



# Volume II



# Part 5 - Policies

- ▶ Statement of Accounting Policies
- ▶ Council Policies

*Followed by:*

- ▶ Water & Sanitary Service Assessment Summary
- ▶ Summary of Waste Management Plan





# statement of accounting policies

## Reporting Entity

The Buller District Council is a territorial local authority governed by the Local Government Act 2002.

The primary objective of Buller District Council is to provide goods and services for the community or social benefit, rather than making a financial return. Accordingly, Buller District Council has designated itself and the group as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial prospectives do not include the consolidated prospectives of Council Controlled Organisations except for Westport Airport Authority which is a joint venture.

## Statement of Responsibility and Cautionary Note

The 2012/2022 Long Term Plan was authorised for issue by Council on 27 June 2012.

The purpose of this Long Term Plan is to consult with the community on the planned activities and expenditure of Council over the next 10 years. The use of this information for purposes other than for which it was prepared may not be appropriate.

The Council is responsible for the prospective financial statements presented, including the appropriateness of the underlying assumptions and related disclosures. The prospective financial statements have been prepared in compliance with FRS-42 Prospective Financial Statements.

## Basis of Preparation

The prospective financial statements of Buller District Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of schedule 10, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of certain infrastructural assets, investment property and financial instruments.

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$1,000) unless stated. The functional currency of Buller District Council is New Zealand dollars.

## Subsidiaries

Subsidiaries are those entities where Buller District Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where Buller District Council controls the majority voting power of the governing body or where such policies have been irreversibly predetermined by Buller District Council.

The subsidiaries of Buller District Council are Buller Holdings Limited, WestReef Services Limited, Westport Harbour Limited, Buller Recreation Limited.

Buller District Council measures the cost of a business combination as the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs attributable to the business combination.

Any excess of the cost of the business combination over Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, is recognised as goodwill. If Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the difference will be recognised immediately in the surplus or deficit.

The purchase method of consolidation has been used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line by line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

Buller District Council's investment in its subsidiaries is carried at cost in the Buller District Council's own "parent entity" prospective financial statements.

The prospective financial statements only include prospectives for the parent entity (Buller District Council).

## Associates

An associate is an entity over which Buller District Council has significant influence and that is neither a subsidiary nor an interest in a joint venture.

Buller District Council accounts for an investment in an associate using the equity method. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the share of the surplus or deficit of the associate.

The Council has three associates, Tourism West Coast, West Coast Rural Fire Authority and Denniston Heritage Trust. Council has exempted these entities as is permitted under the Local Government Act (2002). Therefore the prospective financial statements do not include financial information for these associates.



## Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

Buller District Council has a 50/50 joint venture interest in the Westport Airport Authority with Ministry of Transport.

Buller District Council recognises in its prospective financial statements the assets it controls, the liability and expenses it incurs, and the share of income that it earns from the joint venture.

## Revenue

Revenue is measured at the fair value of consideration received. Revenue from the rendering of services is recognised by the reference to the stage of completion of the transaction at balance date based on the actual service provided as a percentage of the total services to be provided.

## Rates Revenue.

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

## Other Revenue

Buller District Council receives Government Grants from the New Zealand Transport Agency, which subsidises part of Buller District Council's costs in maintaining the local roading infrastructure. Grants are received from the Ministry of Health for eligible drinking water schemes. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure are fulfilled.

Sales of goods are recognised when a product is sold to a customer. Sales are usually in cash. The recorded revenue is the gross amount of the sale.

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Buller District Council are recognised as revenue when control over the asset is obtained.

Rental income is recognised on a straight line basis.

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive the payment has been established.

## Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

## Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure at the time when such application has been received.

Discretionary grants are those grants that Buller District Council has no obligation to award and are recognised as expenditure when a successful applicant has been notified of the Buller District Council's decision.

## Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill, or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising from investments in subsidiaries and associates, and interests in joint ventures, except where the Council can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is shown against the prospective surplus or deficit for the period, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.



## Leases

### Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Buller District Council recognises finance leases as assets and liabilities in the prospective Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Buller District Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the lease term or useful life, whichever is the shortest.

### Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of the asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

## Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown as current liabilities in the prospective Statement of Financial Position.

## Trade and Other Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

Loans, including loans to community organisations made by Buller District Council at nil, or below market interest rates, are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and the present value of the expected future cash flows of the loan is recognised in the prospective surplus or deficit.

A provision for impairment of receivables is established when there is objective evidence that Buller District Council will not be able to collect all the amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

## Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The write down from cost to current replacement cost or net realisable value is recognised in the prospective surplus or deficit.

## Non Current Assets Held for Sale

Non current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through the sale transaction rather than through continuing use. Non current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for writedowns of non current assets held for sale are recognised in the prospective surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have previously been recognised.

Non current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.



## Financial Assets

Buller District Council classifies its financial assets into the following four categories:

- ▶ Financial assets at fair value through profit and loss;
- ▶ Held-to-maturity investments;
- ▶ Loans and receivables; and
- ▶ Available for sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit and loss in which case the transaction costs are recognised in the prospective surplus or deficit.

Purchases and sales of investments are recognised on trade date, the date on which Buller District Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, Buller District Council having transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Buller District Council uses a variety of methods and makes assumptions that are based on market conditions existing at balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

## Financial Assets at Fair Value Through Profit And Loss

This category has two sub-categories:

- ▶ Financial assets held for trading
- ▶ Those designated at fair value through profit or loss at inception.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on remeasurement are recognised in the prospective surplus or deficit.

Currently Buller District Council recognises derivative financial instruments in this category.

## Held to Maturity Investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that Buller District Council has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the prospective surplus or deficit.

Currently Buller District Council does not hold any financial assets in this category.

## Loans and Receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the prospective surplus or deficit. Loans and receivables are classified as "trade and receivables" and short and long term investments in the Prospective Statement of Financial Position.

Investments in this category include loans to subsidiaries and other companies and term deposits.

## Fair Value through Other Comprehensive Income

Financial assets at fair value through other comprehensive income are those that are designated into this category at initial recognition or are not classified in any of the other categories above.

This category encompasses:

- ▶ Investments that Buller District Council intends to hold long-term but which may be realised before maturity.
- ▶ Shareholdings that Buller District Council holds for strategic purposes. Buller District Council's investments in its subsidiary and associate companies are not included in this category as they are held at cost whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in other prospective comprehensive income except for impairment losses, which are recognised in the prospective surplus or deficit.

Investments in this category include shares in other companies.



## Impairment of Financial Assets

At each balance sheet date Buller District Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the prospective surplus or deficit.

Any cumulative losses previously recognised in equity will be removed from equity and shown in the prospective surplus or deficit.

## Derivative Financial Instruments

Buller District Council uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, Buller District Council does not hold or issue derivative financial instruments for trading purposes. However derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date.

The gain or loss on re-measurement to fair value is recognised immediately in prospective surplus or deficit. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that Council would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Buller District Council has not adopted hedge accounting to account for its derivative financial instruments.

## Property, Plant and Equipment

Property, plant and equipment consist of:

**Council Assets** – These include land, buildings, plant and machinery, motor vehicles, office equipment, library books and the Airport runway.

**Infrastructure Assets** – These include roads, footpaths, traffic facilities, street lights, bridges, culverts, water reticulation, storm water reticulation, sewerage reticulation and landfill.

**Harbour Assets** – These include land, buildings, wharves, plant and machinery, office equipment, motor vehicles and harbour vessels.

*Property, plant and equipment is shown at cost or revaluation, less accumulated depreciation and impairment losses.*

## Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Buller District Council and the cost of the item can be reliably measured.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

## Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the prospective surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

## Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Buller District Council and the cost of the item can be measured reliably.



## Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment, other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

<b>Council Assets:</b>	<b>Depreciation Rate (%)</b>	<b>Useful Life (Years)</b>
Motor Vehicles	15%	7
Office Equipment	10% to 50%	2 - 5
Plant and machinery	3.33% to 15%	7 - 30
Buildings	1% to 10%	10 - 100
Library Books	10%	10
<b>Airport Runway:</b>		
- Basecourse	1.3%	75
- Seal	5%	20

<b>Infrastructure Assets:</b>	<b>Depreciation Rate (%)</b>	<b>Useful Life (Years)</b>
<b>Roads:</b>		
- Formation	Not Depreciated	
- Basecourse- unsealed roads	Not Depreciated	
- Basecourse – sealed roads	1% to 2%	50 - 100
- Seal	4% to 12.5%	8 - 25
<b>Footpaths:</b>		
- Basecourse	Not Depreciated	
- Pavement	1.25% to 10%	10 - 80
Traffic facilities	5% to 10%	10 - 20
Street lights	3.33%	30
Bridges	2% to 6.67%	50 - 100
Culverts	1.11% to 1.25%	80 - 90
<b>Water Reticulation:</b>		
- Drain	Not depreciated	
- Kerb and Channelling	1.25%	80
- Pipes	1.10% to 4.10%	25 - 100
- Valves, hydrants	1.67%	60
- Intake structures	1.11% to 2%	50 - 90
- Reservoirs	1.25%	80
- Resource Consents	2.85%	35
- Pump stations	2% to 6.67%	15 - 50
- Treatment Equipment	2% to 6.67%	15 - 50
- Tunnels	0.7% to 4%	25 - 150
<b>Stormwater Reticulation:</b>		
- Pipes	1% to 1.42%	70 - 100
70 - 100		
<b>Sewerage Reticulation:</b>		
- Pipes	1.05% to 2%	50 - 95
- Treatment Plants	1.11% to 6.67%	15 - 90
- Pump Stations	1.11% to 6.67%	15 - 90
- Manholes	1.11%	90

<b>Harbour Assets:</b>	<b>Depreciation Rate (%)</b>	<b>Useful Life (Years)</b>
Wharves	1.67%	60
Buildings	2.5%	40
Plant and Machinery	3.3% to 10%	10 - 30
Office Equipment	20% to 33.5%	3 - 5
Motor Vehicles	10% to 20%	5 - 10
Harbour Vessels	5% to 6.7%	15 - 20

Capital work in progress is not depreciated. The total cost of the project is transferred to Property Plant and Equipment on its completion and then depreciated.

The residual value and useful life of an asset is reviewed and adjusted if applicable, at each financial year end.

## Revaluation

Those asset classes that are revalued are valued on a basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

**Council Land**- The Airport land was revalued to fair value as determined by market based evidence by an independent valuer. The most recent valuation was performed by Quotable Value with an effective date as at 30 June 2005. Council land is recognised at deemed cost.

**Harbour Land** - The Harbour land was revalued to fair value as determined by market based evidence by an independent valuer. The most recent valuation was performed by Quotable Value with an effective date as at 30 June 2005. Harbour land is recognised at deemed cost.

**Infrastructural Assets** – The infrastructural assets are valued on a two yearly valuation cycle at fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date Buller District Council assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets fair value. The most recent valuation was performed by Aurecon and the valuation is effective as at 30 June 2010. All infrastructural asset classes carried at valuation were valued. The total value of infrastructural assets valued by Aurecon on 30 June 2010 was \$257,933,000.

## Accounting for Revaluation

Buller District Council accounts for revaluations of property, plant and equipment on a class of assets basis.

The results of revaluing are credited or debited to an asset revaluation reserve. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the prospective surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit, will be recognised first in the prospective surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve.

