of the community: <ul style="list-style-type: none"> ◦ All properties and businesses including residents and owners within the area of the essential channel maintenance works benefit due to reducing any erosion issues. • The road infrastructure within the area of the essential channel maintenance works benefit due to reducing any erosion issues. 					Wainui Property Protection Capital Works (FS-061) ALL (100%) Targeted rate UNLIKELY All other funding sources

Group Activity: Roads and Footpaths

Activity: Roads and footpaths						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101(3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome:</p> <ul style="list-style-type: none"> Connected and safe communities, and is associated with Council's outcomes: Resilient communities A vibrant city centre and townships We take sustainability seriously. <p>Our communities and business are connected to each other and to our markets by a safe efficient and integrated transport network. Walking, cycling, and public transport are preferred choices.</p>	<p>Roading: The roading network serves the whole region and everyone benefits.</p> <p>Roads, street lighting, signage, maintenance of wharfs and footpaths are provided as a public good.</p> <p>Individuals and business benefit directly from access to property and facilities.</p> <p>Roads are necessary to deliver export products to markets within Gisborne, New Zealand, and the world. Gisborne District's economic prosperity is dependent on production from its rural catchment.</p> <p>Roads provide corridors for other utility providers such as power, communications, water, and wastewater.</p> <p>Residential streets, suburban shopping areas (parking) and rural townships benefit from non-subsidised roading expenditure.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>There is an impact of the actions or inactions of others. Costs are driven by traffic volumes and size (e.g., heavily loaded vehicles cause more wear and tear damage on roads than lighter vehicles) The forestry industry at times of harvest creates significant damage beyond that of other users to roads. The growth of the forestry industry is leading to greater roading damage.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p> <p>There are few reasonably practicable options for charges in users directly for their use of or damage to the roads.</p>	<p>Subsidies are primarily sourced from Waka Kotahi New Zealand Transport Agency. Additional funding will be sourced whenever available (e.g. Provincial Growth Fund) Council also collects a small amount of regional petrol tax.</p> <p>Council maximises the amount of subsidy for the level of spending it approves.</p> <p>The whole region benefits from the roading network. Targeted rate for subsidised and non-subsidised roading and flood damage and emergency reinstatement allow for the differential allocation of benefit to sectors and adjustment of costs associated with those whose actions cause damage.</p> <p>The roading weightings of the various sectors may be reviewed annually to best address where the costs of damage to our roads lie.</p>	<p>Non-subsidised Local Roads (FS-051)</p> <p>ALL (100%)</p> <p>Targeted rates</p> <p>UNLIKELY (0%)</p> <p>All other funding sources</p> <p>Subsidised Local Roads (FS-053)</p> <p>HIGH (60%-80%)</p> <p>Grants and subsidies</p> <p>LOW (20%-40%)</p> <p>General rates</p> <p>Targeted rates</p> <p>MINIMAL (0% - 20%)</p> <p>Fees & Charges</p> <p>UNLIKELY (0%)</p> <p>All other funding sources</p> <p>Flood Damage and Emergency Reinstatement (FS-054)</p> <p>HIGH (60%-80%)</p> <p>Grants and subsidies</p> <p>LOW (40%-60%)</p> <p>Targeted rates</p> <p>24%</p> <p>MINIMAL (0%-20%)</p> <p>General rates</p> <p>8%</p> <p>UNLIKELY (0%)</p> <p>All other funding sources</p>

Activity: Roads and footpaths						
	<p>Passenger Transport: The Gisborne Regional Public Transport Plan specifies target groups of beneficiaries.</p> <ul style="list-style-type: none"> Those less mobile members of our community, Total Mobility and Super Gold card holders. Those users without access to vehicles. School students who don't comply with Ministry of Education passenger transport criteria. <p>The benefit is limited to Gisborne City.</p> <p>Road Safety: Road Safety provides education for the benefit of the whole community.</p> <p>Emergency Works Unplanned maintenance required following weather events. Beneficiaries are the same as for routine maintenance.</p>				<p>An allocation of costs to a UAGC allows for the benefit individual rating units get from access to the network.</p> <p>Targeted rate for passenger transport limited to the city. Fees and charges are collected by the contractor and is recognised in the contract price.</p>	<p>Passenger Transport (FS-052) HIGH (60%-80%) Grants and subsidy LOW (20%-40%) Targeted rates UNLIKELY (0%) All other funding sources Note: the above does not include revenue collected by the contractor.</p>

Group Activity: Solid Waste

Activity: Waste management						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> We take sustainability seriously and is associated with Council's outcomes: Resilient communities A vibrant city centre and townships. 	<p>Individuals and businesses benefit directly from having waste and recycling collected from properties. The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Primarily to individual users Partly to the district as a whole <p>Cleaning of defined public places: The whole community benefits from a cleaner environment.</p> <p>Domestic solid waste collections: Individual households (separately used or inhabited part of a property) who receive the service benefit. The whole community benefits with the protection of public health. There is a mix of community public good and identifiable parts of the community benefiting through reducing health risks.</p> <p>Commercial Recycling A service provided to individual businesses by request.</p>	<p>The benefit of most operating costs is expected to occur in the year the funding is sourced.</p>	<p>This activity is only required due to the act of creating waste. Those who create the waste are individuals and business.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>The actions of individuals or groups (largely business) create the need to have this activity.</p> <p>Kerb-side refuse collection provides a high level of service that all residents on the route have access to. Targeted rates appropriately recognise this benefit.</p> <p>The whole community benefits from a clean environment. Cleaning of public places can be appropriately funded from general rates.</p> <p>The fees and charges at landfills and transfer stations (where Council provides the services), and part of the rate for refuse collection only partially funds the cost of disposal.</p> <p>Higher fees and charges encourage those who create the waste recognise the cost of their actions and encourage waste reduction.</p>	<p>Cleaning of Defined Public Spaces (FS-064) ALL (100%) General rates UNLIKELY All other funding sources.</p> <p>Domestic Solid Waste Collections (FS-065) ALL (100%) Targeted rates UNLIKELY All other funding sources.</p> <p>Commercial Recycling (Included in FS-065) ALL (100%) Targeted rates UNLIKELY All other funding sources.</p> <p>Rural Transfer Stations (FS-066) MODERATE (40% - 60%) General rates MINIMAL (0% - 20%) Targeted rates LOW (20% - 40%) Fees and Charges</p>

Activity: Waste management						
	<p>Operation of rural transfer stations: The whole community benefits from a cleaner environment. The local townships are major beneficiaries as their solid waste makes up the major proportion of the waste going to these transfer stations.</p> <p>Operation Landfill The whole community benefits from a clean environment. The district benefits in the event of a civil defence emergency with a consented landfill in the region if road access to State Highway 2 to Napier and/or Opotiki is cut off. The benefits are expected to accrue:</p> <ul style="list-style-type: none"> • Primarily to individual users • Partly to the district as a whole <p>Solid Waste Debt and Aftercare Provisions The benefits are expected to accrue to the district as a whole, as the land is restored.</p>				<p>There is also a small benefit to the whole community of this activity with waste not dumped elsewhere.</p>	<p>UNLIKELY All other funding sources. Land (FS-067) MOST (80% - 100%) General Rates MINIMAL (0% - 20%) Fees and charges UNLIKELY All other funding sources Solid Waste Legacy Debt and Aftercare Provisions (FS-068) ALL (100%) General rates UNLIKELY All other funding sources.</p>

Activity: Waste minimisation						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> We take sustainability seriously and is associated with Council's outcomes: Resilient communities A vibrant city centre and townships. 	<p>The whole community benefits from action in this area to minimise the negative impacts of waste. The benefits are expected to accrue:</p> <ul style="list-style-type: none"> Primarily to individual users Partly to the district as a whole 	<p>The benefit of most operating costs is expected to occur in the year the funding is sourced.</p>	<p>This activity is only required due to the act of creating waste. Those who create the waste are individuals and business.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>The actions of individuals or groups (largely business) create the need to have this activity. There is also a small benefit to the whole community of this activity.</p>	<p>Waste Minimisation (FS-069)</p> <p>MOST (80% - 100%)</p> <p>Grants and subsidies</p> <p>MINIMAL (0% - 20%)</p> <p>General rates</p> <p>UNLIKELY</p> <p>All other funding sources.</p>

Group Activity: Wastewater

Activity: Wastewater						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome:</p> <ul style="list-style-type: none"> A vibrant city centre and townships and is associated with Council's outcomes: Resilient communities We take sustainability seriously. <p>Tairāwhiti is a great place to live, work and play and our communities have a sense of belonging. We have increased the resilience of our infrastructure, economy, and our communities. Everyone has access to affordable and safe essential services (water, wastewater, and energy). We are future focussed and plan and care about the future of the region and how to enhance its natural and built environment for future generations.</p>	<p>The collection, treatment, and disposal of wastewater are primarily a private benefit for people whose properties are connected to the schemes.</p> <p>The entire community benefits by improving and maintaining water quality and safety, protecting waterbodies and coastal waters that have important ecosystem, recreational and cultural values and moving toward more efficient and sustainable use of freshwater.</p> <p>This community benefit is at the forefront of government policy changes and important to the community.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> To individual properties. The whole community. 	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years.</p> <p>This is managed through reserve funds.</p>	<p>A small number of heavy commercial producers have an adverse impact greater than most users.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>In most cases it is not practicable to measure the quantity of each individual's contribution to the wastewater system.</p> <p>In the case of heavy commercial users of the waste system it is practical to measure the volume and quality of waste and charge appropriately for this.</p> <p>Those who (either directly or indirectly) connected targeted rate per pan is an efficient and simple way that approximates benefit of access and use of the services.</p> <p>The community benefit as identified in Tairāwhiti 2050 and in the consideration of the benefits of the wastewater activity is recognised in the general rates.</p>	<p>Wastewater (FS-056)</p> <p>MOST (80% - 100%)</p> <p>Targeted rate</p> <p>MINIMAL (0% -20%)</p> <p>General rates</p> <p>Fees and charges</p> <p>UNLIKELY</p> <p>All other funding sources.</p>

Group Activity: Urban Stormwater

Activity: Urban stormwater						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome:</p> <ul style="list-style-type: none"> A vibrant city centre and townships <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> Resilient communities We take sustainability seriously. <p>Tairāwhiti is a great place to live, work and play and our communities have a sense of belonging.</p> <p>We have increased the resilience of our infrastructure, economy, and our communities.</p> <p>Everyone has access to affordable and safe essential services (water, wastewater, and energy).</p> <p>We are future focussed and plan and care about the future of the region and how to enhance its natural and built environment for future generations.</p>	<p>The collection, treatment and disposal of stormwater are primarily a community benefit in serviced communities.</p> <p>The entire community benefits by having an accessible roading network, improving and maintaining water quality and safety, protecting waterbodies and coastal waters that have important ecosystem, recreational and cultural values and moving toward more efficient and sustainable use of freshwater.</p> <p>Some individual properties or groups of properties benefit from not being flooded.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> To individual properties. The whole community. 	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years.</p> <p>This is managed through reserve funds.</p>	<p>The actions of individuals in increasing hard surfaces on properties increases stormwater volumes.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>There is no practical way to charge individuals or groups for any direct benefit.</p> <p>Urban stormwater networks are funded from a mix of general and targeted rates reflecting the benefit to property owners in an urban area and the wider community benefit of stormwater managed on the road corridor and the environmental, economic, social, and cultural wellbeing benefits of managing stormwater.</p>	<p>Urban Stormwater (FS-057)</p> <p>MOST (80% - 100%) Targeted rate</p> <p>MINIMAL (0%-20%) General rates</p> <p>UNLIKELY All other funding sources.</p>

Group Activity: Liveable Communities

Activity: Catchments and diversity						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101(3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> We take sustainability seriously and is associated with Council's outcome: We celebrate our heritage. <p>We recognise the intrinsic value of ecosystems and biodiversity. There is no further loss of significant natural, cultural, or historic heritage. We have restored key areas of the environment as Tairāwhiti grows. We all practice active guardianship.</p>	<p>The whole community benefits from the quality of information about natural resources including for recreational use, commercial use, and avoiding hazards.</p> <p>Individuals especially benefit, both urban and rural landholders.</p> <p>Because animal pests are mobile, and move freely across property boundaries, benefits are not confined to particular properties.</p> <p>Animal, Plant and Aquatic pests: Animal pests are largely land based and the major beneficiaries are rural land occupiers. Council adopted the 10-year Regional Pest Management Plan in October 2017.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>Soil Conservation rates will gradually move to be in alignment with the Animal and Plant pests to reflect more appropriately where the costs lie.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>Rates are the largest funding source for this activity recognising the predominant community benefit. These will be split between general and targeted rates to recognise that some services have a benefit or contribute to an outcome for the whole region and some services provide a greater or lesser based on location.</p> <p>Fees and charges are collected for some items that have a direct benefit to individuals or groups of individuals. The Nursery operates on a commercial basis and is budgeted to collect fees and charges to make a surplus.</p>	<p>Animal, Plant and Aquatic Pest Management (FS-023) HIGH (60% - 80%) General rates LOW (20% - 40%) Targeted rates MINIMAL (0%-20%) Fees and charges Grants and subsidies UNLIKELY All other funding sources.</p> <p>Soil Conservation (FS-024) MOST (80% - 100%) Targeted rates MINIMAL (0%-20%) Fees and charges Grants and subsidies UNLIKELY All other funding sources.</p> <p>Soil Conservation-Nursery and Reserve Management (FS-026, included with FS-024) All (100%) Fees and Charges UNLIKELY All other funding sources.</p>

Activity: Cultural activities						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(ii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> We celebrate our heritage and is associated with Council's outcome A vibrant city centre and townships. <p>Tairāwhiti is a great place to live, work and play and our communities have a sense of belonging.</p>	<p>Theatres: There is specific benefit to those who use the facility and attend activities. The business community benefits from spending by visitors attending facilities and events. The whole community benefits from having access to facilities that enable community gatherings and allow the public to experience performing and visual arts.</p> <p>Museum: The whole community (including particular sector groups e.g., schools) benefit from the Museum through the provision of cultural services, information and education, exhibition, and management of the museum collection.</p> <p>Library: The whole community benefits (urban and rural) from the activity through access to materials and services which the Library provides.</p> <p>The main beneficiaries of the Library are individuals through the provision of recreation and educational resources.</p> <p>Non-residents also benefit through access to the Library services.</p> <p>The central business district benefits indirectly from having increased traffic in the city centre.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of Most individuals or groups have a minor impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>Theatres provide a benefit directly to the users which can be collected, however a wider benefit to a vibrant community is also recognised by rating across the district with regard to distance from the venues. Museums and Libraries provide some individual benefit are largely for educational benefits of the community and are important for understanding and celebrating our heritage.</p> <p>These all contribute to Tairāwhiti being a great place to live. Council considers it appropriate to fund the rates contribution to these activities using a general rate.</p>	<p>Theatres (FS-016) HIGH (60% - 80%) Targeted rates LOW (20%-40%) Fees and charges UNLIKELY All other funding sources.</p> <p>Museum (FS-017) MOST (80 - 100%) General rates MINIMAL (0%-20%) Fees and charges Grants and subsidies UNLIKELY All other funding sources.</p> <p>Libraries (FS-008) MOST (80% -100%) General rates MINIMAL (0%-20%) Fees and charges UNLIKELY All other funding sources.</p>