## Intangible Assets

### Goodwill

Goodwill is initially measured at its cost, being the excess of the cost of the acquisition over Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill on acquisition of subsidiaries is included in intangible assets by applying the purchase method.

Goodwill arising in business combinations is not amortised. Instead, goodwill is tested for impairment annually. After initial recognition, Buller District Council measures goodwill at cost less any accumulated impairment losses. An impairment loss recognised for goodwill will not be reversed in any subsequent period.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination, in which the goodwill arose.

## Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at cost, including transaction costs.

After initial recognition, Buller District Council measures all investment property at fair value as determined annually by an independent valuer. The most recent valuation of investment property was carried out by Darroch Valuations with an effective date as at 30 June 2011.

Gains or losses arising from a change in the fair value of investment property are recognised in the prospective surplus or deficit.



## Impairment of Non Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of an asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits of service potential.

The value in use for cash generating assets is the present value of expected future cashflows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the prospective surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the prospective surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss was previously recognised in the prospective surplus or deficit, a reversal of the impairment loss is also recognised in the prospective surplus or deficit.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the prospective surplus or deficit.

## Employee Entitlements

### Short Term Benefits

Employee benefits that Buller District Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Buller District Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Buller District Council anticipates it will be used by staff to cover future absences.

Buller District Council recognises a liability and expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

### Long Term Benefits

#### - Long Service Leave and Retirement Leave

Entitlement that are payable beyond 12 months, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- ▶ Likely future entitlements accruing to staff, based on years of service, years to entitlement and the likelihood that staff will reach the point of entitlement : and
- ▶ The present value of the estimated future cash flows. A discount rate of 4%, and a inflation factor of 2% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long term increase in remuneration for employees

### Superannuation Schemes

#### - Defined Contributions Schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Prospective Statement of Comprehensive Income as incurred.

## Provisions

Buller District Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

## Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

## Equity

Equity is the communities interest in Buller District Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- ▶ Retained earnings;
- ▶ Restricted reserves; and
- ▶ Asset revaluation reserve.

## Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Prospective Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the prospective statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## Cost Allocation

Buller District Council has derived the financial impact for each significant activity using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using an appropriate cost driver.



## Critical Accounting Estimates and Assumptions

In preparing these financial statements Buller District Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that form a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

### Landfill Aftercare Provision

The Landfill Aftercare Provision Note discloses an analysis of the exposure of Buller District Council in relation to estimates and uncertainties surrounding the landfill aftercare provision.

## Infrastructural Assets

There are a number of assumptions and estimates used when performing valuations over infrastructural assets which include:

- ▶ The physical deterioration and condition of an asset, eg Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible such as stormwater, wastewater and water supply pipes that are underground. The risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- ▶ Estimating any obsolescence or surplus capacity of an asset; and
- ▶ Estimates made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by local conditions, eg weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the prospective surplus or deficit. To minimize the risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructure Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers prepare Council's infrastructural asset revaluations. The last valuation was prepared by Aurecon on 30 June 2010.



# Council policies

The following policies have been adopted by Council as required by the Local Government Act 2002 and the Local Government (Rating) Act 2002.

- ▶ Policy on Significance
- ▶ Policy on Partnerships with the Private Sector
- ▶ Revenue and Financing Policy
- ▶ Treasury Management Policy
- ▶ Policy for Development and Financial Contributions
- ▶ Consultation Policy
- ▶ Rates Remission Policy
  - ~ Policy for Rates Relief on Maori Freehold Land
  - ~ Policy on Remission of Uniform Charges on Non-Contiguous Rating units owned by the same ratepayer
  - ~ Policy on Uneconomic Balances
  - ~ Policy on Remission on General Rates - land used and/or occupied by community, sporting and other organisations
  - ~ Policy on Promotion and Development rate and charge - land used and/or occupied by community, sporting, emergency service, specialised welfare and other organisations
  - ~ Remission for Rates and Charges in times of extenuating circumstances





## Introduction

Persuant to Section 90 of the Local Government Act 2002 (the Act), Council adopted a policy on Significance setting out:

- ▶ Council's general approach to determining the significance of proposals and decisions in relation to the significance, is the more significant the issue the higher the standard of compliance required.
- ▶ Consultation – the degree of significance will assist Council when considering consultation with persons who will or may be affected by or have an interest in the decision or matter.
- ▶ Disclosure – the degree of significance will assist in determining the extent and detail of information to be disclosed by Council when reporting to the District, or the amount of information included in the consultation papers.
- ▶ Inclusion in the LTP – the degree of significance may also determine whether a decision on a matter must be explicitly included in the LTP, and in a statement of proposal which has been considered under a special consultative procedure

## General Approach to Determining which Proposals and Decisions are Significant (Section 90(1)(a) of the Act)

When determining the question of the significance of proposals and decisions in relation to issues, assets or other matters the Council will determine the extent to which:

- ▶ The consequences or impacts of the issue, assets, or other matters, affect a large number of residents and ratepayers to a moderate extent.
- ▶ The consequences or impacts of the issue, assets or other matters, affect a small number of residents and ratepayers to a large extent.
- ▶ The issue, asset or other matters have a history of generating wide public interest within Buller District or New Zealand generally.

Thresholds, Criteria and Processes for Determining which Proposals and Decisions are Significant (Section 90(1)(b) of the Act)

When undertaking a process to determine the extent to which issues, proposals or decisions or other matters are significant, the Council could use the following thresholds, criteria and procedures:

## Thresholds

- ▶ Issues, assets or other matters that incur more than 5% of Council's asset base, or 5% of Council's budgeted turnover.
- ▶ Any transfer of ownership or control, or the construction, replacement or abandonment of a strategic asset as defined by the Act or listed in this policy.
- ▶ The sale of Council's shareholding in any Council-controlled trading organisation or Council-controlled organisation.
- ▶ Entry into any partnership with the private sector to carry out a significant activity, or any new proposal to contract out the delivery of any Council function.

## Criteria

Whether the asset is a strategic asset within the meaning of the Act or listed in this policy.

- ▶ The extent to which there is or is likely to be a change in the level of service in carrying out any significant activity.
- ▶ The extent to which there is or is likely to be a change in the way in which any significant activity is carried out.
- ▶ The extent to which there is or is likely to be a change in the capacity of the Council to provide any significant service or carry out any significant activity.
- ▶ The extent to which any decision is likely to be controversial in the context of numbers of people affected, the area affected or the duration of the effect.

## Procedures

In achieving this Policy:

- ▶ Where any issue, policy, decision or other matter triggers one or more thresholds, the matter shall be reported to Council.
- ▶ Each report shall include a statement indicating that the issue, policy, decision or other matter has been considered in regard to Council's Policy on Significance. The report shall include an assessment of the degree of significance of the issue, policy, decision or other matter, based on the criteria outlined in this Policy
- ▶ If the issue, policy, decision or other matter is considered to be significant, the report to Council will also include a statement addressing the appropriate observance of such of Sections 77, 78, 80, 81 and 82 of the Act as are applicable.
- ▶ Once an issue, policy, decision or other matter is determined as significant in accordance with the application of this Policy, the decision making provisions of the Act shall be applied as outlined in Sections 76 to 81 of that Act.

## Assets Considered Strategic

Section 5 of the Act defines strategic asset as follows:

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

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

Activity/Group of Activities	ASSET	Strategic Issues				
		Learning	Prosperity	Well-being	Who we Are	Sustainable Environment
Investments	100% shareholding in Buller Holdings 50% ownership of Westport Airport joint venture		●			
Water Supply	The water supply network as a whole including reservoirs, treatments plants, pump stations and reticulation		●	●		●





# policy on partnerships with the private sector

## Premise

Buller District Council recognises the value of forming partnerships with private sector entities when appropriate and the assistance that these partnerships can provide in enhancing community well being and achieving community outcomes.

## Policy Objective

To enable Council's consideration of partnership arrangements with the private sector for the provision of infrastructure and services where such a partnership is likely to deliver better value for money or enhanced community well being based on cost, time and financial arrangements.

## Legislative Requirement

In accordance with Section 102 (1) and Section 107 of the Local Government Act 2002 (Act) the Council has adopted and shall comply with this policy in relation to partnerships with the private sector.

## Section 107 Policy on Partnerships With Private Sector

### 1. Policy adopted under Section 102 (4)(e) -

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

### 2. In this section, partnership with the private sector means any arrangement or agreement that is entered into between 1 or more local authorities and 1 or more persons engaged in business; but does not include

- (a) any such arrangement or agreement to which the only parties are -
  - (i) local authorities; or
  - (ii) 1 or more local authorities and 1 or more Council organisations; or
- (b) a contract for the supply of any goods or services to, or on behalf of, a local authority.



## Policy

### Definition

For the sake of clarity this policy refers to partnerships with private business only. Contracts for the supply of goods and service to the local authority, as well as agreements with community organisations, charitable trusts and other community groups, government departments, not-for-profit-organisations, other local authorities and council controlled organisations are outside the parameters of this policy.

### Scope

Without limiting the scope of Council's commitment and by way of example, commitment of Council resources to partnerships will generally be in the form of grant, loan, investment, or loan guarantee.

### Funding or Other Resources

The circumstances, which Council will provide funding or other resources to any form of partnership with the private sector, will generally be the following:

- ▶ The core function or functions of the partnership are identified as satisfying a specific community need or a community need as identified in the Long Term Plan;
- ▶ The partnership is structured so as to efficiently and effectively deliver enhanced service levels;
- ▶ The partnership will be assessed against the public interest in terms of effectiveness, accountability, and transparency, together with the need to ensure equity for disadvantaged groups, public access, consumer law, and security and privacy rights.

### Consultation

Council will not be required, but may elect, to consult with the community in respect of any proposal to provide funding or other resources to any form of partnership with the private sector unless the partnership or the services provided relate to a matter that is defined as significant in Council's policy on significance.

### Conditions

Council may impose conditions before providing funding or other resources to any form of partnership with the private sector. These will generally include:

- ▶ An emphasis on transparency and disclosure of processes and outcomes, acknowledging the need to protect commercial confidentiality where appropriate;
- ▶ Risk allocation between the partners being clear and enforceable, with consequential financial security when loans or grants have been made to the partner;
- ▶ Outputs will be clearly specified including measurable performance standards;
- ▶ Council's responsibilities for the monitoring of outcomes will be clearly articulated;
- ▶ Mechanisms for delivering ongoing value for money will be included;
- ▶ All private sector parties will be fully accountable to Council for the delivery of the specified project and/or services;
- ▶ Clear processes for dispute resolution between Council and the partner will be included in any formal partnership agreements.

## Risks

Any risks associated with any such provision of funding or other resources shall be assessed and managed in the following manner:

- ▶ There will be a process of risk identification between the parties to the partnership;
- ▶ Council may wish to transfer risk to whoever is best able to manage it taking into account public interest considerations;
- ▶ The part allocated risk shall have the freedom to choose how to handle and minimise any risk, but not in such a manner as to increase Council's or the community risk

## Monitoring and Reporting on Progress

Monitoring and reporting on the progress of the partnership with regards to the objectives and attainment of required performance standards will be a requirement of the private sector partner. The frequency of reporting will vary but will in no case be less than once a year. Transparency and disclosure of the processes and outcomes will be key elements in the design and operation of partnership arrangements.

## Assess, Monitor and Report

Council will assess, monitor, and require reports on the extent to which community outcomes are furthered under the partnership with the private sector. Progress on partnership arrangements will be monitored and reported in accordance with the Council's financial programme and reporting regime.





# revenue & financing policy

## Background

Section 102(4)(a) of the Local Government Act 2002 states that a local authority must adopt a revenue and financing policy. The revenue and financing policy must state:

- The local authority's policies in respect of funding operating expenses from the sources listed below
- The local authority's policies in respect of funding capital expenditure from the sources listed below

## Changes to Funding Mechanisms

Activity	Current Funding Mechanism	Funding Mechanism Proposed
	Effective 1 July 2012	
Libraries	<b>Operating</b>	<b>Operating</b>
	75% General Rates 25% Fees	90% General Rates 10% Fees
Theatres	<b>Operating</b>	<b>Operating</b>
	60% General Rates 40% Fees	50% General Rates 50% Fees
Building Control	<b>Operating</b>	<b>Operating</b>
	10% General Rates 90% Fees	100% Fees
Environmental Health – Food Premises	<b>Operating</b>	<b>Operating</b>
	80% General Rates 20% Fees	100% Fees
Environmental Health – Liquor Licensing	<b>Operating</b>	<b>Operating</b>
	25% General Rates 75% Fees	100% Fees
Emergency Services - Civil Defence	<b>Operating</b>	<b>Operating</b>
	95% General Rates 5% Fees	100% General Rates

Activity	Current Funding Mechanism	Funding Mechanism Proposed
	Effective 1 July 2012	
Reserves	<b>Operating</b>	<b>Operating</b>
	95% General Rates 5% Fees	100% General Rates
	<b>Capital</b>	<b>Capital</b>
	Loans Special funds	Reserve Contributions Loans Special funds
Roading	<b>Operating</b>	<b>Operating</b>
	40% General Rates 60% Subsidy	<b>2012/13:</b> 41% General Rates 59% Subsidy
		<b>2013/14 onwards:</b> 42% General Rates 58% Subsidy
	<b>Capital</b>	<b>Capital</b>
Solid Waste	General Rates	General Rates Subsidies Loans
	<b>01 July 2012: Council Managed Transfer and Landfill operations:</b> 25% General Rates 75% Targeted Rates	<b>Capital</b> Loans Special Funds
	<b>Refuse:</b> Targeted Rates Bagsales	
	<b>Recycling:</b> Targeted Rates <b>01 July 2013: Council managed Refuse, Recycling and Management of Transfer Stations/Landfill:</b> Targeted Rates only	<b>Capital</b> Loans Special Funds

## Alternative funding sources (S(103(2)):

- ▶ General rates
- ▶ Targeted rates
- ▶ Fees and Charges
- ▶ Interest and Dividends from investments
- ▶ Borrowings
- ▶ Proceeds from Asset Sales
- ▶ Development contributions
- ▶ Financial contributions under the RMA
- ▶ Grants and subsidies
- ▶ Any other sources

In considering which funding sources are appropriate for each activity, Council has considered (S(101(3)):

- a) The promotion of community outcomes
- b) User/beneficiary pays – the distribution of benefits between the community as a whole, any identifiable part of the community and individuals
- c) Intergenerational Equity – the period in or over which those benefits are expected to come
- d) Exacerbator Pays – the extent to which the actions or inaction of particular individuals or groups contribute to the need to undertake the activity
- e) The costs and benefits of funding an activity in a different manner to the way other activities are funded, including consequences for transparency and accountability
- f) The overall impact on the current and future social, economic, environmental and cultural well-being of the community





Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2012
						General Benefits	Private Benefits	
Governance	Democracy	Elected Representatives	Statutory requirement Local Government Act 2002 Local Electoral Act 2001 and regulations	- All	Ongoing	All can be involved in democratic representation Social cohesion and community focus	Inangahua community benefits through separate board of Four members plus two Councillors	<b>Operating</b> 100% General rates  <b>Capital</b> No capital spend
		Community Planning and Consultation	The need for the Inangahua Community Board is created by the Inangahua Community Governance Structure for effective leadership, advocacy and accountable stewardship of the Council's assets and resources			Liaison with central government Equal access for all		
Community Services	Libraries	Library service	Supports lifelong literacy and learning for different ages and needs. Council's provision of services allows all residents the opportunity for information, knowledge, recreation and leisure at a community facility.	- Learning	Ongoing	Library facilities are provided for the entire community and enhance wellbeing. Better informed and educated community Equal access to all	Individuals who directly benefit from the service taking out books Researchers	<b>Operating</b> 90% General rates 10% Fees Land Valuation  <b>Capital</b> Loans Special Funds Grants
		Information service		- Who we are	Long term: Library books Library buildings			
	District Promotion and Development	Grants District Promotion Economic Development	District Promotion and Development Agencies and Businesses Local Business	- Prosperity - Wellbeing	Ongoing	Improved economic benefit of district	Local business	<b>Operating</b> 40% General rates 60% Targeted rate based on capital value.  Tiered flat rate plus targeted rate aimed at all commercial and industrial plus any tourism operator who advertises or is registered with a tourism organisation  \$130 - Tier 1 \$330 - Tier 2 \$630 - Tier 3 All home-based businesses who advertise/registered with tourism organisations - \$180  <b>Capital</b> Loan Special Funds

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2012
						General Benefits	Private Benefits	
Community Services	Recreation Facilities	Swimming Pool at Reefton	Users of facilities benefit from personal fitness and competition	Wellbeing	Ongoing	Community benefits in providing options for people to exercise and relieve the pressure on the health system	Users of pool	<b>Operating</b> 100% General Rates
		Community Centre at Reefton which provides an indoor community and sports venue, and gym facilities		Learning			Users of gym, pool and sports recreational facilities.	<b>Capital</b> Loans
		Solid Energy Centre in Westport, which provides gym, pool and sports facilities	The Solid Energy Centre can be used to attract regional and national sporting events	Who are we				
					Community benefits in providing options for people to exercise and relieve the pressure on the health system.	Enhanced health and well-being of community.	Opportunities for recreation and leisure.	Controlled safe environment for younger community.
	Theatre	Live performance	Theatre groups who use the theatre for performances	Who are we	Ongoing	Facility that can be used by all and enhances cultural well-being of district.  Overall public benefit.	Groups who need a venue for live performances.	<b>Operating</b> Fees - user pays 50% General rates 50% Land Valuation
Movies		Movie goers  School groups who use the theatre for performances		Long Term: - Theatre Venue	Residents who want to watch movies.		<b>Capital</b> Loans Special Funds Grants	
	Reefton Service Centre	Council Services	Reefton residents who require access to services	Who are we	Ongoing  Long Term: - building	Reefton residents and visitors to the area	Individuals and businesses requiring information or transaction processing	<b>Operating</b> 100% General Rates  <b>Capital</b> Special Funds
	Reefton Post Office	Postal Services	Reefton residents who require access to services	Who are we	Ongoing  Long Term: - building	Reefton residents and visitors to the area	Individuals and businesses requiring postal agency information or transaction processing	<b>Operating</b> 100% Fees  <b>Capital</b> Special Funds

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2012
						General Benefits	Private Benefits	
Community Services	Community Development and Support	Provision of grants	Volunteer organisations and individuals who want funding due to financial pressures	Who we are Learning	Ongoing	Grants paid to organisations benefit the whole community through improved facilities and cultural opportunities	Users of the services or facilities provided by grant recipients	<b>Operating</b> 100% General Rates  <b>Capital</b> No capital spend
		Vision 2010 rural projects	Council recognises that our rural communities face particular challenges in continuing to provide community services and facilities to their local populations. The Vision 2010 projects are designed to support local community initiatives to improve community facilities and projects that benefit residents.	Prosperity Who we are	Ongoing	The Vision 2010 projects are designed to support local community initiatives to improve community facilities and projects that benefit residents	Users of the community facilities	<b>Capital</b> 50% funded from General Rates 50% funded from external contributions
		Development of Cultural Hub	Council is looking to help revitalise the town centre environment through the creation of a cultural hub.  Cultural facilities like libraries, theatres and museums, along with information providers (such as I-Site) have resources and activities that appeal to people of all ages and cultures in our community, along with our visiting tourists. Museums provide a repository for the district's history in a way that is both enjoyable and helps to build understanding of our district and social identity. These facilities can be vital in drawing people to the heart of our town and encouraging further interactions, longer visits and encourage participation in social activities.  Having a hub within our Westport District assists in creating a feeling of vibrancy, activity and excitement.	Prosperity Who we are	Ongoing	These facilities can be vital in drawing people to the heart of our town and encouraging further interactions, longer visits and encourage participation in social activities.	Users of facilities  Business operators in the town and region	<b>Capital</b> 50% Funded by loan 50% Funded by External contributions
	Area Maintenance	<b>Employment Project:</b> Cleaning up litter in Westport	Keeps Westport tidy from litter and assists with minor employment opportunities.	Wellbeing	Ongoing	Westport residents and visitors to the area, and have a cleaner, litter-free town.  Better environment	Provides minor employment opportunities	<b>Operating</b> 100% Targeted Rates - Westport only  <b>Capital</b> No capital spend

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2012
						General Benefits	Private Benefits	
Regulatory Services	Resource Management Planning	District Plan - framework, regulation and control of subdivisions and environmental practices	Council administers the responsibilities imposed under the Resource Management Act (RMA) relating to the use of the land, air and water. This function requires the administration of the operative District Plan. To achieve a healthy and sustainable environment. The RMA Act places specific statutory functions on territorial authorities to promote the sustainable development of natural and physical resources.	Sustainable environment	Ongoing  Long Term: - District Plan	Entire district - Regulations Monitoring benefits  Contributes to the sustainable management and development of the district resources and of benefit to district as a whole		<b>Operating</b> 100% General Rates  <b>Capital</b> No capital spend
	Resource Management Consents	Resource Consents	Legislation - RMA  Resource Consent Applicants  Monitoring enforcement of land use.	Sustainable environment  Wellbeing	Ongoing	Entire district - Regulations Monitoring benefits.  There is also an element of benefit to the whole district by ensuring planning and development is done in a co-ordinated and not haphazard way.  Environment safeguards	Applicants for Resource Consents	<b>Operating</b> 100% Fees  <b>Capital</b> No capital spend
	Building Control	Building consents	The Building Act 2004 places substantial statutory function requirements on territorial authorities. The activity ensures buildings meet the requirements of the New Zealand Building Code.  To provide high quality safe solutions to the community for their building needs	Prosperity  Wellbeing	Ongoing	Benefit to the entire district of having buildings that comply with regulations.  Public health and wellbeing	Individuals who are building	<b>Operating</b> 100% Fees  <b>Capital</b> No capital spend
	Animal Control - Dogs	Dog licensing	Legislation below requires territorial authorities to enforce certain statutory functions regarding dog control:  - Dog Control Act 1996  - Impounding Act 1955  Animal control activities promote public welfare and safety	Wellbeing	Ongoing  Long Term: - Dog pounds	Entire district  - Complaint service  - Public safety	Those with dogs cause the problems.  Individuals will have delegated exercise areas for dogs.	<b>Operating</b> 15% General Rates 85% Fees  <b>Capital</b> Capital expenditure funded by loans