Activity: Recreation and amenity						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101(3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome:</p> <ul style="list-style-type: none"> A vibrant city centre and townships <p>and is associated with Council's outcome:</p> <ul style="list-style-type: none"> We celebrate our heritage. <p>Tairāwhiti is a great place to live, work and play and our communities have a sense of belonging.</p>	<p>Leased Properties: Benefits flow to the whole community and to the individual groups who lease Council Land Areas to undertake their activity (e.g., sporting, recreational and other community organisations). There is a benefit gain for visitors and individuals who use and enjoy the other community facilities provided within this activity.</p> <p>Community Buildings: Benefits flow to the whole of the community, through the provision of heritage, leisure, arts, and cultural activities, that each act on to educate and enliven our communities. These buildings make the district an interesting destination for visitors or attract new residents to a district that is a great place to live, work and play. The benefits are expected to accrue primarily to the district as a whole.</p> <p>Cemeteries: Individual users, particularly families of the deceased. The community as a whole in the availability of well maintained open space and as a repository of genealogical and other human interest or heritage information.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years.</p> <p>This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have some impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>There is no practical way to collect revenues from some individual benefit across this activity. Local residents enjoy the benefits of landscape amenity in their locality. Council may use the financial contributions reserve funds for some operating expenses, generally of a project nature. Some rents are received.</p>	<p>Aquatic and Recreation Facility (Olympic Pool) (FS-007) HIGH (60% - 80%) Targeted rates LOW (20%-40%) Fees and charges UNLIKELY All other funding sources. Leased Property (FS-009) ALL (100%) Fees and charges UNLIKELY All other funding sources. Cemeteries (FS-011) MODERATE (40% - 60%) General rates Fees and charges UNLIKELY All other funding sources.</p>

Activity: Recreation and amenity						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101(3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
	<p>Conveniences: Individuals, visitors, businesses, and the wider community all benefit from the provision of accessible, safe, and sanitary conveniences.</p> <p>Parks and Reserves: There is a public / whole of community benefit through the provision of formal and informal recreational opportunities that enhance and support community health and well-being. There is a private/individual benefit to the community and sporting groups who use Council recreational facilities. There is a benefit gain for event organisers and sections of the business community from the commercial spend of participants associated with particular events.</p>					<p>Conveniences (FS-012) MOST (80% - 100%) General rates MINIMAL (0%-20%) Fees and charges UNLIKELY All other funding sources.</p> <p>Parks and Reserves (FS-013) MOST (80% - 100%) Targeted rates MINIMAL (0%-20%) Fees and charges UNLIKELY All other funding sources.</p>

Group Activity: Regional Leadership and Support Services

Activity: Emergency management						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> Resilient communities <p>and is associated with Council's outcome: Connected and safe communities.</p>	<p>Civil defence activities are provided for the benefit of all the people in the district as anyone can be affected by an emergency event.</p> <p>Civil defence emergency may be initiated in response to threats to life or property.</p> <p>The benefits are expected to accrue primarily to the district as a whole.</p>	<p>The benefit of operating costs is in having plans in the event of an emergency at some time in the future.</p> <p>The annual operating costs ensure there are up to date plans and staff and volunteers are trained.</p> <p>Costs are incurred in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years.</p> <p>This is managed through reserve funds.</p>	<p>The actions of natural forces, individuals and groups can have a significant impact in this activity.</p> <p>Everyone living in a hazardous environment creates a need.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>In the event of an activation Council may be entitled to subsidies for some civil defence costs such as welfare.</p> <p>The planning for an emergency benefits the whole community and is fully rate funded.</p>	<p>Civil Defence (FS-038)</p> <p>MOST (80% - 100%)</p> <p>General rates</p> <p>MINIMAL (0% - 20%)</p> <p>Grants and Subsidies</p> <p>UNLIKELY</p> <p>All other funding sources.</p>

Activity: Cyclone Gabrielle Recovery General; and Woody Debris Removal						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> Resilient communities and is associated with Council's outcome: Connected, safe communities. 	<p>The main benefactors (category 3 property owners) are being considered via the offer to purchase process and policy criteria supporting that process. The remaining benefits (or costs to be</p>	<p>By taking action now, the community will benefit from increased safety from any future flooding event. The benefit is long term.</p>	<p>Impacted landowners can't easily mitigate the risk from future extreme weather events and the negotiations with the Crown and proposed process recognises this. The remaining group being the community at</p>	<p>The impact of the cyclone is likely to warrant a separate focus and targeted funding mechanism to differentiate it from business as usual activity. Both in terms of the different nature of the</p>	<p>This activity has wide community benefits, including safety and well being.</p> <p>To spread the costs across all of the district, acknowledging the costs and benefits (after the benefits of impacted property owners are considered)</p>	<p>Cyclone Gabrielle-Category - General (FS-070)</p> <p>MOST (80% - 100%)</p> <p>General rates</p> <p>MODERATE (40% - 60%)</p> <p>Grants and Subsidies</p> <p>MODERATE (40% - 60%)</p>

Activity: Cyclone Gabrielle Recovery General; and Woody Debris Removal						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
	<p>shared in this case) have been considered in the same way that Civil Defence is considered as a broad community benefit to be spread across the district.</p> <p>Woody debris removal, a targeted rate to exacerbators has been used (forestry and Pastoral Properties</p>		<p>large cannot be easily differentiated in terms of benefits received or actions/inactions. Action by Council and impacted property owners will provide benefit through reducing the risk to residents and reducing the cost of emergency response and recovery actions.</p> <p>Woody debris: Follow Council methodology on the composition of debris to its origin. Reference 'Large Woody Debris Assessment Guide', informing the sectors who likely to have created the need.</p>	<p>expenditure, the joint funding with the crown, the period of recovery and for transparency with our community. the existing district-wide funding mechanism the Uniform Annual General Charge has been used to distribute recovery costs of a general nature.</p> <p>Woody Debris A targeted rate for Forestry and Pastoral sectors using 'Large Woody Debris Assessment' methodology to measure the damage and migration of the woody debris. Where there is no clear identification of who created the need, the costs will be apportioned across all the district.</p>	<p>are district wide and unable to be easily differentiated between different groups. Benefits on the LGA four wellbeing's, occur across our district when considering the recovery after impacts of the cyclone.</p> <p>Woody Debris damage – targeted as most of the debris can be directly attributed to certain groups. across our district when considering the general impacts of the cyclone on the four wellbeings and the impact of the cost of recovery on our community.</p>	<p>Borrowing</p> <p>Cyclone Gabrielle-Recovery Woody Debris (FS-071)</p> <p>MOST (80% - 100%) Targeted Rates</p> <p>MINIMAL (0% - 20%) General Rates</p>

Activity: Governance and democracy						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> A driven and enabled Tairāwhiti and is associated with all other Council outcomes. <p>Council works with Iwi, Hapu, and stakeholders to promote and enable change in the region. Together, we show leadership, advocacy and collaboration and provide certainty about where to invest in Tairāwhiti.</p>	<p>The activity supports the decision-making function of Council and therefore benefits the community as a whole.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals or groups have a minor impact on this activity.</p>	<p>Council considers that there is little benefit of separately funding this activity.</p>	<p>The benefits of this activity are available to the whole community; the majority of electors are ratepayers.</p>	<p>Governance (FS-045) MOST (80% - 100%) General rates MINIMAL (0% - 20%) Fees and charges Grants and Subsidies UNLIKELY All other funding sources.</p>

Activity: Science						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> We celebrate our heritage and is associated with Council's outcome: We take sustainability seriously. 	<p>The whole community – water, riverbeds and coastal areas are community resources that are highly valued.</p> <p>Users may be in conflict with each other. The need for this activity is created by users (consumptive or otherwise) placing pressure on water resources and the community demanding information and initiatives that will address their concerns.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>Rates are the largest funding source for this activity recognising the predominant community benefit.</p> <p>Fees and charges are collected for some items that have a direct benefit to individuals or groups of individuals.</p>	<p>Water Conservation (FS-027) MOST (80% - 100%) Targeted rates MINIMAL (0% - 20%) Fees and charges Grants and Subsidies UNLIKELY All other funding sources.</p>

Activity: Strategic policy and planning						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101(3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> A driven and enabled community and is associated with all other Council outcomes. 	<p>Strategic Planning: The whole community benefits from the activity.</p> <p>Performance: The whole community benefits from the activity</p> <p>Māori Responsiveness: The whole community benefits from the activity</p> <p>Private Plan Changes: The private plan change requests to date have had benefits that accrue to clearly-defined private interests. Proposals may be promoted by public interest groups but are more likely to be by someone seeking specific benefits from resource use.</p> <p>Economic Development: The business community primarily benefits from economic development of a region (e.g., increased income and people are likely to increase business wealth). Sectors within the business community benefit through targeted economic development programmes. The not for-profit sector benefits through indirect effects of economic development such as the promotion of events in the social and sporting sector.</p>	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of individual and groups can have a significant impact in this activity.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	<p>This activity supports all activities of Council and has wide community benefits.</p> <p>The economic development services provide a wide range of inputs into an improved economy, leading to more jobs.</p> <p>Mostly funding tools that recognise these wider benefits are preferred while some attention should be given to benefits of groups.</p>	<p>Strategic Planning, Performance, Customer Engagement & Māori Responsiveness (FS-019)</p> <p>MOST (80%-100%)</p> <p>General rates</p> <p>MINIMUM (0% - 20%)</p> <p>Grants and Subsidies</p> <p>UNLIKELY</p> <p>All other funding sources.</p> <p>Strategic Planning and Customer Engagement: Private Plan Changes (FS-037)</p> <p>ALL (100%)</p> <p>Fees and charges</p> <p>UNLIKELY</p> <p>All other funding sources.</p>

Activity: Strategic policy and planning						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101(3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
	The whole community benefits through the spin-off impacts of economic development and through having a coordinated approach to economic development, e.g., if the district develops well then everyone benefits.					Economic Development and Tourism (FS-020) MODERATE (40%-60%) General rates Targeted rates UNLIKELY All other funding sources.

Activity: Support services						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101(3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> A driven and enabled Tairāwhiti <p>Council works with Iwi, Hapu, and stakeholders to promote and enable change in the region. Together, we show leadership, advocacy and collaboration and provide certainty about where to invest in Tairāwhiti.</p>	The activity supports the decision-making function of the Council and therefore benefits the community as a whole.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	<p>The actions of individuals or groups have a minor impact on this activity.</p> <p>The Council in complying with the statutory provisions of the LGA 2002 creates a need through its coercive powers of rates extraction. The whole of the community creates a need through requiring transparency and accountability of funding.</p>	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	The benefits of this activity are available to the whole community.	Treasury (FS-046) ALL (100%) General rates UNLIKELY All other funding sources. Civic and Corporate Expenses of the District (FS-049) ALL (100%) General rates UNLIKELY All other funding sources.

Group Activity: Commercial Operations

Activity: Commercial Operations						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101(3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> A diverse economy and is associated with Council's outcome: We take sustainability seriously. 	<p>Direct benefits accrue to customers and forestry joint venture partners. Direct benefits from Forestry accrue to the city ratepayers through the protection of the water supply catchment. Direct benefits from the commercial property activity accrue to purchasers of the land for development. Direct benefits accrue to the lessees of commercial property. Ratepayers benefit from increased utilisation of Council assets.</p> <p>There are indirect benefits to the district through the degree that regional capital investment enhances the local economy. Indirect beneficiaries of commercial operations are ratepayers throughout the district who benefit through reduced rates as a result of the internal dividends paid by these activities.</p> <p>The district as a whole benefits from forestry through the stabilisation of erosion prone land that supports critical infrastructure like roads and the town water supply line.</p>	<p>The benefit of most operating costs is expected to arise in the year. The funding is sourced.</p>	<p>The actions of individuals or groups have a minor impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>The benefits of this activity are available to the whole community.</p>	<p>Gisborne Airport and miscellaneous semicommercial properties (FS-005) HIGH (60% -80%) Fees and charges MINIMAL (0% - 20%) General rates UNLIKELY All other funding sources.</p> <p>Community Housing (FS-014) ALL (100%) Fees and charges UNLIKELY All other funding sources.</p> <p>Staff Housing (FS-015) ALL (100%) Fees and charges UNLIKELY All other funding sources.</p> <p>Dividends to Council from</p>

Activity: Commercial Operations						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101(3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
	<p>Community Housing provides basic quality housing for residents over 55 years of age who have difficulty providing it themselves. Tenants are the primary beneficiaries. The community as a whole benefits from having appropriate affordable housing available to senior residents.</p> <p>Staff Housing provides accommodation where rental properties are unavailable and house purchase is not practicable. It also utilises legacy accommodation attached to Council offices, cemeteries etc. which cannot be readily disposed of. Tenants are the primary beneficiaries.</p> <p>The related Council activity benefits from having appropriate housing available to staff.</p>					<p>Commercial Operations and CCO's (FS-006)</p> <p>ALL (100%) Investment Income</p> <p>UNLIKELY All other funding sources.</p>



He Tauira Kaupapa Here Whakakore Utu me te Whakatārewa Rēti

Rate Remission and Postponement Policy

Remission and postponement policies are primarily used to address any inequities as a result of setting of the rates and provide assistance to those who are affected more than others.



Table of Contents

Introduction	4
Policy Objectives	4
Principles	4
Preamble to Te Ture Whenua Māori Act	5
Overall Remission Policy Conditions and Criteria.....	6
General Policies.....	7
1. Community, Recreation & Not for Profit Organisations.....	7
1.1. Objectives.....	7
1.2. Remission Period	7
1.3. Remission Value	7
1.4. Conditions and Criteria.....	7
1.5. Additional Information for Application	7
2. Economic Development	7
2.1. Objective	7
2.2. Remission Period	7
2.3. Remission Value	7
2.4. General Conditions & Criteria	8
2.5. Additional Information for Application	8
3. Excess Water	8
3.1. Objective	8
3.2. Remission Period	8
3.3. Remission Value	8
3.4. Conditions & Criteria	8
3.5. Additional Information for Application	8
4. Exceptional Circumstances and / or Financial support.....	9
4.1. Objective	9
4.2. Remission Period	9
4.3. Remission Value	9
4.4. General Conditions and Criteria	9
4.5. Specific Criteria for Financial Hardship.....	9
4.6. Specific Criteria for Exceptional Circumstances which can be considered separately to financial hardship. 9	
4.7. Additional Information for financial hardship application.	9
5. Fragmented & Uneconomic Coastal Rural Land.....	10
5.1. Background.....	10
5.2. Objective	10

5.3.	Remission Period	10
5.4.	Remission Value	10
5.5.	Conditions and Criteria.....	10
5.6.	Additional Information for Application	11
6.	Land Affected by Plan Changes	11
6.1.	Objective	11
6.2.	Remission Period	11
6.3.	Remission Value	11
6.4.	Conditions & Criteria	11
7.	Natural Heritage and Cultural Heritage.....	11
7.1.	Objectives.....	11
7.2.	Remission Period	11
7.3.	Remission Value	12
7.4.	Conditions and Criteria.....	12
7.5.	Additional information for Application	12
8.	Payment Arrangement and Rate Arrears	12
8.1.	Objective	12
8.2.	Remission Period	12
8.3.	Remission Value	12
8.4.	Conditions and Criteria.....	12
9.	Penalties	13
9.1.	Objective	13
9.2.	Remission Period	13
9.3.	Remission Value	13
9.4.	Conditions and Criteria.....	13
10.	Permanent Crops.....	13
10.1.	Background.....	13
10.2.	Objective	13
10.3.	Remission Period	13
10.4.	Remission Value	13
10.5.	Conditions and Criteria.....	13
11.	Rates Transition Policy	14
11.1.	Objective	14
11.2.	Remission Period	14
11.3.	Remission Value	14
11.4.	Conditions and Criteria.....	14
12.	Uniform Annual General Charge (UAGC) and certain Targeted Rates	15

12.1.	Objectives.....	15
12.2.	Remission Period	15
12.3.	Remission Value	15
12.4.	General Conditions and Criteria	15
12.5.	Specific Condition and Criteria - multiple dwellings (12.4 (a) (b) &(c))	16
12.6.	Specific Condition and Criteria – commercial and rural dwellings under the same ownership (12.4 (d) & (e)).....	16
12.7.	Specific Condition and Criteria – uninhabitable land (12.4(1) (f))	16
12.8.	Specific Condition and Criteria – contiguous properties (12.4(1) (g) & (h))	16
	Remission of rates: Māori freehold land.....	17
	Introduction	17
	Objectives	17
	General provisions for Māori freehold land.....	18
13.	Part 1 Unused Portions of Māori Freehold Land	18
13.1.	Background.....	18
13.2	Eligibility /Criteria	18
	Application Requirements	18
14.2	Eligibility /Criteria	19
14.3	Exclusions	19
14.4	Application Requirements	19
14.5	Remission	19
14.6	Remission value	20
14.7	Definitions – Relating to Part 2. Development of Māori Freehold Land	20
14.8	Checking Process	21
	Postponement of rates.....	21
15	Financial Hardship	21
15.1	Objective	21
15.2	General Conditions and Criteria	21
	Residential.....	21
	Non-residential Rating units.....	22
16.	Postponement of Rates for Māori freehold land	22
	Definition – General Definitions in relation to the whole Rate Remission & Postponement Policy	23

Introduction

Section 102(3) of the Local Government Act (LGA 02) provides that a council may adopt a rates remission policy and a rates postponement policy. This policy addresses both remission and postponement of rates.

Sections 102(1) and 102(2) and 108 of the LGA 02 require councils to adopt rates remission and postponement policies on Māori freehold land. Council has considered the matters listed in Schedule 11 clause 1 of the LGA 02 and recognises that the nature of Māori land is different to general title land.

Policy Objectives

Fair and equitable collection of rates which:

- a. Aligns to community, cultural, environmental, and economic outcomes, including the outcomes of Tairāwhiti 2050.
- b. Recognises affordability and ratepayer circumstances and avoids further alienation of Māori freehold land.
- c. Enables the use / development of land, including for traditional purposes, including wāhi tapu.
- d. Applies the relevant provisions of the Local Government Act and the Local Government (Rating) Act 2002.
- e. Supports Te Ture Whenua Māori Act 1991 Preamble principles by:
 - i. recognising of Māori freehold land as taonga tuku iho
 - ii. promoting the retention of, and facilitating the occupation, development, and utilisation of Māori freehold land in the hands of its owners, whanau, and hapū.
 - iii. protecting wāhi tapu.

Remission and postponement policies allow for the fine tuning of the rating system and an opportunity to support community outcomes by offering financial relief for some ratepayers.

Principles

In order to make informed and consistent funding choices, the following funding principles have been developed and applied:

- a. All funding options will consider affordability.
- b. Funding choices will support the outcomes of Tairāwhiti 2050.
- c. Council will explore funding options from all other sources before choosing rates to fund activities.
- d. In collaboration with Māori, funding choices will contribute to enabling the development of Māori land.
- e. Each generation should pay for the services they receive.
- f. Revenue collection will be obvious, transparent, efficient, and simple.
- g. Actions and inactions that adversely affect the community, environment or Council assets can expect to pay more.
- h. Users of services can expect to contribute to the cost of operating the service.
- i. Borrowing will be used when it is financially efficient to do so and in the best interest of the community.

Complying with these principles can be challenging and compromise between principles is often required.

Remissions assist to support the funding principles by modifying the incidence of rates. In developing of remissions and postponement policies Council has considered how modifying the rates through remissions supports achieving the outcomes of Tairāwhiti 2050. These Policies will reduce the rates paid by some ratepayers and in doing so will contribute to:

- a. Addressing any unintended consequences arising from the application of rating policy.
- b. Addressing financial affordability.
- c. Removing financial barriers to use and development of land.

Remission and postponement policies work well when addressing individual needs or the needs of a small group. For a large group, it is likely that changes to the rating system are more cost effective and efficient way to implement the principles.

Councils' principles align with the principles of the Te Ture Whenua Māori Act preamble.

Preamble to Te Ture Whenua Māori Act

Nā te mea i roto nā [te Tiriti o Waitangi](#) i motuhake ai te noho a te iwi me te Karauna: ā, nā te mea e tika ana kia whakaūtia anō te wairua o te wā i roto atu ai te kāwanatanga kia riro mai ai te mau tonu o te rangatiratanga e takoto nei i roto i te Tiriti o Waitangi: ā, nā te mea e tika ana kia mārama ko te whenua he taonga tuku iho e fino whakaaro nuitia ana e te iwi Māori, ā, nā tērā he whakahau kia mau tonu taua whenua ki te iwi nōna, ki ō rātou whānau, hapū hoki, a, a ki te whakangungu i ngā wāhi tapu hei whakamāmā i te nohotanga, i te whakahaeretanga, i te whakamahitanga o taua whenua hei painga mō te hunga nōna, mō ō rātou whānau, hapū hoki: ā, nā te mea e tika ana kia tū tonu he Kooti, ā, kia whakatakototia he tikanga hei āwhina i te iwi Māori kia taea ai ēnei kaupapa te whakatinana.

Whereas the [Treaty of Waitangi](#) established the special relationship between the Māori people and the Crown: And whereas it is desirable that the spirit of the exchange of kawanatanga for the protection of rangatiratanga embodied in the Treaty of Waitangi be reaffirmed: And whereas it is desirable to recognise that land is a taonga tuku iho of special significance to Māori people and, for that reason, to promote the retention of that land in the hands of its owners, their whanau, and their hapu, and to protect wahi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whanau, and their hapu: And whereas it is desirable to maintain a court and to establish mechanisms to assist the Māori people to achieve the implementation of these principles.

Overall Remission Policy Conditions and Criteria

1. Where a property or part of that property is sold or transferred within the period of remission or postponement, Council may recover the rates remitted or postponed for the applicable period. This may apply to the whole property or the portion that has been sold or transferred.
2. The Council can impose conditions concerning future actions that must be taken before the remission is granted.
3. Ratepayers need to advise Council of any changes that may impact the eligibility for a remission.
4. All Māori freehold land policies apply only to Māori freehold land. General policies may apply to both general land and Māori freehold land.

Making an Application? This is what you need to know:

1. An application is required for each remission applied for, unless stated otherwise.
2. Where applications are required, all applications must be made in writing, using the prescribed form unless expressly declared otherwise in this policy. Copies of the prescribed forms can be downloaded from the Council's website or obtained from the Council's office.
3. All applications must be:
 - a. Made by the ratepayer or their authorised agent.
 - b. Accompanied by any required additional information.
4. Applications will be considered on their individual merits and on a case-by-case basis. The applicant will be notified of the outcome of their application.
5. Council may:
 - a. Request additional information from applicants to enable the assessment.
 - b. Inspect the property in order to assess the application and to confirm compliance with policy criteria from time to time. Inspection will be with the owner's or ratepayers' consent and may include taking of photos or video in person or remotely.
6. The applicant of the property, must provide proof of eligibility (including required additional information, listed under each policy) which will be confirmed using relevant Council records.
7. To be considered for a rate remission under each policy, make sure that conditions and criteria (both general and specific, if stated) are met before applying.
8. All personal information provided to Council will be treated as confidential.
9. Incomplete information or if an inspection is not granted for Council officers to make an assessment may mean that the application cannot be processed.
10. Rate remissions result in the relevant rates account for a rating unit recording the rates or portion off the rates remitted as paid.
11. Remissions are not paid in cash to the ratepayer. Multi-year rate remissions are applied in the relevant rates account for a rating unit recording the rates or portion of rates remitted as paid when the rates are assessed.
12. Any decision made by Council under this policy is final.
13. If a ratepayer contests a decision made under delegation to staff, the applicant may request the matter be referred to Council or a committee delegated to undertake such a review.

General Policies

1. Community, Recreation & Not for Profit Organisations

1.1. Objectives

To assist in the ongoing provision of not-for-profit community services and recreational opportunities that benefit the community.

To assist an organisation's survival by making membership of the organisation more accessible to the community, particularly disadvantaged groups such as children, youth, young families, aged and economically disadvantaged people.

These objectives support the principle of removing financial barriers to enable the land to be used for community and / or recreational purposes in support of Tairāwhiti 2050 outcomes.

1.2. Remission Period

Up to 3 years – subject to the conditions and criteria still being met.

1.3. Remission Value

Up to 100% of rates, except for targeted rates for the following services supplied to the rating unit: wastewater (sewerage), waste management (rubbish collection and recycling), and water supply.

1.4. Conditions and Criteria

The application must support the objectives of this policy.

The rating unit must be used exclusively or principally for sporting, recreation, or community purposes.

The remission will be calculated on Council's assessment of the degree to which community benefit is derived from the activities or assets of the organisation relative to other organisations.

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

1.5. Additional Information for Application

The following information must accompany the application form:

1. Statement of organisation's objectives.
2. Financial accounts.
3. Information on activities and programmes.
4. Details of membership or clients.
5. Any other information to support the conditions and criteria.

2. Economic Development

2.1. Objective

To promote employment and economic development by offering rates remissions to encourage existing businesses to expand and grow, and new businesses to set up.

This objective supports the principle of removing financial barriers to development of land.

2.2. Remission Period

Up to 3 years – subject to the conditions and criteria still being met.

2.3. Remission Value

Up to 100% of rates.

2.4. General Conditions & Criteria

The application must support the objective of this policy and the matters that Council views the development as set out below when staff consider any remission granted.

In Council's view the development:

- a. Is strategically important to the economic development of the district.
- b. Creates significant and lasting new employment opportunities within the district.
- c. Bring significant amount of new capital investment to the district and will add value to the local resources.
- d. Has strong financial viability and would provide long-term benefits.
- e. Does not adversely impact on existing businesses.

2.5. Additional Information for Application

The following information must accompany the application:

- a. Description and plan of the development.
- b. An estimate of the costs of development and capital investment involved.
- c. An estimate of the likely number and type of jobs created by the development.
- d. Evidence that the jobs created will be new to the district.
- e. Any other relevant information requested in order to establish that the development meets the conditions and criteria of this policy.

3. Excess Water

3.1. Objective

To provide a rate relief to ratepayers in situations where water usage is high due to a water leak or damage to the property's internal water reticulation system of which the ratepayer was unaware.

This objective supports the principle of financial affordability and encourages timely repair of the leak.

3.2. Remission Period

On a case-by-case basis – subject to the conditions and criteria still being met.

3.3. Remission Value

Up to the full amount of the difference between normal consumption and the actual water consumption for the billing period. By exception, a remission may be backdated to earlier billing periods.

3.4. Conditions & Criteria

The application must support the objectives of this policy.

The excess water charges must be for an amount which is considerably in excess of the average water used in the previous four billing periods and take any seasonal variations into account.

The plumber's report and repairs are to Council's satisfaction.

A remission will not be provided if negligence is shown regarding timeliness of repair or maintenance of the system (for example, multiple leaks).

A remission under this policy will only be granted once in any given rating year.

3.5. Additional Information for Application

The following information must accompany the application:

- a. A report from a registered plumber stating the cause of water loss is a result of a leak or damage to the ratepayer's internal water reticulation system.
- b. Proof of repairs to the internal reticulation system for verification.

4. Exceptional Circumstances and / or Financial support

4.1. Objective

To assist ratepayers experiencing financial hardship and/or adversely impacted by a natural disaster or other calamity which directly affects their ability to pay rates or a situation has arisen where some event has occurred which makes the collection of rates impractical, impossible, or unreasonable. The objective supports financial affordability by providing relief from paying rates in exceptional circumstances. Exceptional circumstances could include community organisations ceasing operation, an unintended rating situation where it is fair and reasonable to remit rates in certain situations, an unpredictable event including natural disasters, pandemic, epidemic or other calamity that affect the ratepayer's ability to pay rates.

4.2. Remission Period

Current years rates only. See postponement policy for multi-year relief options.

4.3. Remission Value

Up to 100% of rates and current penalties.

4.4. General Conditions and Criteria

The application must support the objectives of this policy.

Council must be satisfied that:

- a. the ratepayer does not have financial capacity to pay their rates instalment when due; or
- b. the payment of the rates instalment would create financial hardship for the ratepayer.
- c. In the event of an exceptional circumstance that is not associated with hardship, there are exceptional circumstances where a situation has arisen which makes the collection of rates impractical, impossible, or unreasonable.
- d. exceptional circumstances remissions do not cover remissions for road closure.

4.5. Specific Criteria for Financial Hardship

To determine whether financial hardship exists, the ratepayer's personal circumstances, for both residential and non-residential applications, will be considered including age, physical or mental disability, injury, illness, and family circumstances.

All residential applicants must receive advice from an approved budget advisory service.

All business and commercial applicants must receive advice from an Accountant, Lawyer, or other independent and suitably qualified professional.

If the ratepayer owns other property or has a significant financial interest in a business, information on the financial circumstances of the business may be required to assist in assessing financial hardship.

4.6. Specific Criteria for Exceptional Circumstances which can be considered separately to financial hardship.

The land has become unusable or uneconomic because of exceptional circumstances such as severe erosion, land formation changes such as slips, any natural disaster or calamity.

The ownership of the land has become indeterminate or uneconomic (such as a club becoming defunct) or an unintended rating situation has arisen where it is fair and reasonable to remit rates in certain situations.

4.7. Additional Information for financial hardship application.

The following information must accompany the application:

For Individuals

- a. Budget Sheet completed by an approved Budget or Financial Advisor.

For Businesses

- a. Statement of Assets & Liabilities.
- b. Current Balance Sheet.
- c. Forecast Cash Flow Statement for the following 12 months.

5. Fragmented & Uneconomic Coastal Rural Land

5.1. Background

Some coastal rural land used for pastoral farming has a valuation in excess of its economic use, based on the potential for housing development which is in excess of its current use; such development has not started or cannot occur.

5.2. Objective

To recognise special circumstances pertaining to coastal rural land used for pastoral farming and situations where multiple coastal rural properties are effectively used as one farm property.

This objective supports the principles by removing the impact of unintended consequences and making rates more affordable for pastoral farms on coastal land removing financial barriers to the use of the land.

5.3. Remission Period

Indefinitely – subject to the conditions and criteria still being met.

5.4. Remission Value

Up to full amount of the General rate and targeted Subsidised Local Road rates.

Council may give a remission of general and/or targeted rates based on the difference in land value and/or capital value between the best potential value of the land arising from its coastal location, and the economic value arising from its actual use.

Where a farm is made up of several individual titles which may or may not be adjacent, Council may remit general and/or targeted rates based on the difference in land value and/or capital value between the actual accumulated value of the individual land blocks and the value of a single block of land in the same locality with the same land area.