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2012
						General Benefits	Private Benefits	
Regulatory Services	Animal Control - Stock	Stock control	Legislation below requires territorial authorities to enforce certain statutory functions regarding stock control.  - Impounding Act 1955  Stock control activities promote public welfare and safety.	Wellbeing	Ongoing	Entire district  - Complaint service  - Public safety	Those with stock cause the problems	<b>Operating</b> 60% General Rates 40% Fees  <b>Capital</b> No capital spend
	Environmental Health - Food Premises	Licensing of premises	Legislation  - Food Hygiene Regulations 1974  - Health Act 1956  The activity ensures the enforcement of safety legislation to protect members of our community from potential risk.	Wellbeing  Sustainable Environment	Ongoing	Entire district benefits from health and safety in business meeting standards.  The community as a whole benefits through control of infectious diseases and monitoring of environmental standards.	Individuals who require certification of their businesses	<b>Operating</b> 100% Fees  <b>Capital</b> No capital spend
	Environmental Health - Liquor Licensing	Licensing of Premises	Sale of Liquor Act 1989  Gambling Act  The activity ensures the enforcement of safety legislation to protect members of our community from potential harm.	Wellbeing	Ongoing	Entire district - Regulated opening times / venues  Public health and safety	Individuals who require certification of their businesses	<b>Operating</b> 100% Fees  <b>Capital</b> No capital spend
	Environmental Health - Noise	Noise complaints serviced	This is driven by legislation via the Resource Management Act (RMA). People are not allowed to make 'excessive' noise and must ensure that noise from their property does not reach an 'unreasonable' level. Address nuisance activities.	Wellbeing	Ongoing	Health benefits from reduced noise levels	Promotion of a pleasant environment for the community.  No hazards from excessive noise levels	<b>Operating</b> 95% General Rates 5% Fees  <b>Capital</b> No capital spend
	Environmental Services - Rural Fire	Fires attended Training of locals Rural fire fighting capability	There is a requirement for this activity as per the Forest and Rural Fires Act. It ensures public safety and ensures that there are adequate plans to respond to hazards, risks and emergencies. It also ensures that there are sufficient trained personnel and response measures in place during an emergency.	Wellbeing	Ongoing  Long Term: - vehicles	Entire district as fire is contained / prevented	Individuals exposed to fire risk to safety and property	<b>Operating</b> 100% General Rates Fire attendance on cost recovery  <b>Capital</b> Loan

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2012
						General Benefits	Private Benefits	
Regulatory Services	Emergency Services - Civil Defence	Training of locals Civil defence preparedness	This activity is fundamental to achieving community preparedness for emergencies. There is a requirement for this activity as per the Civil Defence and Emergency Act. It ensures public safety and ensures that there are adequate plans to respond to hazards, risks and emergencies. It also ensures that there are sufficient trained personnel and response measures in place during an emergency.	Wellbeing	Ongoing	Provides certainty and assurance to public Council prepared to meet impact of natural disaster	Individuals requiring assistance during an emergency	<b>Operating</b> 100% General Rates  <b>Capital</b> Loans Special Funds
Property Management, Amenities & Reserves	Reserves	Parks	Provides the community with recreation facilities and relaxation areas	Wellbeing  Who we are	Ongoing  Long Term: - Land - Playground equipment	Use of parks is public  Promotion of a pleasant environment for the community.	Users of parks and reserves facilities	<b>Operating</b> 100% General Rates  <b>Capital</b> Reserve Contributions Loans Special Funds
		Sports grounds	Create a pleasant environment for the community.			Beauty and image of Buller district is enhanced		
		Reserves				Enhanced health and wellbeing		
		Playgrounds						
		Beach areas						
	Public Toilets	Toilet facilities	The provision of toilet facilities promotes the health and wellbeing of the district and environment.	Wellbeing	Ongoing  Long Term: - buildings	Public - non-exclusivity  Health and wellbeing of community	Individuals using facilities	<b>Operating</b> 100% General Rates  <b>Capital</b> Loans Special Funds
	Cemeteries	Interment facilities	Burial and Cremation Act 1974	Wellbeing	Ongoing  Long Term: - land	Community as a whole benefits from availability of interment facilities	Benefit for family of person interned	<b>Operating</b> 75% General Rates 25% Fees  <b>Capital</b> Loans or Special Funds
		Cemetery reserve Records enquiry service				Availability of heritage records		
	Property - Community	Community halls	Community and civic buildings provide for a diverse range of community activities	Wellbeing	Ongoing	All benefit from public buildings	Groups using halls	<b>Operating</b> 95% General Rates 5% Fees  <b>Capital</b> Loans Special Funds
		Service Centre - Westport		Who we are	Long Term: - buildings			



Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2012
						General Benefits	Private Benefits	
Property Management, Amenities & Reserves	Elderly Persons Housing	Pensioner housing	Provision of housing for the elderly assists our senior citizens to maintain their independence and remain in the community	Wellbeing  Who we are	Ongoing  Long Term: - buildings	Retaining the elderly within the community which retains our social character and mix	Tenants renting	<b>Operating</b> 100% Fees  <b>Capital</b> Loans or Special Funds
	Property Management - Private	Property Management of leased property	Management of leased land assists in the effective maintenance of Council's assets and facilities	Who we are	Ongoing  Long Term: - buildings	All benefit from return on investment	Leasehold tenants	<b>Operating</b> 100% Fees  <b>Capital</b> Loans or Special Funds
	Punakaiki Camping Ground	Holiday park accommodation for visitors	Provision of an area for both passive and active recreation and enjoyment	Wellbeing  Who we are	Ongoing  Long Term: - buildings	All benefit from extra visitors and economic gain	Customers using the facility	<b>Operating</b> 100% Fees  <b>Capital</b> Loans or Special Funds
Roading & Urban Development	Roading	Roads	Local Government Act 2002  Road Controlling Authority	Wellbeing  Prosperity	Ongoing  Long Term: - road construction and renewals	Sustainability of the community	Individuals using the transport network	<b>Operating</b> <b>2012/2013:</b> 41% General Rates 59% Subsidy  <b>2013/2014 onwards:</b> 42% General Rates 58% Subsidy
		Street lighting	This activity ensures property access and freedom of travel and supports the sustainability of the community.				Benefit from access to property and access to facilities	
		Footpaths					Improved safety of roads	
		Car parking spaces						<b>Capital</b> General Rates Loans
	Urban Development	Improving street and landscape in towns	More pleasant environment for our communities by use of planting, street treatment and decorative measures	Who we are	Ongoing  Long Term: - landscaping	Promotion of a pleasant environment for the community	Improved environment to residents and tourists	<b>Operating</b> 100% General Rates  <b>Capital</b> General Rates  <b>Street Berm Maintenance:</b> 100% targeted rate
Water Supplies	Community Water Supplies	Supply of water	Community health, safety and development. Provision of water supplies is a core function of Local Government	Wellbeing	Ongoing  Long Term: - new schemes / renewals	Supply of water for public toilets.  Fire fighting supply.	Residents able to be connected to supply.	<b>Operating</b> 100% Targeted Rates  Metered water for major users  <b>Capital</b>

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2012
						General Benefits	Private Benefits	
Solid Waste	Transfer Station (2012 only) and Landfill Operations	Disposal of rubbish	Necessary for the health and quality of life in the community	Wellbeing	Ongoing	Community facilities for rubbish disposal Better Environment	Residents able to dispose of unwanted rubbish	<b>Operating</b> 50% General Rates 50% Fees  Effective 01 July 2013 this activity will be managed by an independent contractor and Council's subsidy to the contractor will be funded by a targeted rate
		Close landfills and rehabilitate	Ensure that refuse is managed and disposed of in an efficient and sustainable manner that maintains the districts natural and aesthetic values	Wellbeing	Long Term - Buildings - Land			<b>Capital</b> Loans Special Funds
		Litter collection	Necessary for health and quality of life in community and disposed of in an efficient manner	Wellbeing	On-going			<b>Operating</b> 100% General Rates
	Refuse Collection	Collect household waste	Necessary for the health and quality of life in the community. Ensure that refuse is managed and disposed of in an efficient and sustainable manner.	Wellbeing	Ongoing	Better environment Public Health	Those using collection service	<b>Operating</b> 100% Targeted Rates Fees - bag sales (2012/2013 only)  Effective 01 July 2013 this activity will be managed by an independent contractor and Council's subsidy to the contractor will be funded by a targeted rate  Capital
		Recycling	Control disposal of waste by recycling	Recycling is a key component of modern waste management. Promotes sustainability of the environment by producing a fresh supply of the same material.	Wellbeing	Ongoing  Long Term - Buildings - Land	Sustainability of the environment. Enhances social responsibility. Future generations will benefit.	Residents wanting to partake in recycling

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2012
						General Benefits	Private Benefits	
Wastewater/Stormwater	Sewerage	Disposal of sewerage	Necessary for health and quality of life in the community	Wellbeing	Ongoing	Community health and wellbeing	Residents able to be connected to sewer	<b>Operating</b> 100% Targeted Rates Trade Waste Fees  <b>Capital</b> Targeted Rates Loans
		Disposal of trade waste			Long Term - New schemes / renewals	Maintains sanitation	Those disposing of trade water	
Wastewater/Stormwater	Stormwater	Collect and transport land drainage from property	Protection of property	Wellbeing	Ongoing	Public Health benefit	Urban properties benefit due to density of roading and footpaths	<b>Operating</b> 100% General Rates  <b>Capital</b> Loans Special Funds
			Health and safety as it reduces danger from flooding		Long Term - New schemes / renewals	Continuity of access to property	Drainage protection  Open drains in rural area	
Support Services	Corporate Services	General staff and administration services	Implement and support of all Council activities	All	Ongoing  Long Term - Office Equipment	Benefits community at large		Overheads reallocated back to other departments.  Internal review needed for operating costs
	Information Systems	Computer systems  Tele- communication networks	Availability of information and systems to support all Council activities and enable sound decision making.	All	Ongoing  Long Term - Computer systems	Benefits community at large	Individuals accessing databases and information	Overheads reallocated back to other departments.  Internal review needed for operating costs  <b>Capital</b> General Rates
Airport	Westport Airport	Airport Services	Public Transportation	Prosperity	Ongoing  Long Term - Buildings - Land	Economic benefit to all  Social and heritage value	Commercial / individual users benefit	<b>Operating</b> 100% Fees 50% Funded by Crown Remainder from General Rates  <b>Capital</b> Loans

## Ratepayers are currently rated on a system that uses Land Values as the basis for General Rates

**User charges** are used for those services where there is a benefit to an individual. If it is possible to efficiently impose a charge the Council does so, on the basis of either recovering the full cost of the service or a rate that the market will pay. The market rate can limit the potential for charging in circumstances where the Council believes that a charge set too high will adversely reduce use.

**General rates** are used to fund those services where the council believes there is a public benefit even though it may not be to the whole community. It typically funds “public goods” for which there is no practical method for charging individual users as the benefit is wider than just specific users. General rates fund a range of services which are used by individual ratepayers to varying extents. The council uses the general rate rather than a number of targeted rates in order to achieve a simpler rating structure. That simpler structure makes it easier for ratepayers to understand how they are being rated and it is also simpler and cheaper to administer. Rates are regarded as a tax which funds the collective community benefit rather than be any form of proxy for use of a service. Differentials are only used to ensure that other rates mechanisms do not alter the incidence in rates between the major rate payer groups. The rating policy ([page 327](#)) contains more information on rates.