5.5. Conditions and Criteria

The application must support the objectives of this policy.

The land must be rural land that has a valuation significantly more than the rating value (uneconomic land) of its current use as its rating value is based on its potential for housing development in a coastal area.

Where coastal land is used for pastoral farming and contains multiple rating units (fragmented land) valued at a higher amount due to their potential for housing a remission may be made to give the effect as if the land were valued as pastoral land.

Where coastal rural rating units are used as one pastoral farm, and each have a housing site as part of the rating valuation, an application can be made to have all properties valued as if they were one contiguous farm property. For example, a farm of five 20-hectare properties will be treated for rating purposes as if it is a single 100-hectare pastoral block. The value of the primary block would not be changed, because it can support a housing site; however, the remaining four blocks will receive a remission of that part of their value which relates to potential housing sites.

The Council have the discretion whether to extend, reduce or cancel this remission at any time for any reason.

5.6. Additional Information for Application

A signed statement by the applicant that land is used for pastoral purposes only and including the following:

- a. Details of the rating units involved.
- b. Details of the tenure.
- c. Proof of ownership.
- d. Evidence of whether the land is formally or informally leased.

6. Land Affected by Plan Changes

6.1. Objective

To recognise the existing use of land affected by zoning changes, when there is a plan change which rezones land to enable a higher value land use.

This objective supports the principle of financial affordability by providing relief from paying rates on a higher land value as a consequence of a plan change.

6.2. Remission Period

Up to 6 years.

6.3. Remission Value

Up to the value of additional rates as a result of the plan change.

6.4. Conditions & Criteria

The application must support the objectives of this policy.

The land has been used in accordance with the applicable rules in the Tairāwhiti Resource Management Plan and resource consents prior to the plan change.

The land must be subject to a plan change, other than by the owner, resulting in a different zoning.

The remission ceases to apply if:

- a. The land is sold or transferred.
- b. The use of land changes.

7. Natural Heritage and Cultural Heritage

7.1. Objectives

To acknowledge the wider community benefit of protecting natural and cultural heritage areas which are on privately owned land, including whenua Māori.

To recognise the extent of voluntary protection given to natural and cultural heritage areas on private land, including whenua Māori, with or without public access. (e.g., Nga Whenua Rahui, Queen Elizabeth II Covenants (QEII)). Please click on this link to view)

[Ngā Whenua Rāhui Fund application form \(doc.govt.nz\)](#)

[Protecting Your Land | QEII National Trust](#)

These objectives support our principle to remove financial barriers to protecting land.

7.2. Remission Period

Indefinitely – as long as the natural or cultural heritage remains protected and in existence.

7.3. Remission Value

Up to 100% of rates, excluding rates for services to the property. Land not subject to an encumbrance recorded on the certificate of title shall have the remission level set in accordance with the merit of the application.

7.4. Conditions and Criteria

The application must support the objectives of this policy.

Natural, historic, and cultural heritage areas will be independently assessed by a certified professional.

The area shall have no, or minimal economic activity associated with it.

An encumbrance (or similar mechanism) shall be in place over the land or part of the land for the purpose of providing protection to the natural or cultural heritage, which Council considers is satisfactory to provide long-lasting protection.

This policy does not apply to land with a covenant under the Reserves Act 1977, the Conservation Act 1987 or Heritage New Zealand Pouhere Taonga Act 2014 which are non-rateable under the Local Government Rating Act 2002.

7.5. Additional information for Application

In addition to the standard application form, the following information must be provided:

- a. Contact Council to discuss your proposal.
- b. An independent assessment of the natural and cultural values.
- c. A copy of the certificate of title and the encumbrance or other protection.
- d. Other information to support the application.

8. Payment Arrangement and Rate Arrears

8.1. Objective

To allow for the remission of rates and water rates and to allow the ratepayer to catch up on rates arrears.

This objective supports the principle is to remove financial barriers to the recovery of rates arrears.

8.2. Remission Period

Determined on a case-by-case basis.

8.3. Remission Value

Up to \$500 plus any penalties.

8.4. Conditions and Criteria

The application must support the objectives of this policy.

The ratepayer must enter into a genuine arrangement with Council which can be a formalised agreement between parties for commitment and compliance purposes to pay overdue rates within an agreed timeframe.

Council may remit rates and water rates arrears of up to \$500 and can apply a penalty suppression on the property to avoid further penalties within the arrangement period. The penalty suppression is lifted when the payment arrangement is concluded.

The ratepayer may be offered a remission of a fixed amount if overdue rates are repaid in accordance with the entering into genuine payment arrangement as outlined under condition 1. This may be any amount up to the full sum of past penalties still owing.

9. Penalties

9.1. Objective

To allow for the remission of penalties when payments are not received by the date set for penalty imposition due to circumstances outside of the ratepayer's control.

This objective supports the principle to remove financial barriers to the recovery of rates.

9.2. Remission Period

One off.

9.3. Remission Value

Up to 100% of the penalty.

9.4. Conditions and Criteria

The application must support the objectives of this policy and:

- a. The ratepayer suffered due to a significant family disruption such as death, illness, accident of a family member, rates invoice not received, or other 'one-off' event; or
- b. The property was recently purchased, and the settlement date coincided with or was near the penalty dates; or
- c. Rateable Māori freehold land vested in trustees, which has derived insufficient income from the land to pay the rates (where section 93 of the Local Government Rating Act 2002 applies).
- d. The applicant has a good record of on-time payments for previous rate instalments.
- e. The ratepayer enters a genuine arrangement to pay overdue rates within a specified timeframe or has paid the relevant rates in respect of rates to which the penalty was added.

10. Permanent Crops

10.1. Background

Under capital value rating schemes, permanent crops are regarded as part of the capital value. This means that under capital rating, two identical farms, one of which grows a permanent crop such as citrus, and the other grows an annual crop such as squash, could pay completely different rates, even though their utilisation of Council's infrastructure services (e.g., roads) maybe the same.

10.2. Objective

To maintain relativities in the rates paid between horticulturalists who grow permanent crops and those who grow annual crops, for subsidised targeted road rates set on capital value.

This objective supports the principle of making a modification to the rates any unintended consequences arising from the application of rating policy (see 11.1).

10.3. Remission Period

The remission will apply for a period of one financial year.

10.4. Remission Value

Based on valuation information calculated by Council's rating valuer where the portion of the rate set on capital value is due to capitalised crop value.

2021/2022 The remission in rates (based on the rating valuer's calculation) must be greater than \$100 but no more than \$7,000.

Each successive year, the maximum remission will decrease by 30% over the previous year.

10.5. Conditions and Criteria

Application must support the objectives of this policy.

The land must be a horticultural block on which permanent crops comprise part of the property's capital value.

The rates remitted under this policy will be on application from the ratepayer and for the targeted subsidised roading rates, on the portion of their capital value which is due to capitalised crop value. In some cases, such as financial hardship, the rates remitted may also include general rates set on capital value.

Note: The Council's valuers will provide additional valuation data on all properties with a land use classification of "Horticultural".

This additional data will be the Capital Value of the permanent crops plus the capital value of any supporting structures for those crops. It will not include other items, such as irrigation systems, packing sheds or the like.

11. Rates Transition Policy

11.1. Objective

To provide rates relief for the unintended and significant impact on specific rates caused by changes to the Revenue and Financing Policy.

This objective supports the principle of making a modification to the rates any unintended consequences arising from the application of rating policy.

11.2. Remission Period

One year but up to three years on a case-by-case basis.

11.3. Remission Value

See below.

11.4. Conditions and Criteria

The application must support the objectives of this policy.

This policy only applies if:

- a. There is an increase to the rates applied to a rating unit as a result of changes made to the Revenue and Financing Policy; and
- b. The rates increase for a rating unit is 10% or more as a result of changes made to the Revenue and Financing Policy when compared to the total rates payable for the previous year and after other remissions have been applied.
- c. There was financial hardship arising from the increase in rates.

A property may be eligible for a remission if:

- a. A rate has increased by at least:
 - \$1,000; and
 - 30% of the total for that rate compared to the previous rating year.

The amount remitted will be up to amount of the increase above the \$1,000 and 30% threshold (whichever is higher).

If the remission is applied to more than one year, then the rate of remission in the years following will decrease 30% from the previous year; up to a maximum of three years.

The remission will be applied as a lump sum to the rates assessed against each rating unit in that year of application.

No remission will be granted if the total remission for all the relevant rates subject to the specific changes does not exceed \$500 (GST inclusive).

Note: A remission may be offered to smooth rate peaks due to changes to the Revenue and Financing Policy for certain activities which lead to financial hardship as a result of significant increases in the amount of rates assessed for a rating unit.

12. Uniform Annual General Charge (UAGC) and certain Targeted Rates

12.1 Objectives

To provide for the remission of the UAGC and certain targeted rates on properties where it would be when circumstances are inappropriate and/or impractical to charge them, when Council may wish to encourage sub-division development in urban areas. It includes:

- a. Multiple dwellings.

- b. Dwellings on rural and commercial property essential to the business.
 - c. Uninhabitable dwellings or land.
 - d. Land which cannot be built on.
 - e. Land which is contiguous.
 - f. Land that has been recently subdivided.
 - g. Low value properties.
 - h. Other examples of unintended consequences.
- This objective supports the principle of making a modification to the rates to address unintended consequences arising from the application of rating policy.

Note: *Certain targeted rates are charged per SUIP (separately used or inhabited part of a rating unit) for services above what would be supplied to a single household or in the case of uninhabitable buildings / properties as a part charge.*

12.2 Remission Period

Typically for 3 years but up to indefinitely – subject to change of circumstances.

12.3 Remission Value

Up to 100% of the UAGC and selected targeted rates.

Discretionary Targeted rates include but not limited to:

- a. Water Supply connection charge
- b. Toilet Pan charges
- c. Refuse and recycling collection.
- d. Transfer Station refuse sticker charges.
- e. Parks and reserve rate
- f. noise control
- g. animal control
- h. passenger transport

12.4 General Conditions and Criteria

The application must support the objectives of this policy.

This policy applies where there are:

- a. Multiple dwellings recorded on the valuation records, but one or more dwellings are not being used as dwellings, are derelict or uninhabitable.
- b. Multiple dwellings on a property, but they are being used by members of the direct family of the ratepayer (such as granny flats, teenagers) or as one tenancy.
- c. Multiple dwellings on a property, but one or more is used by live-in caregivers for health reasons, or to provide humanitarian assistance (in other words, used by persons who would normally “live in” if the ratepayer's primary accommodation had been large enough in the first instance).
- d. Businesses with separately accessible accommodation on the rating unit, which is a prerequisite for the efficient operation of that business.
- e. Dwellings on rural land that are vacant for more than three months of the current rating year and no income is derived from the use of the dwelling.
- f. Uninhabitable land in residential or lifestyle rating categories.
- g. Near contiguous rural properties up to 10 km apart operating as a single farming unit.
- h. Near- contiguous rural properties up to 10km apart used for the same purpose and the same business.
- i. Near contiguous subdivision properties in common ownership.
- j. Properties valued below \$6,001.
- k. Other circumstances where a remission of a UAGC or certain targeted rates is just and equitable.

12.5 Specific Condition and Criteria - multiple dwellings (12.4 (a) (b) &(c))

An assessment will be made as to whether there is:

- a. physical conditions which would make it inappropriate or impractical for the additional dwelling or flats to be separately inhabited, or

- b. a dwelling in very poor and uninhabitable condition, or
- c. a dependency relationship between the primary ratepayer or primary tenant and the occupiers of the flat/dwelling e.g., supporting family members unable to live alone for health reasons or a school age child / teenager.

Where family occupy the additional dwelling independently and have a separate income, a partial remission of the UAGC would be considered e.g., the portion of the UAGC covering roading and governance is payable. Reviewed 3 yearly.

12.6 Specific Condition and Criteria – commercial and rural dwellings under the same ownership (12.4 (d) & (e))

An assessment will be made as to whether there is:

- a. a dwelling in very poor and uninhabitable condition, or
- b. a dependency relationship between the primary ratepayer or primary tenant and the occupiers of the flat/dwelling, or
- c. a dwelling that is vacant for more than three months of the current rating year and no income has been derived from the use of the dwelling, or
- d. a dwelling on rural and commercial property essential to the ongoing operation of the business. A partial remission of the UAGC would be considered e.g., the portion of the UAGC covering roading and governance is payable.

Reviewed 3 yearly.

12.7 Specific Condition and Criteria – uninhabitable land (12.4(1) (f))

An assessment will be made as to whether a building consent has been refused or it is likely that a building consent would be refused on every part of the property because of flooding or land instability. Reviewed 5 yearly.

12.8 Specific Condition and Criteria – contiguous properties (12.4(1) (g) & (h))

To provide relief to ratepayers who occupy several near adjacent rating units, but which do not meet the criteria of Section 20 of the Local Government (Rating) Act 2002

Pastoral

This remission is only applicable to land categorised by the Rating Valuer as a pastoral block. The remission encourages the use of small pastoral blocks which would otherwise be uneconomic to use without remission of the Uniform Annual General Charge.

An assessment will be made as to whether there is:

- a. Rural properties within 10 km of the parent block and operating as one farming operation.
- b. Land that is not contiguous but used for the same purpose and the same business.
- c. The remittance of rates is based on the following guide, but can be overridden if it assists in certain circumstances (e.g., financial hardship):
 - a. Up to 500 metres = 80%
 - b. 501 metres to 3,000 metres = 50%
 - c. 3,001 metres to 10,000 metres = 20%

Urban sub-divisions

In urban areas, when a developer splits a block of land into two or more titles for the purpose of selling them for separate occupation, the implication of charging full UAGCs as soon as a Deposited Plan is registered could be a financial disincentive to the sub-divider. Council wishes to encourage development, not discourage it.

An assessment will be made as to whether there is:

Urban subdivisions creating more than two near contiguous bare block titles. A remission may be applied for up to 3 years from first assessment or until sold (whichever is earlier).

12.9 Specific Condition and Criteria – low value properties (12.4(1) (j))

The capital value of the property is less than \$6,001.

The property is not used for any form of residential occupation (other than, for example, camping for a few weeks every year).

Remission of rates: Māori freehold land

Introduction

Tairāwhiti has a significant amount of whenua Māori - Māori freehold land. This policy explains the criteria and conditions used to determine whether the rates should be remitted on this land.

These policies are in addition to the general policies and only apply to Māori freehold land.

Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectible.

Objectives

1. Pursuant to Section 114A, Local Government (Rating) Act 2002 the purpose of this remissions policy is to facilitate the occupation, development, and utilisation of Māori freehold land for the benefit of its owners.
2. This remissions policy meets the following Gisborne District Council objectives:
 - a. aligns to community, cultural, environmental, and economic outcomes, including the outcomes of Tairāwhiti 2050.
 - b. recognises affordability and ratepayer circumstances and avoids further alienation of Māori freehold land.
 - c. enables the use / development of land, including for traditional purposes, including wāhi tapu.
 - d. applies the relevant provisions of the Local Government Act and the Local Government (Rating) Act 2002.
3. This Remission policy is in two parts:
 - a. Part 1 Unused Portions of Māori Freehold Land
 - b. Part 2: Development of Māori Freehold Land

All the objectives listed in Schedule 11 of the Local Government Act 2002 are important and relevant to whenua Māori in Tairāwhiti (Please click on this link to view)

[Local Government Act 2002 No 84 \(as at 12 November 2018\), Public Act Schedule 11 Matters relating to rates relief on Māori freehold land – New Zealand Legislation](#)

General provisions for Māori freehold land

Where land is in multiple ownership, a written statement authorising an individual to act for the owners must be submitted with all applications.

13. Part 1 Unused Portions of Māori Freehold Land

13.1 Background

This policy addresses instances where a part of a Māori freehold land rating unit is unused. In this situation Council can create a special rating area that can limit rates for the land which is used.

While the Schedule 1, Part 1, Clause 14A, Local Government (Rating) Act 2002 makes unused Māori freehold land non rateable it only applies to whole rating units. The Gisborne District Council had a remission policy which provided remissions to unused portions of Māori freehold land, which pre-dates Clause 14A.

13.2 Eligibility /Criteria

This remissions policy applies:

- a) to Māori freehold land as defined by Section 5, Local Government (Rating) Act; AND

- b) where an SRA has been created; AND
- c) where the SRA meets the requirements of an unused rating unit; and
- d) where the ratepayer or another person has applied in writing for a remission on the land.
- e) The use and/or occupation may be undertaken by the landowner or a third party.

Application Requirements

- a) Application requirements are:
- b) completion of the Gisborne District Council form for remissions on Māori freehold land; AND
- c) an aerial photo (provided by Council) where the applicant has defined the unused land to the satisfaction of council: -

13.3 Remission Value

- a) The application of remissions to a special rateable area will be the same as the procedure the Gisborne District Council applies to unused rating units under Schedule 1, Part 1, Cause 14A, Local Government (Rating) Act 2002.
- b) There is no person using the portion of the rating unit or
- c) The portion of the rating unit is used in a similar manner to a reserve or conservation area. This includes retirement of erosion-prone land into permanent natives.
- d) The remission will be ongoing. The property will be checked each three years as part of the general revaluation process. If the council becomes aware of use, the used land will become rateable. The remission will persist until the conditions and criteria are no longer met.
- e) All rates, or where applicable part rates will be remitted from the unused portion of the rating unit (to remove doubt this includes area, value based, uniform and targeted rates); with the exception of targeted rates for a service that is used.

14. Part 2: Development of Māori Freehold Land

14.1 Background

- a. This policy applies a rates remission to instances where new crops are being established (not exclusions). It is designed to encourage land development by effectively providing a "rates holiday" that aligns to the time period when the land become commercially productive.
- b. This Policy is designed to:
 - a. provide clarity on the application of Section 114A, LGRA.
 - b. encourages land development.
- c. applies during the start-up phase only (e.g., prior to crops providing a sustainable financial return).
- d. once the business is achieving a sustainable financial return the remission policy will no longer apply.

14.2 Eligibility /Criteria

This remissions policy applies:

- a. to Māori freehold land as defined by Section 5, Local Government (Rating) Act; AND
- b. where an SRA (Separate Rating Area) has been created; AND
- c. where the SRA meets the requirements of an unused rating unit; and
- d. where the ratepayer or another person has applied in writing for a remission on the land.
- e. the use and/or occupation may be undertaken by the landowner or a third party.
- f. This policy can be applied to part of a Māori freehold land rating unit. For this to be created special rateable areas will be established to allow development of the land, and the rates remitted for that portion of land.

14.3 Exclusions

For the avoidance of doubt, the following uses do not qualify for this remission:

- a. Commercial forestry
- b. Commercial Apiculture
- c. Carbon farming or similar not covered by the LGRA.

14.4 Application Requirements

Application requirements are:

- a. completion of the Gisborne District Council form for remissions on Māori freehold land, AND
- b. an agricultural or business plan related to the proposed development, undertaken to the satisfaction of the Gisborne District Council, AND
- c. undertake development according to the agreed programme; AND
- d. provides annual reports and other updates as requested; AND
- e. the project must be considered financially viable in the opinion of GDC.
- f. The Council may use itself or through its agents, evaluate crops and viability of productive timelines when deciding period for remission.

14.5 Remission

- a) The council may remit all or part of the rates (including penalties for unpaid rates) on Māori freehold land if the council is satisfied that the development is likely to have any or all of the benefits identified in Section 114A (3), LGRA.
- b) The partial or full remission of rates can apply until:
 1. Agricultural uses: commercial harvest which will be determined by the Gisborne District Council, or its agent based on the particular crop. GDC will consider the agricultural plan as part of their decision-making process.
 2. Commercial uses: gross income equals or exceeds wage and salary costs. Following this Council may grant partial rates remission for a further three years based on the business plan to profitability; and
 3. New Housing: a new home(s) has achieved occupation or practical completion in the opinion of GDC or their valuer or a completion certificate is issued by GDC. For projects with multiple homes, special rating areas will be created as homes are occupied or completed.
 4. The project is abandoned or not be pursued according to the plan including allowance for schedule contingency.

14.6 Remission value

- a. Applies to general rates uniform annual general charges and targeted rates, including penalties for unpaid rates in the period that the remission is applied.
- b. excludes targeted rates for services used.

14.7 Definitions - Relating to Part 2. Development of Māori Freehold Land

- a. Agriculture/Agricultural: Includes any legal form of farming, arable, horticulture and viticulture, or similar uses, but does not include indigenous or exotic forestry.
- b. Improved utilisation of the land would usually constitute a change of use such as a dairy conversion or new horticultural or viticultural activity. Typically, there is greater projected revenue and additional jobs.
- c. New Home / Homes and New Commercial Premise / Premises, includes refurbishment of an existing structure that has been unused for at least one rating year.

- d. Commercial Use: commercial use includes any business activity that is based at the property and includes IT, office, hospitality, storage, industrial, accommodation, sale of goods and /or distribution. To remove doubt the policy does not include employed people working from home.
- e. Construction Period: Means from the point of application to the point at which occupation occurs, practical completion or a completion certificate is issued by the GDC. To remove doubt when the property is used the remission will cease.
- f. New agricultural or horticultural production means undertaking new rural activities or reactivation of lapsed activities. An example would be land that was farmed for dry stock but left idle for at least one rating year (1 July to 30 June). Then reactivation would include activities such as securing boundary and / or internal fencing, repairing gates and tracks, repairing / replacing yards and farm buildings and introduction of stock.
- g. First commercial harvest means: Point at which commercially viable production commences. This will be assessed by the Gisborne District Council or its agent, based on planned use using usual periods for the particular crop and will be informed by the agricultural plan. This section does not apply to forestry or other crops where there is more than 2 years between harvests.
- h. Area: Where the use being remitted is the sole use of the block then the remission will apply to the whole block. Where there are also other uses of the land it will apply to the special rateable area.
- i. The remission applies to all rates other than service rates where the service is used.
- j. Unused Land: as defined by Note 4A, Part 1, Schedule 1, LGRA: For the purposes of clause 14A, A rating unit is unused if:
 - (i) there is no person actually using any part of the rating unit; or
 - (ii) the entire rating unit is used in a similar manner to a reserve or conservation area and no part of the rating unit is:
 - a. leased by any person; or
 - b. used as residential accommodation; or
 - c. used for any activity (whether commercial or agricultural) other than for personal visits to the land or personal collections of kai or cultural or medicinal material from the land; and
 - d. a rating unit must not be treated as being used solely because a person is a participant under the Climate Change Response Act 2002 in respect of an activity relating to the rating unit.

14.8 Checking Process

Note that before processing any application the Gisborne District Council will first check whether the rating unit is eligible under the Local Government (Rating) Act 2002 to be:

- a. non-rateable (Part 1, Schedule 1, LGRA)
- b. partially rateable (Part 2, Schedule 1, LGRA)
- c. treated as a single rating unit in common ownership (Section 20 and 20A, LGRA)
- d. eligible for the apportionment of rates for separate rating areas (section 98B, LGRA)
- e. eligible for the remission of rates where the land is under development (section 114A, LGRA)
- f. exempt from paying rates by an Order in Council (Section 116, LGRA).

In addition, the Gisborne District Council will check on whether other Council remissions policies that apply to both general title and Māori freehold land should apply.

Postponement of rates

15 Financial Hardship

15.1 Objective

To assist ratepayers experiencing financial hardship which directly affects their ability to pay rates.

These objectives support our principle of financial affordability.

15.2 General Conditions and Criteria

The application must support the objectives of this policy.

The Council must be satisfied that the ratepayer does not have the financial capacity to pay their rates instalment when demanded, or the payment of rates instalment would create financial hardship to the ratepayer for both residential and non-residential ratepayers.

Any postponed rates will be postponed until:

- a. A date specified by the Council; or
- b. The death of the ratepayer (s); or
- c. The ratepayer (s) cease(s) to be the owner of the rating unit through sale or transfer.
- a. The ratepayer (s) cease(s) to use the property as their residence.

Postponed rates may be registered as a charge, by registering a Notice of Charge on the Record of Title.

An annual postponement fee may be required. This fee will be calculated as a percentage interest rate and will be used to cover Council's administrative and financial costs.

Before making written application, the applicant must have received budget advice from the Budget Advisory Service, accountant or lawyer and must make the budget adviser's findings available to Council staff.

Applicants may also elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Residential

The rating unit must be the primary residence of the ratepayer.

When considering whether financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors:

- Age
- Physical or mental disability
- Injury
- Illness
- Family circumstances
- All property and other assets (including financial assets)

The Council must be satisfied that the ratepayer does not have the financial capacity to pay their rates instalment when demanded, or the payment of rates instalment would create financial hardship to the ratepayer.

Non-residential Rating units

The postponement of rates is a last resort to assist commercial, industrial, business or farming ratepayers after all other avenues to meet commitments have been exhausted. The financial hardship must be caused by circumstances outside the business's control.

In addition to the general criteria, the following criteria for non-residential applications must also be considered.

Criteria for postponement of rates for non-residential rating units, in cases of hardship are as follows:

- The applicant must be unable to pay their rates because of business circumstances.
- The applicant must have tried all other avenues (including a loan from their bank) to fund their rates.
- The net value of an applicant's property (after the value of all the mortgages on the property and the total value of the rates postponed) must exceed 10% of the market value of the property.

16. Postponement of Rates for Māori freehold land

Council's policy is that rates for Māori freehold land will not be postponed but instead will be dealt with under the rate remission policies for Māori land.

Definition - General Definitions in relation to the whole Rate Remission & Postponement Policy

For the purpose of these policies, words used in the singular include the plural, and words used in the plural include the singular.

APICULTURE refers to any commercial bee keeping activities from the sitting of beehives on a rating unit.

ARREARS means unpaid rates as at 30 June of the rating year prior to application.

CARBON FARMING refers to any land use in which landowners capture economic benefit from carbon sequestration.

COUNCIL means the Gisborne District Council or the Te Kaunihera o Te Tairāwhiti and includes any person or agent authorised by the Gisborne District Council.

CONTIGUOUS means next to each other or separated only by a road, railway, drain, water race, river, or stream.

CULTURAL HERITAGE means historical, archaeological, tradition or other special cultural significance associated with human activity.

ENCUMBRANCE means protection by way of an item registered on the land title such as a covenant or encroachment, in the case of private land.

FINANCIAL HARDSHIP means that the ratepayer is unlikely to have sufficient funds after the payment of rates for the care of any dependents, reasonable living expenses, health care and provision for the maintenance of their homes and chattels.

HORTICULTURAL BLOCK is determined by Council's valuer based on the Rating Valuation Rules.

LANDLOCKED LAND means a piece of land to which there is no legal or reasonable access.

LAND USE is used in this policy in the context of rating definitions as documented in the Rates Setting Policy.

LGRA 02 refer to Local Government (Rating) Act 2002.

MĀORI FREEHOLD LAND is the land whose beneficial ownership has been determined by the Māori Land Court by freehold order (Section 5 LGRA 02)

NATURAL DISASTER has the same meaning as in Earthquake Commission Act 1993 Section 2 (1).

NATURAL HERITAGE AREA means Protection Management Areas and areas of significant indigenous vegetation and significant habitats of indigenous fauna within the district which are voluntarily protected in a manner ensuring the long-term protection of natural heritage values contain within them.

OCCUPIED means a formal right by occupation order or informal right by license to occupy Māori Freehold land, or other arrangements are in place are exercised.

OCCUPIER means a person, persons, organisation, or business entity that is using a rating unit or portion of a rating unit under a lease, license, or other formal agreement for a specified period of time.

POSTPONEMENT means an agreed delay in the payment of rates for a certain time, or until certain defined events occur.

RATES as defined in the Local Government Rating Act 2002.

RATING UNIT means a rating unit for the purposes of the Rating Valuation Act 1998.

RATEPAYER As defined by the LGRA 02, section 11.

REASONABLE ACCESS has the same meaning as in Property Law Act 2007 Part 6 Section 326.

REMISSION means that rate is not paid by the ratepayer but is recorded as being paid by Council on behalf of the ratepayer.

SUBDIVISION is deemed to have the same meaning as 'subdivision' under Resource Management Act 1991.

TARGETED RATE as defined in the LGRA 02.

UNIFORM ANNUAL GENERAL CHARGE (UAGC) is a general rate set and assessed by Council. It's a fixed amount charged to each separately used or inhabited part of a rating unit. (SUIP).

LAND USE is whereby a person leases the land; resides on the land; de-pastures or maintains livestock on the land; stores anything on the land; and/or uses the land in any other way.

UNOCCUPIED means no one resides, de-pastures or maintains livestock, store anything on/ or uses the land in any other way according to Section 96 of LGRA 02.

WHENUA RAHUI means reserve or reserve land set aside for a special purpose.

11. Reports of the Chief Executive and Staff for INFORMATION



24-21

Title: 24-21 Treasury Report - 31 December 2023
Section: Finance & Affordability
Prepared by: Chris Page - Financial Services Team Leader
Meeting Date: Wednesday 21 February 2024

Legal: No

Financial: Yes

Significance: **Low**

Report to FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee for information

PURPOSE - TE TAKE

The purpose of this report is to report on the Council's interest rate exposure, debt, and cash position as of 31 December 2023 compared to forecasts and policy limits.

SUMMARY – HE WHAKARĀPOPOTOTANGA

The Council was compliant with its Treasury Policy as of 31 December 2023 in every aspect except for counterparty credit risk, where the investment exposure with ANZ was out of policy. Council has a policy limit of \$25m for total exposure with ANZ, actual total exposure was \$26.3m at 31 December 2023.

In May and June 2023 Council received funding of over \$30m towards large woody debris/silt removal and commercial silt removal to aid Cyclone Gabrielle clean up and recovery. There is no impact other than being temporarily out of Investment Policy given that we are holding this cash in advance to distribute.

At 31 December 2023, the Council's external debt was \$147.8m against the full-year Annual Plan budget (to 30 June 2024) of \$148m.

Interest rate cover is \$30.5m for the month of December 2023 and the Council also has \$29.5m of forward start swaps in place. This is in line with Council's Treasury Strategy to keep within our minimum fixed/floating interest rate cover. At the end of December 2023, our fixed-rate cover was 41% of our debt forecast (Council policy is 40-90%).

Currently Council has 49% of its debt maturing in 0-3 years (Council policy is 15-60%), 47% in 3-7 years (Council policy is 25-85%), and 4% in 7 years plus (Council policy is 0-40%).

The decisions or matters in this report are considered to be of **Low** significance in accordance with the Council's Significance and Engagement Policy.