**Targeted rates** are also used to fund community benefits and wider public goods. A targeted rate means a rate to be used exclusively to pay for that operating expense. It is used in circumstances where the council believes that the benefits from the services are such that the principles of a general rate approach (noted above) are not sufficient and that they should be targeted to a particular beneficiaries group. It is also used where the council considers that the level of charge is outside council's control and the extent of the rate should be clear to the community.

**Grants and subsidies** are used where they are available.

**Borrowing** is not generally used to fund operating expenses, but is used as a tool to smooth out major lumps in the capital replacement and acquisitions programme. The council may choose to borrow for an operating expense to give a grant to a community organisation that is building a community facility.

**Income from dividends, interest and net rental income** is used to offset the cost of provision of other services. Income from interest and dividends is included as revenue in the investments and governance activity. This revenue is utilised to reduce Council's general rates income stream.. Income from rental of property is applied to the activity which is the primary user of a facility, if the property does not have a primary use but is held for commercial or strategic purposes the rental is included investments and governance activity, and is applied to general purposes.

**Licence Fees** are charged where they are available as a mechanism. They are set as for user charges but may have constraints on the level of the fee. These constraints are established under various legislation.

**Enforcement fees** are charged when possible. The purpose of the fee is to promote compliance rather than to raise revenue, at times enforcement fees will recover the full cost and at other times it will not depending on the level of compliance and also the extent to which the charges are limited by statute or the courts.

### Funding of Capital

**Rates** in all forms will be used to fund an ongoing replacement programme and may be used to fund a portion of capital acquisition work. This will be balanced against the affordability for the current ratepayers and the extent to which a capital replacement or acquisitions programme is even over the period of the plan. Over the period of the plan the council will get to the point where asset renewals are being met from operating revenue, and also a contribution is being made to levels of service and growth capital.

**Borrowing** will be applied to capital works subject to the preceding statement on the use of rates. The council views debt as a smoothing mechanism and a means of achieving equity between time periods, however the council does not have an unlimited capacity to borrow and the community does not have unlimited capacity to service those loans into the future. Therefore, the council adopts a prudent approach to debt and its capital programme to ensure that the burden of debt and the interest cost does not place an impossible burden on the community. In doing so the council is conscious of its peak debt and its ongoing funding stream for debt servicing and work programme.

In the early years of the plan the council is borrowing to fund asset renewals. This is being done to achieve a balance between the level of rates rises and the sustainability of service levels. In the later years of the plan the council achieves sustainable funding and borrows for part of the level of service and growth capital works. This is outlined in the Prospective Funding impact Statement ([page 197](#)).

**Proceeds from asset sales** may be used to fund capital works or repay debt. The preferred option will be for debt repayment with any new works funded from new debt draw down. This method is favoured due to its transparency and the neutral effect it has on rating. There is no major planned asset sales programme over the period of this plan, but assets which are no longer required for strategic or operational purposes may be sold.

## INTRODUCTION

### Purpose of Policy

The purpose of the Treasury Management Policy is to outline approved policies and procedures in respect of all treasury activities to be undertaken by Buller District Council (BDC). The formalisation of such policies and procedures will enable treasury risks within BDC to be prudently managed. As circumstances change, the policies and procedures outlined in this policy will be modified to ensure that treasury risks within BDC continue to be well managed.

### Changes to Treasury Management Policy

#### **Borrowing Limits:**

- ▶ Maximum term of loans extended from 25 to 30 years.
- ▶ Liquid ratio parameter of 1:1 removed.
- ▶ Total debt per rateable property threshold of \$5,500 removed.

#### **Approved Financial Instruments:**

- ▶ Uncommitted money market facilities (call accounts) as an investment product added.
- ▶ Stock/bond issuance as a source of capital added.

## 1. Policy Objective

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

Council's broad objectives in relation to its Treasury activity are:

- ▶ Prudence - to ensure long term financial stability
- ▶ Manage the overall cash position of Council's operations
- ▶ Invest surplus cash in liquid and creditworthy investments
- ▶ Raise appropriate finance, in terms of both maturity and interest rate
- ▶ Minimise any risks

## 2. General Approach

Council is a risk-averse entity and does not wish to increase risk from its Treasury activities.

Activity which may be construed as speculative in nature is expressly forbidden.

Loans are repaid to the Treasury activity, six monthly, based on standard loan lives, depending on the useful life of the asset. The maximum term of any loan shall be 30 years.



### 3. Delegation of Authority and Authority Limits

Council has the following authorities in place for the Treasury functions.

Activity	Delegated Authority	Limit
Approving and changing policy	Council	Unlimited
Setting up Borrowing requirements	Council	Unlimited (subject to legislative and other regulatory limitations)
Drawing down debts & Re-financing existing debt	Chief Executive Officer	Subject to Council set limits
Approving transactions outside policy	Council	Unlimited (Subject to Council resolution)
Approving credit counterparty limits	Chief Executive Officer	Subject to Council set limits
Adjust interest rate risk profile on borrowing	Chief Executive Officer	Fixed/floating ratio between 55% and 95%
		Fixed rate maturity profile limit as per risk control limits
Managing funding maturities in accordance with Council approved facilities	Chief Executive Officer and Corporate Services Manager	Per risk control limits
Authorising lists of signatories	Chief Executive Officer	Unlimited and reviewed as and when required
		Annual letter to lender
Opening/closing bank accounts	Chief Executive Officer	Unlimited
Review of policy	Corporate Services Manager	Ongoing
Ensuring compliance with policy	Corporate Services Manager	Ongoing
Review key performance measures	Audit committee	Quarterly Reports

### 4. Liability Management Policy

Section 102(4) (c) of the Local Government Act 2002 states that a local authority must adopt a liability management policy. The liability management policy must state the local authorities policies in respects of both borrowings and other liabilities.

- 4.1 Council raises borrowing for the following purposes:
- ▶ To fund assets with inter-generational qualities
  - ▶ General debt to fund Council's Balance Sheet
  - ▶ Specific debt associated with "special one-off projects and capital expenditure

- 4.2 Council approves borrowings by resolution during the annual planning process.

A resolution of Council is not required for hire purchases, creditor 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 amount not exceeding in aggregate, an amount determined by resolution of Council, subject to Chief Executive approval.

#### 4.3 Specific borrowing limits

In managing borrowing, Council will adhere to the following limits:

- ▶ The gross interest expense of all borrowings will not exceed 15% of total annual revenues
- ▶ Debt to total income ratio of not more than 2.5 times
- ▶ Term of loans is not exceed to a maximum term of 30 years

*"Total Revenue" is defined as earnings from rates, government grants and subsidies, user charges, interest and other revenue.*

*"Rates" is defined as all income under the Local Government Rating Act 2002.*

#### 4.4 Risk recognition

Council has identified the following risks:

- ▶ Local government risk is priced to a higher fee and marginal level
- ▶ The Council's own credit standing, or financial strength as a borrower, deteriorates due to financial, regulatory or other reasons
- ▶ A large individual lender to the Council experiences their own financial/exposure difficulties, resulting in the Council not being able to manage their debt portfolio as efficiently as desired.
- ▶ New Zealand investment community experiences a substantial "over supply" of Council investment assets.

*A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time. This is so that if any of the above events occur, the overall borrowing cost is not unnecessarily increased, and the desired maturity profile is not compromised due to market conditions.*

#### 4.5 Credit risk management

Council's ability to readily attract cost-effective borrowings is largely driven by its ability to maintain a strong balance sheet, as well as its ability to rate, manage its image in the market and its relationships with bankers. Council is able to borrow through variety of market mechanism including stock and bank borrowings. Council will ensure that bank borrowings are only sought from the approved list of registered banks

#### 4.6 Liquidity risk control limits (borrowings)

To minimise the risk of large concentrations of debt maturing or being reissued in periods where credit margins are high for reasons within or beyond Council's control, Council ensures debt maturity is spread widely over a band of maturities. Council manages this specifically by ensuring that:

- ▶ No more than 35% of total borrowings is subject to refinancing in any financial year. Total borrowing includes any forecast borrowing.
- ▶ Council will manage the maturity profile of the total committed funding in respect to all loans and committed facilities by avoiding the concentration of debt maturity dates.

#### 4.7 Interest rate risk management

Council's borrowing gives rise to direct exposure to interest rate movements. Generally, given the long-term nature of Council's assets, projects and inter-generational factors, and Council's preference to avoid an adverse impact on rates, there is a general tendency to have a high percentage of long-term fixed rate or hedged borrowing.

Council debt/borrowings and financial risk management instruments must be within the following fixed/floating interest rate risk control limit:

##### Master Fixed/Floating Risk Control Limit

Minimum Fixed Rate	Maximum Fixed Rate
40%	95%

- 4.7.1 "Fixed Rate" is defined as an interest rate repricing date beyond 12 months forward on a continuous rolling basis.
- 4.7.2 "Floating Rate" is defined as an interest rate repricing within 12 months.
- 4.7.3 Loan Repayments  
Debt will be repaid as it falls due usually by refinancing with new debt. External loans are repaid on due date. The length of external loans are based on projected internal loans and cash requirements.

## 4.8 Approved financial instruments

Dealing in interest rate products must be limited to financial instruments approved by Council.

Cash management and Borrowing	Bank overdraft, Committed cash advance and bank accepted bill facilities (term facilities)
	Uncommitted money market facilities (call accounts) Stock/Bond issuance.
Interest rate risk management	Forward rate agreements ("FRA's") on: - Bank bills - Government Bonds.
	Interest rate swaps including: - Forward start swaps (start date <24 months) - Amortising swaps (whereby notional principal amount reduces).
	Interest rate options on: - Bank bills (purchased caps and one for one collars) - Government bonds.
	Interest rate swaptions (purchased only).

Any other financial instrument must be specifically approved by Council on a case-by-case basis and can only be applied to the one singular transaction being approved.

## 4.9 Security

The Council normally will secure its borrowings against its rates revenue. Generally, Council does not offer assets or deemed rates as security for general borrowing programmes.

In some circumstances, with prior Council approval, security may be offered:

- On borrowing by granting a special deemed rate and floating charges over general rates.
- By providing a charge over one or more of the Council's assets.

## 4.10 Internal Funding

Council operates an internal borrowing system for funding infrastructural improvements as well as funding current accounts. The internal borrowings will be permitted to a maximum of investments or as restricted by the banking covenant.

Internally funded projects will be charged interest at the market rate of investments deposit at the time the funds are drawn down.

## 4.11 Contingent Liabilities

The Council from time to time provides financial guarantees to recreation and service organisations. Where possible Council shall obtain cross guarantees. 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 will take immediate steps to recover the money.



## 5. Investment Policy

Section 102(4) (c) of the Local Government Act 2002 states that a local authority must adopt an investment policy. The investments policy must state the local authority's policy in respect of its investments.