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Notes the contents of this report.

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: Treasury strategy, Council Treasury Management Policy, Debt position, Actual & Forecast borrowing,

TREASURY REPORT 31 December 2023

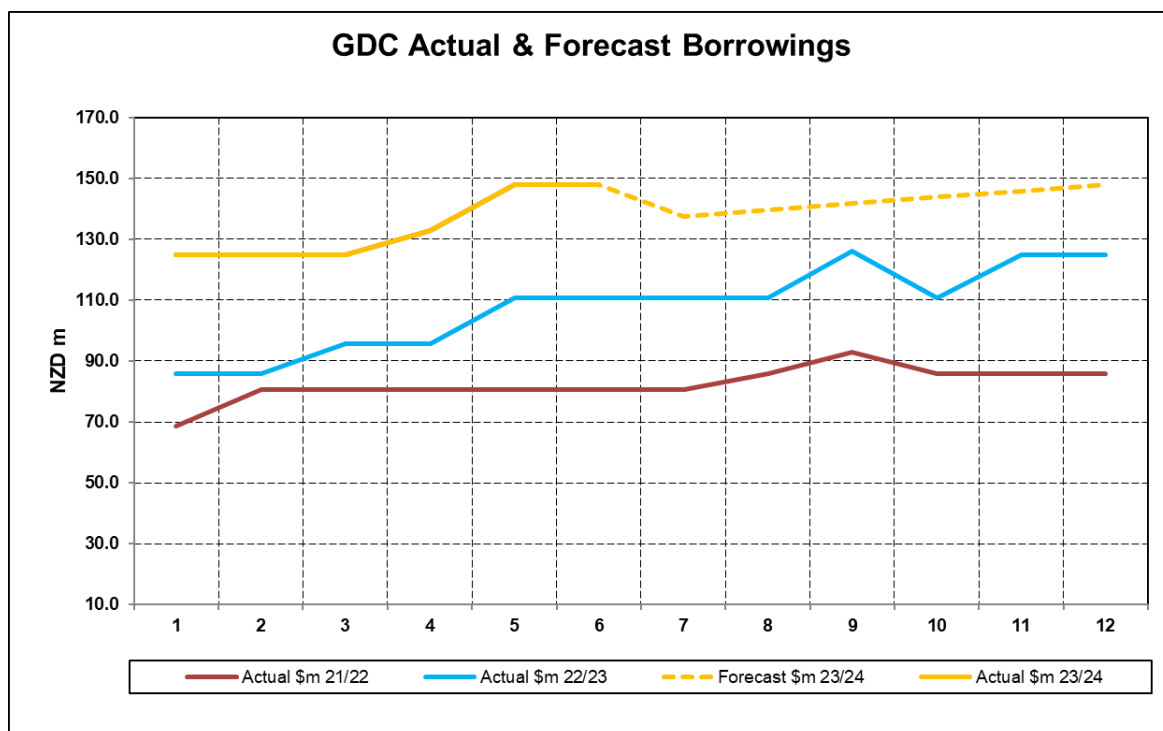
Detailed Reports

Cash Management (General Funds)				
Deposit/Loan	Rate	S&P Rating	Maturity	Amount
Westpac Bank Balance - WPB	0.25%	AA-	Current	\$2.1m
Money Market Deposit - WPB	5.50%	AA-	Current	-
Term Deposit - ANZ	5.92%	AA-	12 April 2024	\$5.0m
ANZ Retentions Account	5.50%	AA-	Current	\$2.2m
Short Term Deposit - ANZ	5.50%	AA-	Current	\$15.0m

Debt Position

External (Public) Debt	31 Dec 2023	30 Sep 2023
Opening Balance	\$124.8m	\$124.8m
Plus: Long Term Loans Raised	\$23.0m	-
Less: Long Term Loans Repaid	-	-
Plus/(less): Movement in Short Term Loans	-	-
Total External Debt	\$147.8m	\$124.8m

December 2023	September 2023
\$147.8m	\$124.8m



BACKGROUND - HE WHAKAMĀRAMA

1. Council's Treasury Management Policy is a focus on a 'corridor style' approach. The corridor approach refers to an upper limit and a lower limit within which Council needs to fall to be within policy.
2. This approach is more flexible and is typically a better fit for councils with increasing debt over longer than a ten year plus time horizon. The policy strategically aligns the interest rate risk management framework within the Long-Term Plan (LTP) and associated debt path.
3. PricewaterhouseCoopers (PwC) are engaged by the Council to monitor, review, and give advice over the Council's Treasury Management. Monthly meetings assist us to match our treasury strategies' alliance within market conditions.

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

4. On 31 December 2023 Council's overall net debt position was \$122.3m against the full year Annual Plan budget to 30 June 2024 of \$148.0m. This is made up of external debt of \$147.8m offset by LGFA borrower notes of \$3.4m, money market deposits of \$17.1m and a term deposit of \$5m.
5. During the quarter ended 31 December 2023 Council drew down \$23m of debt through the Local Government Funding Agency. Of this debt \$5m was drawn to prefund debt maturing in April 2024 and is held in a term deposit.
6. Borrower notes are a financial instrument used to secure long-term debt.
7. The table below shows the Council's Loan Funding Facilities:

Table 1 – Loan Funding Facilities as of 31 December 2023

Bank		This Month	Available Facility	Unutilised Facility
ANZ (Bank Facility)		-	\$15.0m	\$15.0m
WPB (Bank Facility)		-	\$20.0m	\$20.0m
LGFA (Debenture Stock)		\$147.8m	\$147.8m	-
LGFA Borrower Notes		(\$3.4m)	(\$3.4m)	-
Total Debt	A	\$144.4m	\$179.4m	\$35.0m
Short Term Deposit (excl Retentions A/c)	B	\$22.1m	\$22.1m	-
Total Debt less short-term deposit	A - B	\$122.3m	\$157.3m	\$35.0m

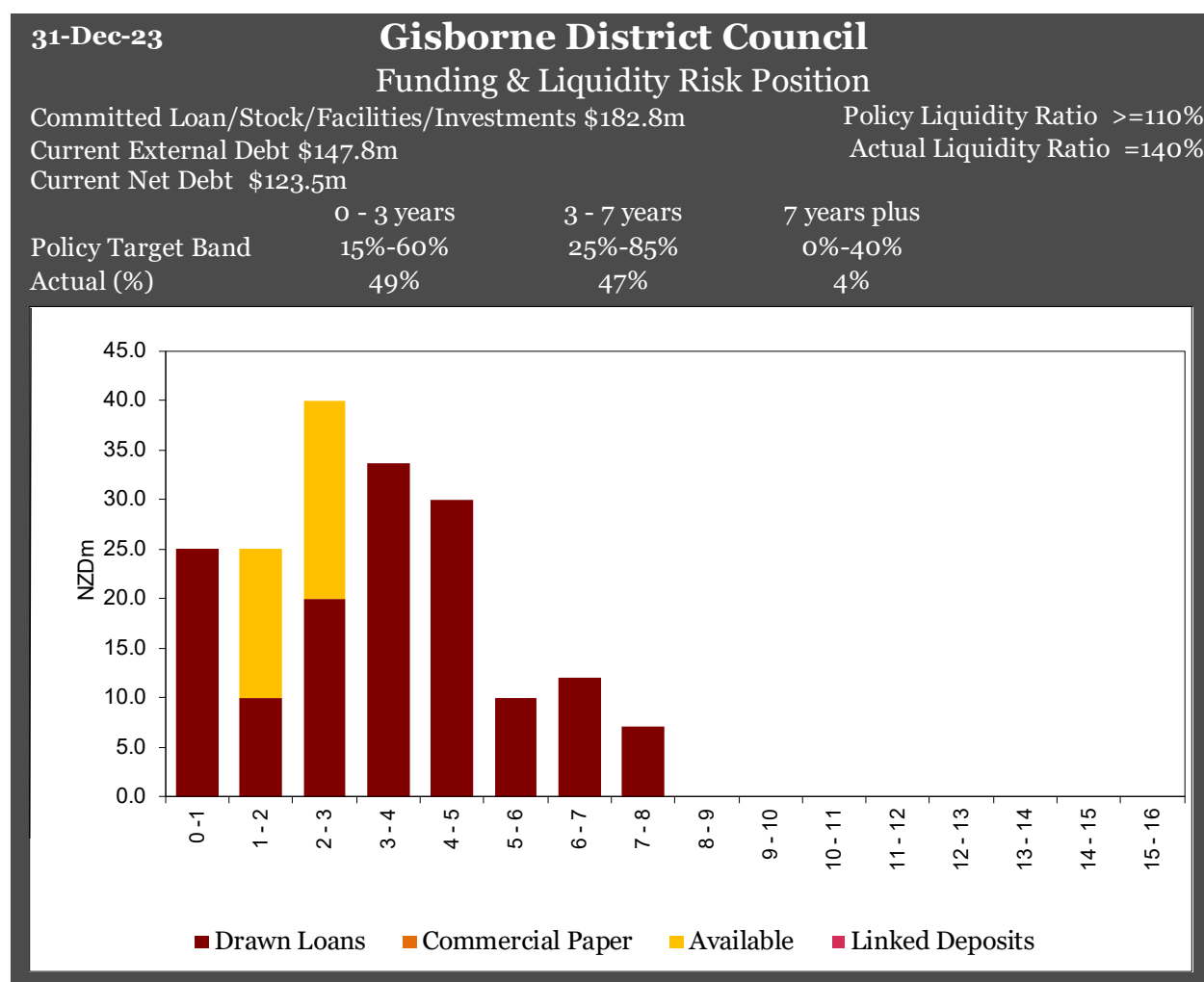
8. Prior to Cyclone Gabrielle Council's total bank facilities were \$25m. Councils Westpac facility has now been temporarily increased an additional \$10m to \$20m (taking Councils total facilities to \$35m) up until February 2024 (this additional facility has subsequently been extended a further 6 months to August 2024). This is to cover short-term cash deficits, mostly arising from timing discrepancies from external funding.

9. The following table and graph show the Council's current debt maturity profile:

Table 2 – Council's current debt maturity profile

Maturity Profile	Borrowing	Borrowing	Facilities	Facilities (Excluding Deposits)	Policy	Compliance
0 – 3 years	\$55.0m	37%	\$90.0m	49%	15–60%	✓
3 – 7 years	\$85.7m	58%	\$85.7m	47%	25–68%	✓
7+ years	\$7.1m	5%	\$7.1m	4%	0–40%	✓
Total	\$147.8m	100%	\$182.8m	100%		

Graph 1 – Council's Funding and Liquidity Risk Position



10. The following graph and table show that we are fully compliant with Council's Interest Rate Risk Policy:

Graph 2 – Council's Funding and Liquidity Risk Position

Interest rate risk timeline

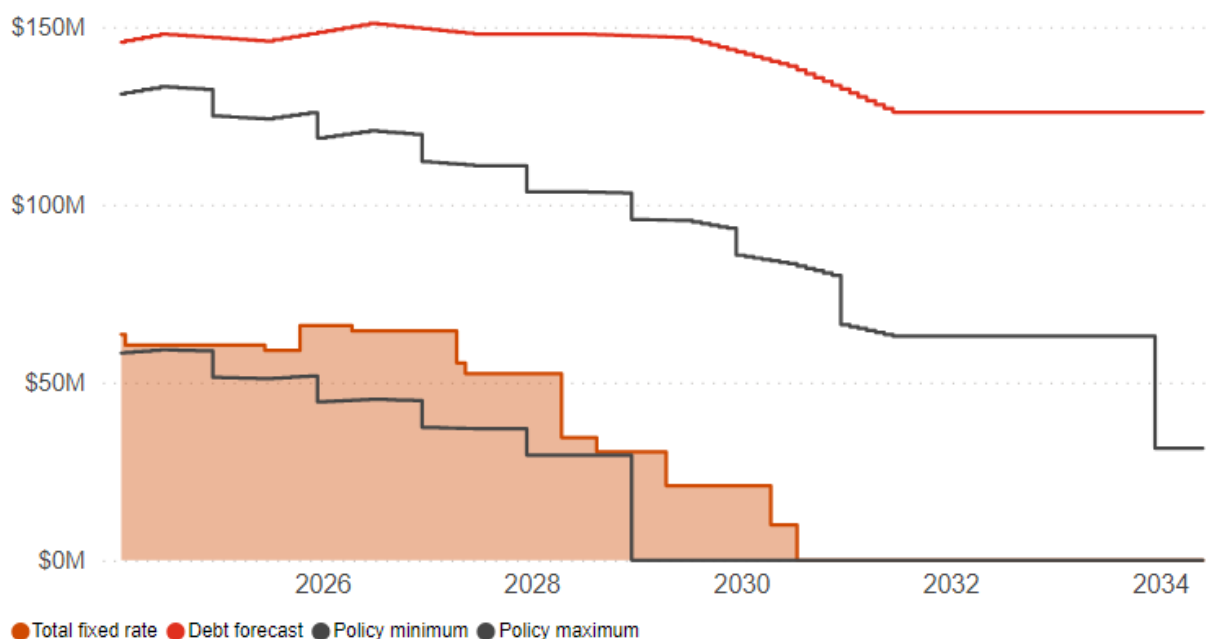
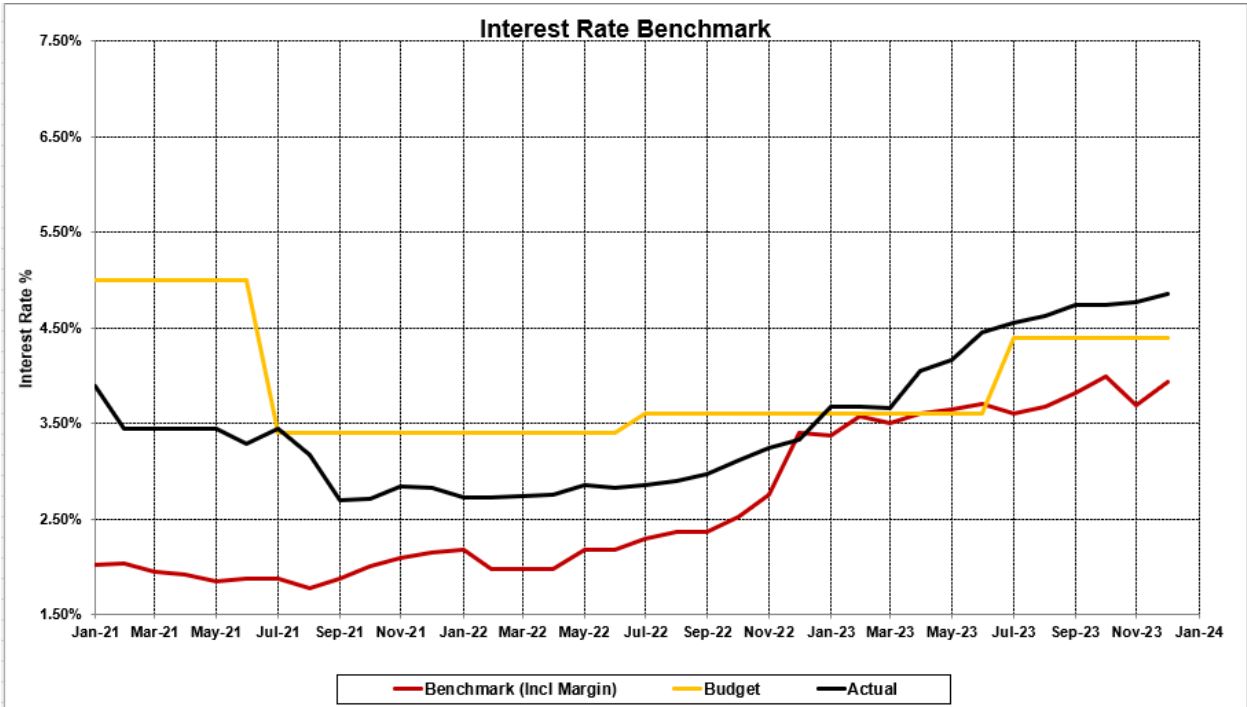


Table 3 – Council's Interest Rate Risk Policy

Debt Period Ending	Minimum %	Maximum %	Actual	Compliant (Y/N)
Current	40%	90%	41%	Yes
Year 1	40%	90%	41%	Yes
Year 2	35%	85%	41%	Yes
Year 3	30%	80%	43%	Yes
Year 4	25%	75%	39%	Yes
Year 5	20%	70%	28%	Yes
Year 6	0%	65%	17%	Yes
Year 7	0%	60%	8%	Yes
Year 8	0%	50%	0%	Yes
Year 9	0%	50%	0%	Yes
Year 10	0%	50%	0%	Yes
Year 11	0%	25%	0%	Yes
Year 12	0%	25%	0%	Yes
Year 13	0%	25%	0%	Yes
Year 14	0%	25%	0%	Yes
Year 15	0%	20%	0%	Yes

11. The Council currently has \$30.5m of interest rate cover in place, along with forward start swaps of \$29.5m.

Graph 3 – Council's Weighted Average Cost of Funds



- 12. The above graph shows the actual weighted average cost of funds for December at 4.85% which is higher than the 3.43% benchmark rate, and the budget assumed when preparing the Annual Plan 2023-24 of 4.40%.
- 13. With higher-than-expected inflation, the Official Cash Rate (OCR) increases has meant that the Council is now seeing higher interest rates than was forecast, and this is expected to continue for at least the next few years.
- 14. The Budget (yellow line) is the interest rate assumed during budget process, based on a set of assumptions around debt levels, capital spends income and expected OCR changes.
- 15. The Benchmark (red line) refers to a basket of interest rate swaps the Council uses to benchmark against, assuming no interest rate management is in place.
- 16. The Actual (black line) is the weighted average cost of Council's debt – including bank margins, interest rate swaps and line fees. The actual line fluctuations are based on the debt levels and short-term cash requirements.

Interest Costs

Table 4 – Council's Interest Costs and Swaps Fair Value

	YTD Actual Dec 2023	YE Budget Jun 2024	YE Actual Jun 2023
Interest Cost	\$3.8m	\$6.1m	\$4.8m
Fair Value of Swaps	\$0.5m		\$1.7m

17. The fair value of swaps is the bank's current market pricing (as of 31 December 2023) of the difference between the 90-day swap rates and the fixed rate of the swap for the duration of the swap.
18. In the half year to 31 December 2023, Council's fair value of swaps has decreased from a \$1.7m asset to a \$0.5m asset. The fair value of \$0.5m is the estimated paper value asset, recognised under New Zealand accounting rules. The Council receives no actual cash for the change in fair value of its swaps; however, the \$1.2m year to date movement is recognised as a loss in the Council's Statement of Financial Performance under Finance Costs.
19. Swaps are a mechanism used to minimise risk. Council fixes rates so we know what we must pay. If the swap "fixed rate" is higher than the current floating rates, the bank benefits, and if the swap "fixed rate" is lower than the floating rate, Council benefits.

Counterparty Credit Risk

20. Council is temporarily outside of Policy with its counterparty credit risk as of 31 December 2023 by exceeding the investment policy limits with ANZ. Council's overexposure with ANZ was \$1.3m with total exposure of \$26.3m against the policy limit of \$25.0m.
21. Counterparty is an internal metric of Council's to reduce over exposing cash/term deposits/derivatives with just one bank in the event they collapsed, spreading, and smoothing.
22. The non-compliance in investment exposure is a result of Council receiving funding of over \$30m towards large woody debris and silt removal and commercial silt removal to aid in Cyclone Gabrielle clean up and recovery.
23. There is no impact other than being temporarily out of policy given that we are holding this cash in advance to distribute.
24. All counterparty banks are Standard & Poor's AA-rated.

Table 5 – Council's counterparty credit risk

Bank	Notional	Total Exposure	Compliance
ANZ	\$25.0m	\$26.3m	Outside Policy
WBC	\$25.0m	\$2.9m	Within Policy

Table 6 – Borrowing Limit Compliance as of 31 December 2023

Ratio/Covenant	Policy Compliance	Current Position
Net debt as a % of income = <130%	✓	118%
Net interest as a % of income <10%	✓	4%
Total debt per capita <\$2,800	✓	\$2,778
Net external debt per rateable unit <\$6,400	✓	\$5,135
Net interest as a % of rates income <15%	✓	6%
Liquidity over existing external debt >=110%	✓	140%

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation

Overall Process: Low Significance

This Report: Low Significance

Impacts on Council's delivery of its Financial Strategy and Long Term Plan

Overall Process: Low Significance

This Report: Low Significance

Inconsistency with Council's current strategy and policy

Overall Process: Low Significance

This Report: Low Significance

The effects on all or a large part of the Gisborne district

Overall Process: Low Significance

This Report: Low Significance

The effects on individuals or specific communities

Overall Process: Low Significance

This Report: Low Significance

The level or history of public interest in the matter or issue

Overall Process: Low Significance

This Report: Low Significance

25. The decisions or matters in this report are considered to be of **Low** significance in accordance with Council's Significance and Engagement Policy.

Title: 24-29 Financial Report 31 December 2023

Section: Finance & Affordability

Prepared by: Melanie Hartung - Finance Manager

Meeting Date: Wednesday 21 February 2024

Legal: No

Financial: Yes

Significance: **Low**

Report to FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee for information

PURPOSE - TE TAKE

The purpose of this report is to provide a high-level overview of Council's financial results for the period ended 31 December 2023.

SUMMARY – HE WHAKARĀPOPOTOTANGA

The report covers the Council's financial performance for the period ended 31 December 2023. It includes commentary against a year to date (YTD) Annual Plan on the Statement of Comprehensive Revenue and Expenses and Capital Expenditure.

For the first half of 2024 Council has a net surplus of \$2m, lower than what was expected in the YTD Annual Plan net surplus of \$3.9m. The main drivers for the lower-than-expected net surplus are due to Gisborne Holdings Limited (GHL) unrealised dividend and from financial accounting loss on interest rate swaps. The loss may or may not eventuate when the swaps are finally realised in the future.

A summary of the main financial indicators for December 2023 are:

- **YTD total revenue** is \$125.7m, a large portion of this (\$49.5m) related to subsidies for roading reinstatement works and commercial silt and woody debris removal. There is also a \$900k unfavourable variance relating to the GHL dividend which is unlikely to be paid.
- **YTD total expenditure** is \$123.7m, of this \$53.7m relates to emergency reinstatement costs and commercial silt and woody debris removal costs. Finance costs include an unbudgeted \$1.2m accounting loss for the fair value movement of swaps.
- **YTD capital expenditure** is \$34m, (110%) against the YTD Annual Plan. The capital expenditure is ahead of the Plan, mostly due to Roothing capital expenditure on reinstatement and bridge repairs after cyclone Gabrielle and water supply Sang Dam pipeline and water main pipeline. These works are externally funded.

The decisions or matters in this report are considered to be of **Low** significance in accordance with the Council's Significance and Engagement Policy.

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Notes the contents of this report.

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: Financial performance, Total revenue, Expenses and Capital Expenditure

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation

Overall Process: Low Significance

This Report: Low Significance

Impacts on Council's delivery of its Financial Strategy and Long Term Plan

Overall Process: Low Significance

This Report: Low Significance

Inconsistency with Council's current strategy and policy

Overall Process: Low Significance

This Report: Low Significance

The effects on all or a large part of the Gisborne district

Overall Process: Low Significance

This Report: Low Significance

The effects on individuals or specific communities

Overall Process: Low Significance

This Report: Low Significance

The level or history of public interest in the matter or issue

Overall Process: Low Significance

This Report: Low Significance

1. The decisions or matters in this report are considered to be of **Low** significance in accordance with Council's Significance and Engagement Policy.

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - Financial Report 31 December 2023 [**24-29.1** - 10 pages]



Index	Page
Statement of Comprehensive Revenue & Expenses	1
Notes on Statement of Comprehensive Revenue & Expenses	2
Statement of Financial Position	3
Notes on Statement of Financial Position	4
Capital Expenditure by Activity	5 - 9

Statement of Comprehensive Revenue and Expenses
For the Period Ended 31 December 2023

	Note	Dec-23 Actual \$000s	Year to date Budget \$000s	Variance \$000s	Full Year Budget \$000s
REVENUE FROM NON-EXCHANGE TRANSACTIONS					
Grants and Subsidies - Operational	1	59,208	60,958	(1,750)	112,745
Grants, Donations, Subsidies and Contributions - Capital	2	18,996	16,917	2,079	34,496
Other Non Exchange Revenue	3	349	1,067	(718)	2,196
General Rates And Uniform Annual General Charge		13,234	13,095	139	24,276
Targeted Rates		24,584	24,584	(0)	51,081
REVENUE FROM EXCHANGE TRANSACTIONS					
Development and Financial Contributions		414	829	(415)	1,658
Other Revenue	4	6,043	6,590	(547)	12,795
Targeted Water Rates		1,357	1,358	(0)	3,771
Dividends	5	0	900	(900)	1,800
Interest Received		1,525	0	1,525	0
Other Gains/(Losses)	6	0	(115)	115	(230)
Total Revenue		125,710	126,181	(471)	244,588
EXPENSES					
Employee Benefit Expenses	7	16,226	16,662	436	33,428
Expenditure on Operating Activities	8	87,964	87,707	(257)	164,692
Depreciation and Amortisation	9	14,526	14,736	211	29,473
Financing Costs	10	4,992	3,079	(1,913)	6,158
Total Expenses		123,707	122,184	(1,523)	233,751
Net Surplus/(Deficit) Before Taxation		2,003	3,997	(1,994)	10,837
Subvention payment		0	0	0	400
Net Surplus/(Deficit)		2,003	3,997	(1,994)	11,237
Gains/(Losses) on Property Revaluation		0	0	0	48,223
TOTAL COMPREHENSIVE REVENUE AND EXPENSES		2,003	3,997	(1,994)	59,460
CAPITAL EXPENDITURE	11	34,337	31,174	(3,163)	70,229

Notes to the Statement of Comprehensive Revenue and Expense

01 Grants and Subsidies – Operational

Most of this revenue comes from roading subsidies through Waka Kotahi and other grants. \$49.5m relates to reinstatement of roading emergency works and central government grants for silt and woody debris removal.

02 Grants, Donations, Subsidies and Contributions – Capital

The capital grants revenue is mostly from Waka Kotahi for roading renewals \$10.8m, and central government grants and insurance for reinstatement of critical infrastructure \$5.6m for the water supply projects – Lamella Filtration and Waingake Reinstatement.

03 Other Non-Exchange Revenue (Includes penalties, infringement fees, court enforcement fees, and other fees)

This includes court enforced fees, penalties received and infringements.

04 Other Revenue (Rent income, lease income, and all other fees and charges)

Other revenue includes fees and charges such as dog registration fees, rents, parking fees and trade waste charges.

05 Dividends

Annual Plan dividends are mostly arising from Gisborne Holdings Limited (GHL). GHL have signalled that no dividend will be paid this year.

06 Employee Benefit Expenses

Employee Benefit expenses are under budget due to vacancies.

07 Expenditure on Operating Activities

Expenditure on operating activities relates to roading emergency reinstatement costs of \$42.6m. Cyclone recovery costs of \$11.1m for woody debris and silt removal (commercial).

08 Depreciation and Amortisation

The depreciation for the year is based on estimates. Actual depreciation may move slightly after estimated growth movements are calculated for the year.

09 Financing Costs

Financing costs are \$1.9m over the Annual Plan. The main driver of this is the \$1.2m recognised for the fair value movement in our interest rate swaps. These values may or may not eventuate when the swaps are realised in the future. There is also \$1.5m of unbudgeted interest revenue that offsets against the interest expense costs.

10 Capital Expenditure

Capital expenditure for the period is \$34.4 (110%) against the year-to-date Annual Plan. More information regarding capital projects can be found under "Notes to Capital Expenditure" below.

Statement of Financial Position
For the Period Ended 31 December 2023

		YTD	Full Year
	Notes	Actual \$000s	Budget \$000s
CURRENT ASSETS			
Cash & Bank	01	24,301	7,798
Non Exchange Trade and Other Receivables	02	4,165	11,475
Exchange Trade and Other Receivables	03	13,097	20,471
Inventories	04	45	120
Derivative Financial Instruments	11	733	37
Non Current Assets Held for Resale	05	80	80
Total Current Assets		42,421	39,981
CURRENT LIABILITIES			
Deposits Held	06	615	535
Trade and Other Payables	07	44,546	39,558
Employee Benefits and Suspense	08	2,792	3,180
Borrowings	09	15,000	5,000
Provisions for Other Liabilities	10	468	85
Total Current Liabilities		63,420	48,359
Total Net Working Capital		(20,999)	(8,378)
NON CURRENT ASSETS			
Derivative Financial Instruments	11	(109)	861
Property Plant and Equipment	12	2,662,957	3,030,144
Intangible Assets	13	6,138	7,447
Biological Assets	14	1,263	1,540
Investments	15	35,869	34,387
Total Non Current Assets		2,706,117	3,074,379
NON CURRENT LIABILITIES			
Borrowings	9	132,800	143,444
Employee Benefit Liabilities	8	111	122
Provisions for Other Liabilities	16	2,002	2,249
Emission Trading Scheme Liabilities	17	795	2,570
Total Non Current Liabilities		135,708	148,386
Total Net Funds Employed		2,549,409	2,917,615
EQUITY			
Accumulated Surplus		529,429	586,304
Special Funds	18	48,632	33,554
Revaluation Reserves	19	1,971,349	2,297,758
Total Equity		2,549,409	2,917,615

Notes to the Statement of Financial Position

- 01 Cash at Bank**
Westpac current account balance and overnight ANZ money market. There is also a \$5m term deposit which will be used to repay debt maturing in April 24.
- 02 Non-Exchange Trade and Other Receivables**
Includes rates receivable and other current receivables such as Waka Kotahi receivables.
- 03 Exchange Trade and Other Receivables**
Includes sundry debtors, prepayments, and GST where receivable.
- 04 Inventories**
Includes product and or stock on hand.
- 05 Non-Current Assets Held for Resale**
Includes any identifiable assets that have been held for disposals. Decisions relating to disposals must be approved by Council.
- 06 Deposits Held**
Includes footpath deposits, bond deposits and theatre ticket sale deposits.
- 07 Trade and Other Payables**
Includes accounts payable, sundry creditors, audit fee accruals, GST where payable and other IRD payables, Waerenga o Kuri Liability.
- 08 Employee Benefits Liabilities and Suspense**
Includes holiday pay and other current and non-current employee benefit liabilities.
- 09 Borrowings**
Includes long term and short-term borrowings from LGFA and Money market loan obtained from other banks.
- 10 Provisions for Other Liabilities - Current**
Includes provision for various legal matters and other liabilities.
- 11 Derivatives Financial Instruments**
Interest rate swaps.
- 12 Property Plant and Equipment**
Council's fixed assets.
- 13 Intangible Assets**
Includes computer software.
- 14 Biological Assets**
Includes the value of livestock and forestry.
- 15 Investments – Non-Current**
Includes investments in GHF and CCTO.
- 16 Provisions for Other Liabilities – Non-Current**
Includes non-current provisions such as Paokahu landfill and Waiapu landfill aftercare provisions.
- 17 Emissions Trading Scheme**
Provision for Emission Trading Scheme Liability.
- 18 Special Funds**
Includes various reserves such as depreciation reserve.
- 19 Revaluation Reserves**
Gain on asset revaluation.