Investments and loan advances	Treasury Investments Loan advances to Charitable trusts and incorporated societies – eg sporting and community organisations.
Equity investments and loan advances	Investments include shareholding in trading and service enterprises and loan advances to charitable trusts, incorporated societies, residential and rural housing which are consistent with Council's Long Term Plan, eg Council's shareholding in Buller Holdings Limited  Advances and loans are only provided to organisations where Council has significant interest. In default, the assets of the organisation may not revert to Council, however personal guarantees are obtained from the principals of the organisation.
Property Investments	Council's overall objective is to only own property that is necessary to achieve its outcomes. Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements which could deliver the same results. Council from time to time may own property solely for investment purposes.  Council holds a number of residential leasehold properties and endowment land, from the time of amalgamation in 1989. These are freeholded, subject to Council policy, at the resident's request.
Other Investments	Forestry investments

### 5.1 Disposition of Revenue

- ▶ Proceeds from investments are applied to the general revenue of Council.
- ▶ Net income from other residential leases is used as a source of operating revenue for the "Property & Housing" activity.
- ▶ Net proceeds from freeholding are transferred to special funds.

### 5.2 Treasury Investments Rationale

Council maintains treasury investments for the following primary reasons:

- ▶ Provide ready cash in the event of a natural disaster. This cash is intended to bridge the gap between the disaster and the reinstatement of normal income streams and assets.
- ▶ Invest amounts allocated to cover Council created restricted reserves, sinking funds and other reserves.
- ▶ Invest funds allocated for approved future expenditure.
- ▶ Invest proceeds from the sale of assets.
- ▶ Invest surplus cash, and working capital funds.

### 5.3 Treasury Investment Objectives

Council's primary objective when investing is the protection of its investment. Accordingly, only creditworthy counterparties are acceptable.

Council also seeks to:

- ▶ Maximise investment return
- ▶ Preserve the capital base of the Council
- ▶ Council gives preference to conservative investment policies and avoids speculative investments

Council will consider as part of the annual plan process each year, any allocation of income to the capital base to offset inflation.

5.4 Credit risk is minimised by limiting investments to registered banks, strongly rated SOEs, and corporates within prescribed limits

5.5 Liquidity risk is minimised by ensuring that all investments must be capable of being liquidated in a regularly available secondary market. Where practical, Council maintains \$1 million of its investments with a maturity less than one year

## 5.6 Interest Rate Risk Management

Council's investments give rise to a direct exposure to a change in interest rates, impacting the return and capital value of its fixed rate investments.

Interest rate risk will be managed by reviewing rolling cash flow forecasts and using risk management instruments to protect investment returns and or to change interest rate and maturity profile.

## 5.7 Sinking Funds

Under the Local Government Act 2002, the Council is not required to use specific borrowing mechanisms and therefore Council uses its discretion in determining whether a sinking fund mechanism is appropriate.

## 5.8 Acquisition and Disposal of Assets

Any disposal of assets requires the approval of Council except those assets within delegated authority.

## 5.9 Counterparty Credit Risk

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

Council will regularly review credit risk. Treasury related transactions would only be entered into with organizations specifically approved by Council.

Counterparties and limits can only be approved on the basis of long term credit ratings (Standard and Poor's or Moody's) being A- and above.

5.10 The following matrix guide will determine limits:

Authorised Asset Class	Limit as a percentage of the Total Portfolio	Approved Financial Market Investment Instruments	Credit Rating Criteria	Limit for each issuer
New Zealand Government or Government Guarantee	100%	Treasury Bills (mature within 6 months)	Not Applicable	No limit
Local Authorities where rates are used as security	60%	P/Notes (mature within 6 months)	Not Applicable	\$3 million
New Zealand Registered Banks	100%	Call/Deposits/ Bank	Short term S&P rating of A1 or better	\$10 million
		Bills/ Promissory Notes	Long term S&P rating of A- to A+	\$2 million
		Bonds/MTNs/ FRNs	Long term S&P rating of A+ or better	\$5 million
State Owned Enterprises and District Health Boards	50%	P/Notes (mature within 6 months)	Short term S&P rating of A1 or better	\$ 3 million
		Bonds/MTNs/ FRNs	Long term S&P rating of BBB to A+	\$ 1 million
Corporate and other rated issues	50%	P/notes (mature within 6 months)	Short term S&P rating of A1 or better	\$2 million
			Long term S&P rating of A to AA-	\$1 million
			Long term S&P rating of AA or better	\$3 million
Building Societies	10%	Call/Deposits (mature within 6 months)	Not Applicable	The lesser of \$1 million or a maximum of 4% of total assets of Society

Authorised Asset Class	Limit as a percentage of the Total Portfolio	Approved Financial Market Investment Instruments	Credit Rating Criteria	Limit for each issuer
<b>The Following investments by Council Resolution only</b>				
<b>Australasian Equities:</b>				
Common shares, unit trusts, investment trusts, convertible notes, warrants, rights contributory shares.	15%	NZSX50 Gross Index – ASX 200 Index	Not applicable	15% of total investments
Council also has strategic share holding (NZLG Investment Corp.)		A minimum of 80% must be NZSE 40 or top 50 companies on NZSE 40X or ASX 200 Index		
		Maximum 20% in ASX SCI Index or NZ SCL		
<b>International Equities:</b>				
Common shares, unit trusts, investment trusts, warrants, rights, contributory shares	15%	New York SE Hong Kong SE London SE Tokyo SE Singapore SE West European SE	Not applicable	The lesser of \$1 million or 15% of total investments
*Recommended hedging between 0-65% of the International Exposure.				

Council is currently in breach of the policy as Council has exceeded the \$1 million. The breach will be rectified when the sponsorship agreement ends in 2019.



### 5.11 Repayment

The Council repays borrowings from the specific sinking fund allocated to that borrowing or from general funds.

### 5.12 External Advisors

The Council may appoint Investment Managers to continually monitor the Council's portfolio and provide recommendations within the scope of the Prudential Guidelines which safeguard the portfolio against risk and maximize its performance.

## 6. Foreign Exchange Policy

Council may have foreign exchange exposure through the occasional purchase of foreign exchange denominated plant, equipment and services.

Generally, all significant commitments for foreign exchange are hedged using foreign exchange contracts, once expenditure is approved. Council uses both spot and forward foreign exchange contracts. All commitments for foreign exchange over \$10,000 are to be hedged.

The use of other foreign exchange risk management products is not permitted.

## 7. Performance Measurement

Measuring the effectiveness of Council's treasury activities is achieved through a mixture of subjective and objective measures. The predominant subjective measure is the overall quality of treasury management information. The Finance and Audit Committee has prime responsibility for determining this overall quality. Objective measures are as follows:

#### Borrowing:

- ▶ Adherence to policy
- ▶ Unplanned overdraft costs
- ▶ Number and cost of processing errors
- ▶ Comparison of actual monthly and year to date interest costs vs budget borrowing rate
- ▶ Council to use competitive tendering for its borrowing from time to time.

#### Equity Investments:

- ▶ Adherence to policy
- ▶ Comparison of financial ratios to budgeted benchmark levels.
- ▶ Comparison of actual and budget return.

#### Property Investments:

- ▶ Adherence to policy
- ▶ Comparison of actual rental costs to budgeted costs

#### Treasury Investments:

- ▶ Adherence to policy
- ▶ Number and cost of processing errors

Council measures the performance of the investments portfolio on a quarterly basis by benchmarking the performance of the portfolio against the following indicators evenly weighted.

- ▶ 12 month rolling average of the official cash rate
- ▶ 12 month rolling average of the investor 90 day bank bill rate
- ▶ 12 month rolling average of the 3 year investor swap rate

## 8. Reporting

The following reports are produced.

Report Name	Frequency	Prepared by	Reviewer	Recipient
Cash Position	Daily	Financial Accountant	Corporate Services Manager	Corporate Services Manager
Investment reconciliation	Monthly	Financial Accountant	Corporate Services Manager	
Bank Reconciliation	Monthly	Financial Accountant	Corporate Services Manager	Corporate Services Manager
Review of investments and borrowings	Monthly	Financial Accountant	Corporate Services Manager	Quarterly review by Council Finance and Audit Committee





# policy for development & financial contributions

## Background

Sections 102 of the Local Government Act 2002 requires Council to adopt a policy on development and financial contributions. Financial contributions are derived from the provisions of the Resource Management Act 1991 and Development Contributions from the Local Government Act 2002.

Council's policy on financial contributions is contained within Part 8 of the Buller District Plan (BDP) and is shown below.

Council has considered the incorporation of a policy for Development Contributions and decided in May 2004 that the Council does not at this time, wish to introduce Development Contributions in terms of the Local Government Act 2002. The adoption of this policy has been reconfirmed by Council.

It should however be noted that when levies are being considered for a specific development, Council may only apply one of the policies.

## Financial Contributions (Part 8 BDP)

Financial contributions as outlined in Part 8.3 of the BDP may be required on land use and subdivision consents for controlled, discretionary and non-complying activities. Financial contributions under 8.2 of the BDP may be required for permitted activities, which are developments. Esplanade reserves and strips are not defined as financial contributions in terms of Section 108 of the Act where they relate to subdivision consents, and are subject to the provisions of the Act relating to subdivisions. However esplanade reserves and strips can be required as financial contributions on land use consents.

For the purposes of this rule, "development" means:

- ▶ the construction, erection or alteration of any non-residential building; or
- ▶ the fencing, draining, excavation, filling or reclamation of land or the making of retaining walls in relation to such work; or
- ▶ the removal or destruction of vegetation; or
- ▶ the arresting or elimination of erosion or flooding; or
- ▶ the construction of any tramway or railway.

Permitted Activities which involve considerable financing have the potential to greatly benefit the District, but also lead to a strain on resources. Accordingly only activities which are substantial (as determined by their value) require a financial contribution for the development of reserves and facilities. Any development that is defined as a network utility shall be exempt from the development contributions.

Developments of a value of over \$500,000 may be subject to a financial contribution of up to 0.5% of the value of the development. The financial contribution shall only be spent by Council on the provision and development of reserves, recreational facilities and community facilities within the District.

The financial contributions (whether cash, land, works or services) may be required as conditions of land use and subdivision consent. The contribution being the full and actual cost of ensuring the following:

- ▶ Provision of new roads, private ways, access lots, service lanes and accessways.
- ▶ Provision for the upgrading and/or widening of existing roads.
- ▶ The provision of off-street parking or cash-in-lieu of car parking.
- ▶ The carrying out of earthworks including excavation, filling and compaction.
- ▶ The carrying out of landscaping, including the re-vegetation of modified or cleared land and the planting of trees and shrubs, and the provision of street furniture.
- ▶ The provision of fencing or screening.
- ▶ Provision of water supply
- ▶ Provision for sewerage, drainage or the disposal of sewage
- ▶ Provision for control and disposal of stormwater, including during construction of any works.
- ▶ Provision for electricity supply
- ▶ Provisions for street lighting
- ▶ Provision for telephone systems
- ▶ Covenants or caveats for the protection of individual trees or areas of bush
- ▶ Contributions of land for esplanade reserves or an interest in land as an esplanade strip

## Provision of Open Space, Public Recreation or other Reserves

Rule 8.4.1.14 of the BDP provides for financial contributions to upgrade public recreational space and other reserves with facilities for public recreation and enjoyment or the protection of conservation values where the subdivision results, or will result, in an increase or an intensification of the use of land, whether by increased resident population or by commercial or industrial activities.