Gisborne District Council
Statement of Capital Expenditure for the period ended 31 December 2023

Activity	Notes			% Spent	
		Dec 2023 Actuals YTD \$000s	Dec 2023 Budget YTD \$000s	YTD Actuals of YTD Budget %	2023 / 2024 Full Year Budget \$000s
Including Major Projects					
Community Lifelines		28,663	24,393	118%	52,898
Roading	1	15,599	14,038	111%	28,076
Wastewater	2	2,494	2,302	108%	3,943
Stormwater	3	216	738	29%	3,103
Water Supply	4	6,567	5,424	121%	9,556
Solid Waste	5	1	73	1%	3,948
Land, Rivers, Coastal	6	3,785	1,819	208%	4,272
Liveable Communities	7	3,905	4,752	82%	12,567
Land Soil and Resources		1,178	1,714	69%	2,890
Theatres		-	3	0%	11
Conveniences		288	293	98%	667
Reserves		311	477	65%	4,563
Cemeteries		-	35	0%	139
Community Property		1,612	1,376	117%	1,662
Art & Public Places		417	737	57%	2,359
Pool Operations		30	21	141%	21
District Library Ops		70	96	73%	257
Regional Leadership & Support	8	1,647	1,892	87%	4,480
Information Services		597	1,148	52%	2,131
Customer Services & Townships		96	95	101%	675
Recovery Centre		57	-	0%	-
Water and Coastal Resources		349	416	84%	1,134
Civil Defence		302	-	0%	-
Environmental Monitoring		52	44	116%	111
Facilities & Plant Management		195	189	103%	428
Environmental Services & Protection	9	7	-	0%	-
Monitoring and Enforcement		7	-	0%	-
Commercial Operations	10	115	136	84%	284
Community Housing		115	136	84%	284
		34,337	31,174	110%	70,229

Notes to the Draft Statement of Capital Expenditure 31 December 2023**Roading**

The roading full year budget is \$28.1m. This is made up of renewals (\$18.4m), PGF (\$6.1m) and other projects (\$3.6m) that include walking and cycling and subsidised Township projects.

Capital spend to date is at 111% of the phased budget for the first half of the year at \$15.6m. Renewals through December account for 70% of spend, \$3.5m was used for works on reinstatement of bridges after the cyclone Gabrielle, this is externally funded by CIP.

The East Cape Provincial Growth Fund (PGF) works commenced in October, with spend to date of \$1.2m. They are underway to be finished within August 2024.

Wastewater

The wastewater full year budget is \$3.9m. This full year budget consists of the final works on Wastewater Treatment Plant (\$0.8m) and mainly renewals (\$3.1m).

Actuals YTD are \$2.5m against YTD budget of \$2.3m, 108%. The \$0.2 overspend is related to Back Ormond Road pumpstation spend, which is funded by unspent budget from previous year.

The Wastewater Treatment Plant major project is in commissioning stage with spend \$0.9m to date. The overspend of \$0.1m is covered by a remaining grant from CIP. Trial operations are scheduled to start in February with compliance testing to be completed April/May.

Stormwater

Stormwater projects are mainly renewals and Drainwise Program of capital works with yearly budget of \$3.1m.

Renewals are \$522k behind half yearly budget of \$738k. This is mostly related to timing as majority of stormwater renewal works is scheduled for a second part of the financial year.

Water Supply

Water Supply capital budget includes \$3.2m of renewals and \$6.4m for upgrade. \$5.5m of the upgrade is for the commissioning of the Lamella Filtration at the Waingake water treatment plant.

Total actual costs are \$6.6m against a budget of \$5.4m. Water supply projects are up on the YTD budget due to 100% insurance funded works on Sang Dam pipeline and due to spend on UV plant installation which is covered by unspent budget from previous financial year.

Council spent \$542k on renewals of water supply assets to date. The focus was on post-cyclone restoration and upgrades in the first quarter of the year. Reinstatement works include \$805k of reinstatement costs for Sang Dam pipe and water main pipe coating. These costs are being claimed from NEMA and our insurance.

Lamella filtration works spend to date is \$4.8m against the full budget of \$5.5m. This is also NEMA and insurance funded.

Solid Waste

There are 7 projects in this budget, the largest is the relocation of the Tokomaru Bay transfer station with a budget of \$750k and Wheelie bins project with \$2.8m for the year.

The actual spend to date is currently \$72k behind budget. This is due to phasing of the budget, no significant capital expenditure was expected in the first half of the year.

A location of the new transfer station was selected and works are anticipated to start in March, once agreement on additional external funding has been signed. It is intended to put an order in for new wheelie bins in the last quarter of the financial year.

The remaining 5 projects are provisions for renewal of capex, as and when they are needed. It includes provisions for transfer stations, litter bins, heritage landfill remediation and Paokahu closed landfill.

Land, Rivers and Coastal

The main project in this budget includes \$4.2m for the Waipaoa River Flood Control Scheme.

The Waipaoa River Flood Control Scheme is on track and contracts are in place, the works are progressing as planned.

Total actuals are \$3.8m against the budget of \$1.8m, out of which \$1.4m are restoration costs.

Liveable Communities

The Kiwa Pools project was finished in the first quarter, a demolition of the old building has been postponed until March/April 2024. Also included are major projects The 1000 Year Walkway Bridge - \$1.5m, and Waingake Restoration - \$2.9m.

Land, Soil and Resources – is mostly the Waingake Transformation Project which is \$1.2m, \$536k below budget. The difference to plan is due to the reduced need to weeding and pine pulling in the year due to cooler weather in previous years and a delay in a purchase of new plants for next round of planting in the upcoming winter.

The 1000 Year Walkway Bridge spend is \$216k behind budget, this is due to phasing. All below ground works on foundations are complete, walkaway bridge is being fabricated offsite with a delivery scheduled for February 2024. We are on track to complete as planned in May 2024.

Regional Leadership & Support Services

Several activity budgets sit under this grouping. Information Services has a \$2.1m full year budget with the main projects being Digitisation of Records \$849k and Existing core hardware and software renewals \$776k.

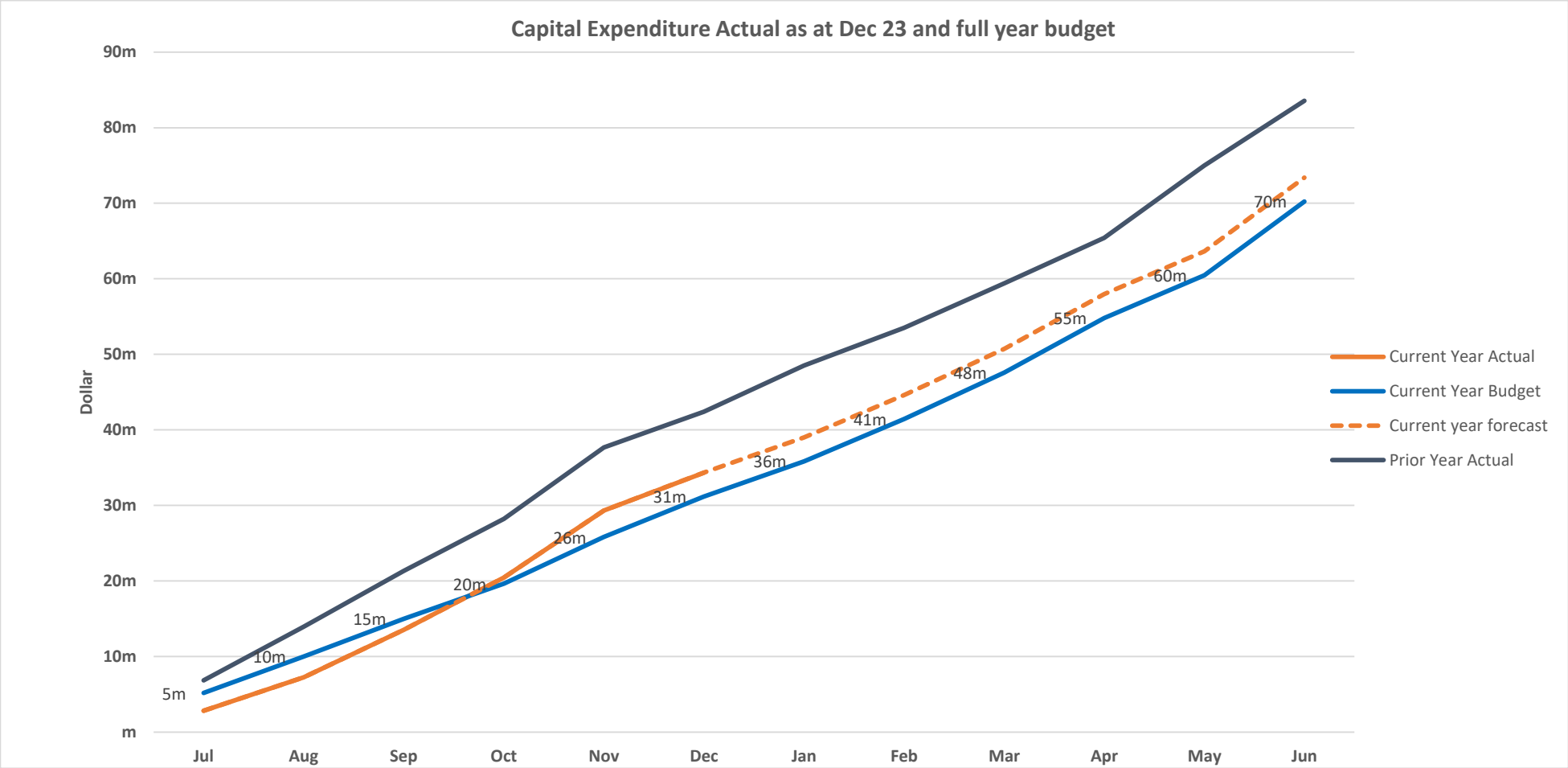
Actual costs for this group are \$1.6m (87%) against YTD plan of \$1.9m.

Environmental Services & Protection

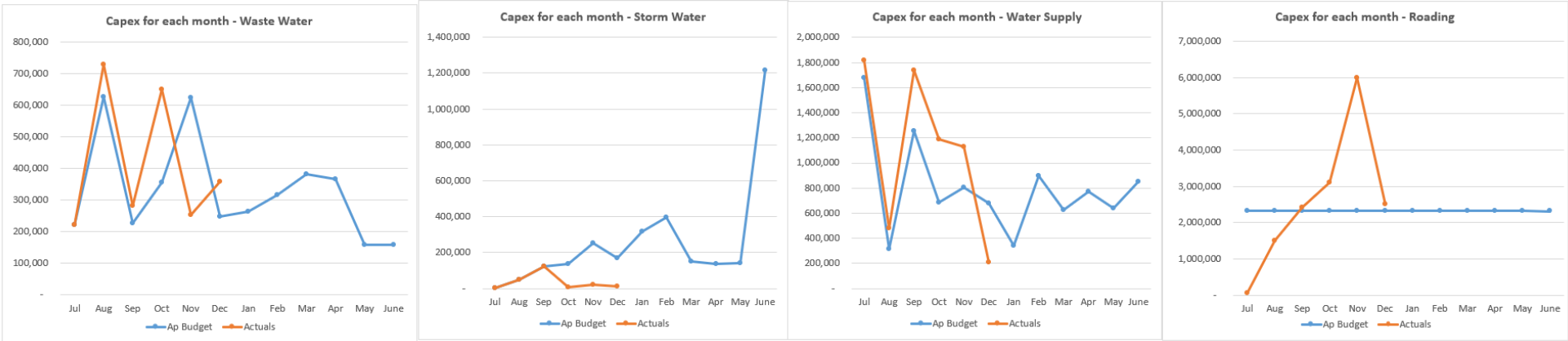
There is no capital budget in the area in 2024 financial year.

Commercial Operations

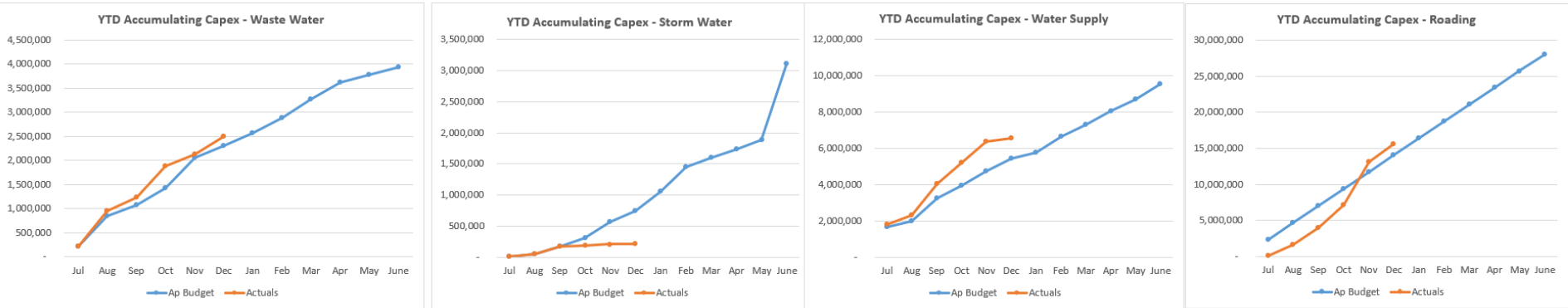
This budget is for Staff and Community Housing upgrades, where GHL manages and oversees this work.



Gisborne District Council
Periodical CAPEX charts for the period ended December 2023



YTD Accumulating CAPEX Charts



12. Public Excluded Business

RESOLUTION TO EXCLUDE THE PUBLIC

Section 48, LOCAL GOVERNMENT OFFICIAL INFORMATION and MEETINGS ACT 1987

That:

1. The public be excluded from the following part of the proceedings of this meeting, namely:

Item 4.1 Confirmation of confidential minutes 8 November 2023

Public Excluded Business

Item 12.1 24-60 Trust Tairāwhiti - Statement of Intent

2. This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information & Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

Item 4.1	7(2)(b)(ii)	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(j)	Prevent the disclosure or use of official information for improper gain or improper advantage.
Item 12.1	7 (2) (h)	Enable any Council holding the information to carry out, without prejudice or disadvantage, commercial activities.

3. That Doug Jones (Trust Tairawhiti Chief Executive) and David Bath (Trust Tairawhiti Chairman) are permitted to remain at this meeting after the public has been excluded because of their knowledge of the Trust Tairawhiti draft Statement of Intent. This knowledge will be of assistance in relation to the matter to be discussed.