### Maximum amount of contribution:

- (i) Where over 10 allotments are created land suitable for development into a reserve to serve the expected population.
- (ii) For each additional allotment of less than 1ha, the amount of a financial contribution shall be 7.5% of the land value.
- (iii) For each additional allotment of 1ha to 5ha, the amount of a financial contribution shall be 5% of the land value.
- (iv) For each additional allotment over 5ha, the amount of a financial contribution shall be 2.5% of the land value of no greater than 10ha of each allotment

## Development Contributions

Rule 8.4.1.16 of the BDP provides for financial contributions for activities which involve considerable financing have the potential to greatly benefit the District, but also lead to a strain on resources. Where a development occurs, additional contribution over and above the financial contributions detailed above may be required to provide for the social and recreational needs of the area around which the development is located.

### Maximum amount of contribution:

Developments of a value of over \$500,000 may be subject to a financial contribution of up to 0.5% of the value of the development. The financial contribution shall only be spent by Council on the provision and development of reserves, recreational facilities and community facilities within the District. The value of other financial contributions conditional on the development will be considered with regard to the amount of development contribution required.



## Policy Review

This policy is contained within the Buller District Plan and will be considered as part of the District Plan Review. Any policy to be developed must be based on a fair and equitable system of obtaining contributions from developers towards the extension of facilities and services and/or the utilisation of existing facilities and services.

Section 106 of the Local Government Act requests Development Contributions Policies to:

- ▶ Summarise and explain the capital expenditure identified in the long term Council community plan that Council expects to incur to meet the increased demands for community facilities resulting from growth.
- ▶ State the proportion of capital expenditure that will be funded by development contributions, financial contributions and other sources of funding.
- ▶ Explain why these funding sources are being used (Section 101 (3) of the Act).
- ▶ Identify separately each activity or group of activities for which a development or financial contribution will be required and the total amount of funding to be sought by contributions in relation to each group of activities.
- ▶ If development contributions will be required, comply with Sections 201 and 202 of the Act
- ▶ If financial contributions will be required, summarise the provisions that relate to financial contributions in the District Plan
- ▶ If development contributions are required, the full methodology demonstrating how the calculation for those contributions were made must be kept available for public inspection
- ▶ If financial contributions are required the provisions of the District Plan relating to financial contributions must be kept available for public inspection



## Buller District Council will:

- ▶ Regularly engage with communities to actively identify community stakeholders and their interests;
- ▶ Commit to informing all relevant community stakeholders of both current and future initiatives planned by the Council;
- ▶ Consult in a manner that actively encourages participation from all relevant members of the community and community stakeholders;
- ▶ Actively work with representatives of the Maori community in the district to keep them informed of both current and future initiatives planned by the Council;
- ▶ Respect the diversity, needs and views of the entire community;
- ▶ Seek to collaborate in consultation initiatives with neighbouring and Regional Councils, and other interested agencies;
- ▶ Target consultation appropriately to reduce unnecessary waste of resources on consultation and to minimise demands on the community.

## 1.0 Introduction

### 1.1 The Context

The Local Government Act 2002 is a result of a substantive review of local government's historical practices and policies under previous legislation. The Act encourages local authorities to consider their role in "promoting the social, economic, environmental, and cultural wellbeing of communities, in the present and for the future". This consideration is embedded within a framework of "democratic and effective local government". Recognising that for many local authorities this will require a degree of re-orientation, the Act outlines key responsibilities for local authorities to consult and involve their communities in their decision making.

The purpose of the Act in outlining these responsibilities is to promote a greater level of community participation in local government decision making and increase the accountability of local authorities to their communities. Consultation is identified within the Act as a key tool for providing the community with an opportunity to participate in local government decision making. Within this context, consultation is seen to have a critical role in the effectiveness of local authorities to meet the expectations of the Local Government Act 2002 and the future needs of their communities.

### 1.2 The Purpose of this Consultation Policy

While there is a legislative requirement within the Local Government Act 2002 for Local Authorities to maintain a minimum level of consultation compliance, this policy represents the Council's commitment to ensuring they acknowledge and attend to the diversity within the district.

The Council has always had an ongoing commitment to ensuring it is aware of the diverse community opinions existing around topical issues. The Council recognises, however, that the Local Government Act requires Councils to go beyond consultation on specific issues and begin to look to the changing needs and expectations of the community for the future. Underpinning this document is an appreciation of the importance of consultation for effective and comprehensive decision making.

This policy provides a framework for community consultation which will assist in guiding Council decision making. This framework for consultation is set out in the appendices. Council at times, may wish to engage with the community in ways that do not require the formal process outlined here.

### The purpose of this policy is to:

- ▶ Promote a sense of community by encouraging public involvement in decision making processes.
- ▶ To ensure the Buller community is well informed about issues, strategies or plans that may directly or indirectly affect them.
- ▶ To ensure the people in the Buller district have the opportunity for genuine involvement in Council's decision-making and policy development.
- ▶ Help the community understand the issue and promote acceptance of the outcome.
- ▶ Ensure that the Council consults with the community in an appropriate and lawful manner.
- ▶ Assist the Council to make decisions that are based on complete information.
- ▶ Ensure the Council's consultation methods are more effective and efficient by providing guidelines for the people conducting the consultation.
- ▶ Assist the Council to assess the communities desires and needs.
- ▶ To seek the views of a wide cross-section of the community, selecting consulting methods that are flexible, inclusive and accessible to those being consulted.

## 1.3 Consultation Policy Principles

### ***Buller District Council:***

- ▶ Will communicate the parameters of the consultation process to participants from the outset, including legislative requirements, Council's sphere of influence, conflicting community views, policy frameworks and context, budget constraints etc.
- ▶ Recognises that community participation is a right of all citizens and an integral component of informed decision making.
- ▶ Operates under a key value of openness and is committed to ensuring that community is well informed about Council's service delivery, planning and decision making process.
- ▶ Aims to encourage involvement from a wide cross-section of the community using consultation processes that are accessible to and inclusive of minority groups.
- ▶ Will endeavour to ensure that sufficient timeframes and adequate resources are allocated to consultation processes.
- ▶ Will clearly state to the community when input will be accepted and how it will be used.
- ▶ Will ensure that when the community is consulted that all community contributions and relevant information is considered, prior to making any decisions that affect the local community.
- ▶ Will co-ordinate its community consultation process where possible to optimise resources, ensure efficiency and avoid duplication.
- ▶ Will communicate clearly the objectives of the consultation process and provide community members with all available relevant information to ensure informed discussion.
- ▶ Recognises the skill required to undertake community consultation, and will provide staff with opportunities for further skill development and training.
- ▶ Recognises that it may be necessary to go over information more than once as issues and strategies may need to change through the process.
- ▶ Will acknowledge all submissions (a legislative requirement).
- ▶ Is committed to providing participants with feedback, including reasons for its decision, following the completion of the process.
- ▶ Is committed to an evaluation of the consultation process on its completion and the results of the evaluation being fed back into improving the consultation process.

## 1.4 Statutes

Several statutes govern consultation by Local Government. The most significant are the Local Government Act 2002, the Resource Management Act 1991, the Reserves Act 1977, Land Transport Management Act 2003 and the Ngai Tahu Claims Settlement Act 1998. Other relevant Acts include the Local Government (Rating) Act 2002 and the Building Act 1991.

## 1.5 Te Tiriti O Waitangi

The Treaty of Waitangi is considered the founding document in outlining the relationship between Maori as tangata whenua of New Zealand and agents representing the interests of the Crown. The Local Government Act 2002 has clear guidelines for Local Authority's to involve Maori in decision making; however, it also highlights the importance of consultation processes appropriate to Maori. Recognition of the principles of Te Tiriti O Waitangi within this consultation policy acknowledges the Council's appreciation of bi-culturalism as an issue and the uniqueness of Maori culture.

In addition Councils are required under Section 8 of the Resource Management Act 1991 to take into account the principles of the Treaty of Waitangi when exercising functions and powers under the Act.

Buller District Councils consultation capacity with Maori still needs to be developed further. Council does have a liaison committee but protocols still need to be fully developed and implemented. Training of elected members and staff in relevant Maori matters will be undertaken.



## 2.0 Defining Consultation

### 2.1 Overview of Consultation

Local authorities often recognise the need for consultation as well as their obligations to consult. However, there is often a lack of clarity around the nature of consultation. While not a legal definition, consultation can be identified as:

***A way of engaging with the community to improve understanding of the communities views on a specific proposal or issue.***

It provides communities with an opportunity to participate in the development of Council policies, strategic decisions and as a way for Council to test new ideas. Quality consultation enhances decision-making by receiving information, opinions, ideas and feedback from communities about their different needs and priorities, all of which helps to identify and avoid pitfalls.

Stakeholders need to have sufficient information to participate effectively in the consultation process. The process must be clear and all participants must be informed about how their input will be used along with the method of feedback. The process as well as the outcome is important if the community is to be made to feel it has real and influential input into the process.

In the *Wellington International Airport Limited v Air New Zealand* (1991) case, the Court of Appeal found the following points fundamental elements of consultation:

- ▶ The statement of a proposal not yet decided upon
- ▶ Listening to what others have to say and considering responses
- ▶ Sufficient time must be allowed and a genuine effort must be made
- ▶ People who are being consulted with must be given enough information so as to be able to make intelligent and useful responses
- ▶ The consulting party must keep its mind open and be prepared to change or even start afresh, although it is entitled to have a working plan already in mind
- ▶ The party obliged to consult must hold meetings, provide relevant information and further information on request and wait until those being consulted have had a say before making a decision

### The Court noted consultation is not:

- ▶ Merely telling or presenting
- ▶ Intended to be a charade
- ▶ The same as negotiation, although a result could be an agreement to negotiate.

### 2.2 Levels of Consultation Interaction

Within the framework of consultation there are a range of the levels of interaction with the community. The different levels of consultation can be summarised as:

1. **Partnership** - People are involved right from the beginning and work together or plan jointly to achieve mutually acceptable goals. Council shares decision making with the group of people involved.
2. **Involvement** - Representatives of the community are involved throughout a decision making process. They work together with the Council to try to identify a compromise or consensus solution. Council facilitates the process, but retains final decision making.
3. **Seeking information** - Plans are formulated or modified after contact with the community. Reasonable information is provided and people are given reasonable opportunity to comment. The Council leads the process.
4. **Informing** - Information is provided to the community when their input or advice is required on a proposal that is, or is very nearly, complete. The Council directs this consultation.

The extent of this consultation and the level of input from the community depends upon the scope, size and type of the project being undertaken. The Community Consultation decision Matrix gives guidance on deciding which level of interaction may be best for the consultation project being undertaken.

## 2.3 Balance

There are two main aspects to striking a balance when using consultation:

1. Consultation should be considered as one tool among several to be used in the decision making process. Other tools include legislative requirements, Councillors input, research, and technical constraints. There is a balance to be struck over the use of each of these.
  
2. There is also a balance to be struck in representing the views of particular groups at the Council level and this has a number of dimensions. A primary dimension is the requirement for Council to function as an effective corporate body, while good governance and the maintenance of constructive relationships depend in part, on the ability to compromise for the greater good of the community. So while it may appear that there are benefits to a cost effective approach to consulting, it is important to recognise that effective consultation can save both time and money in the long term by creating a sense of ownership of problems and solutions within the wider community. If people understand why and how decisions have been made, there is likely to be less antagonism - and less risk of litigation - between local authorities and the community. If the Council, staff and the community all support an initiative, it will be much easier to implement.

## 2.4 Benefits of Consultation

Some benefits of consultation are outlined below:

### Leadership

- ▶ Places the Council in a key leadership role in the development and implementation of community outcomes

### Relationships

- ▶ Builds positive relationships between the Council, community stakeholders and the wider community as a whole
- ▶ Allows Council to clarify the expectations of the community
- ▶ Maintains local democracy

## Information

- ▶ Provides information to the Council and their consultation partners about the needs, issues and perceptions of the community
- ▶ Keeps members of the community informed about the activities and functions of the Council and the changing nature and needs of the whole community
- ▶ Enables Council to creatively and proactively engage with new solutions and ways of addressing issues through open engagement and debate

## Decision Making

- ▶ Assists the Council to make conscious and transparent decisions that recognise and consider community needs and perceptions
- ▶ Encourages community ownership and support of decisions made

## Quality of Services

- ▶ Supports the Council in making more robust and informed decisions
- ▶ Provides the Council with indicators of the impact of their policies and initiatives on the wider community
- ▶ Results in better or more appropriate services and better value for money

## 2.5 Risks Arising from Inadequate Consultation

Significant risks face Council if consultation is not undertaken, or is undertaken in an inadequate manner. Some risks may include:

### Information

- ▶ The community will remain uninformed of Council's contribution to community wellbeing
- ▶ The Council and staff will be unaware of issues arising for members of the community

### Decision Making

- ▶ Decisions may be made that will be impractical or unachievable
- ▶ There will be no community ownership of Council decisions
- ▶ Members of the community will be denied opportunities to engage with Council decision making

## Relationships

- ▶ Poor relationships may occur between the Council and members of the community
- ▶ Challenges will arise from the community about the Council's non-compliance with the Local Government Act and its purpose

## Quality of Services

- ▶ The Council may provide ineffective or inefficient services to the community

## 3.0 Consultation Guidelines

### 3.1 Considerations for Consultation

When setting the objectives for a consultation, the questions below are considered an effective guide for developing the nature of the consultation process to follow. A decision matrix and toolbox have been developed to guide this process.

- ▶ What is the subject of the consultation?
- ▶ Why is the consultation taking place?
- ▶ What work has already been done / is being done?
- ▶ Who is to be reached?
- ▶ What is the best method to reach these people?
- ▶ What specific information is required by these people to enable them to respond?
- ▶ How can this information best be provided?
- ▶ What is the timeline?
- ▶ How will the feedback be recorded?
- ▶ How will the responses be analysed?
- ▶ What are the possible limitations; that is, what can prevent or lessen the changes of a successful consultation

Communication is a key ingredient in any consultation. The communication tools and strategies that are selected can make or break the engagement and involvement of stakeholders in the process.

## Council needs to determine:

- ▶ Communication objectives that are definable and measurable, and have a time frame
- ▶ Target audiences and stakeholders (internal as well as external)
- ▶ Channels and techniques to use in order to reach stakeholders, eg written material, internet, community meetings workshops, door to door calls, phone calls, displays, radio or newspapers, street talking

## Stakeholders need the following information:

- ▶ An explanation of the consultation process itself and what we want them to do
- ▶ The decision-making process for this project or issue
- ▶ The subject matter of the consultation (this could include the statement of proposal and the summary of proposal)
- ▶ The reason for consultation (avoid stating because the law requires it)
- ▶ How the consultation is going to be conducted (in some instances may ask for advice from the community)
- ▶ How people can give their input
- ▶ A deadline for input
- ▶ Where to go for more information
- ▶ How their input will be used and acknowledged

### 3.2 Who to Consult

Good consultation practice would seek to involve as many dimensions of the affected community as can be practically achieved. A decision matrix and toolbox have been developed to guide this process.

In general, the base audience for the majority of Buller District Council's community consultation will include:

- ▶ Maori
- ▶ The resident population and ratepayers
- ▶ Out of district ratepayers
- ▶ Key stakeholder groups
- ▶ Regional advisory groups

It is anticipated that, for specific issues, this base audience will be refined with specific attention being made to ensure the participation of key groups relevant to the topic in focus.

### 3.3 Consulting Maori

While good consultation processes will reduce many of the barriers affecting Maori involvement in decision making, mainstream organisations often fail to recognise the diversity existing within Maori communities themselves. In recognition of this diversity it has been identified as important to involve the widest possible range of Maori representation appropriate to an issue.

### 3.4 When to Consult

Level of community involvement relates to the nature, complexity and the impact of the issue. In general consultation takes place when:

- ▶ All issues outlined as significant in the Buller District Council Significance Policy; including but not limited to legislative requirements to consult as outlined in the Local Government Act 2002
- ▶ Where controversial issues are involved
- ▶ Where large numbers of people are affected
- ▶ Where a small number of are people affected but with a large impact upon them

In addition, there is a range of criteria that should be considered for determining when community consultation is required and to what level. These are outlined in the Community Consultation decision matrix. These criteria include:

- ▶ Any changes that will impact on current users or customers of a Council service or facility;
- ▶ Legislative requirements regarding community consultation;
- ▶ Any issues or changes to Council services which will affect the rights or entitlements of community members;
- ▶ Potential impact of a proposed development on surrounding neighbours;
- ▶ To identify community issues, needs and priorities;
- ▶ To monitor customer satisfaction with Council's services and facilities;
- ▶ The level of controversy or sensitivity involved in an issue;
- ▶ When there is conflict among community members about an issue;
- ▶ When an issue may have potential impacts on health, safety or well being of any community member

### 3.5 What the Buller District Council Consults On

The Council will consult on issues at three different levels. These are:

#### 1. Strategic Issues:

- eg:
- Annual Plan, Long Term Plan
  - District Plan
  - Recreation Strategy
  - Solid Waste Management Strategy

#### 2. Policy Issues (which underpin Strategy):

- eg:
- Bylaws
  - Rating Policy
  - Funding Policy
  - Reserves Management Plans
  - Youth Policy

#### 3. Operational Issues (how to implement policy):

- eg:
- Service level
  - Resource Consent applications (for Council activities)
  - Service delivery - in-house / LATE's and contracting out
  - Reserve leases and licences
  - Projects

## 4.0 Policy Implementation

In the development of sustainable and ongoing consultation networks a number of key categories of development have been identified. The areas of development seen as necessary for the Council and its staff to develop are:

- ▶ Targeted approaches to consultation
- ▶ Building on existing local consultation groups and networks
- ▶ Supporting intersectorial collaboration and utilising existing intersectorial networks (eg Federated Farmers, West Coast Regional Council)
- ▶ Creating opportunities for culturally specific consultation

Each of these components of consultation requires commitment and energy from both Council and staff. In order to implement the framework that has been outlined in this document, each area of development requires specific strategies. Several of these areas can be developed in parallel, and are seen to compliment each other. Some of these steps can be seen as being integrated into the consultation framework in the appendices, while others will be ongoing processes essential for the Council to remain responsive to changing community needs and issues.

The consultation matrix and consultation toolbox are a guide to implementing this policy. This consultation toolkit should be used in conjunction with the consultation decision matrix.

The steps to take using these documents are summarised below:

1. Setting objectives and scope of the project
2. Level of participation - use consultation matrix to determine the level of participation that is required. The level of participation could be partnerships, involvement, seeking information, or informing, depending upon the level of impact
3. Type of consultation
4. Guidelines and protocols
5. Consultation approach
6. Consultation action plan
7. Implementation
8. Monitoring and evaluation



## Remission of Rate Penalties

### Objectives of the Policy

To enable Council to act fairly and reasonably in its consideration of penalties on rates which have not been received by Council by the due date.

### Conditions and Criteria

Automatic remission of the penalty incurred on instalment one will be made where the ratepayer pays the total amount due for the year on or before the penalty date of the second instalment provided the ratepayer has not incurred any other penalties in the previous 12 months.

Remission of any one penalty will be considered in any rating year where payment has been late due to circumstances outside the ratepayer's control.

Where a suitable payment arrangement is in place to clear an outstanding rates balance within a certain time-frame (agreed to in writing by both parties), instalment penalties (only) incurred during the term of the repayment arrangements may be remitted after a set period (usually after each 12 months), provided the terms of the repayment arrangement are being adhered to.

The authority to consider and approve remissions will be delegated to the Corporate Services staff of Corporate Services Manager, Management Accountant, Rates Officer and Accounts Assistant.

Each application will be considered on its merits and remission will be considered where it seems just and equitable to do so.



# Policy for Rates Relief on Maori Freehold Land

## Background

Maori freehold land means land whose beneficial ownership has been determined by the Maori Land Court by freehold order. Maori freehold land may be managed on behalf of the owners by a Maori Land Incorporation such as the Mawhera Incorporation.

A majority of Maori freehold land in the Buller district is owned by the Mawhera Incorporation with income generated from the leasing of these properties.

Schedule 11 of the Local Government Act 2002 identifies the matters which must be taken into account by Council when considering rates relief on Maori Freehold Land.

The matters that the local authority must consider are:

- (a) the desirability and importance within the district of each of the objectives below; and
- (b) whether, and to what extent, the attainment of any of those objectives could be prejudicially affected if there is no remission of rates or postponement of the requirement to pay rates on Maori freehold land; and
- (c) whether, and to what extent, the attainment of those objectives is likely to be facilitated by the remission of rates or postponement of the requirement to pay rates on Maori freehold land; and
- (d) the extent to which different criteria and conditions for rates relief may contribute to different objectives.

The objectives referred to above are:

- (a) supporting the use of the land by the owners for traditional purposes:
- (b) recognising and supporting the relationship of Maori and their culture and traditions with their ancestral lands:
- (c) avoiding further alienation of Maori freehold land:
- (d) facilitating any wish of the owners to develop the land for economic use:
- (e) recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes:
- (f) recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere):
- (g) recognising and taking account of the importance of the land for community goals relating to:
  - (i) the preservation of the natural character of the coastal environment:
  - (ii) the protection of outstanding natural features:
  - (iii) the protection of significant indigenous vegetation and significant habitats of indigenous fauna:
- (h) recognising the level of community services provided to the land and its occupiers:
- (i) recognising matters related to the physical accessibility of the land.

## Policy

As a general policy the Buller District Council will not remit or postpone rates in relation to Maori freehold land.

However it should be noted the owners may still apply to Council under its general remissions policy if applicable.

# Policy on Remission of Uniform Charges - non-contiguous rating units owned by the same ratepayers

## Objectives of the Policy

This policy aims to provide relief from uniform charges for lands which are non contiguous.

## Conditions and Criteria

If two or more non-contiguous rating units that are classified and rated as “rural” in terms of Council’s rating system, and which are owned or occupied by the same ratepayer, being used as one farm, then such units shall be liable for the one set of uniform charges and targeted service charges. To qualify, only one of the rating units can have residential dwelling(s).

Rating units that are not “rural” but comply with the remaining criteria, in that they are used as one property but are non-contiguous, shall be considered on a case by case basis by the Manager Corporate Services.

rates remission policy:  
- policy on remission uniform charges



# Policy on Uneconomic Balances

## Objectives of the Policy

To avoid collecting rates which are not economic to collect.

## Conditions and Criteria

- ▶ The policy will apply to rating units which are charged total annual rates, excluding metered water rates, of \$10.00 or less.
- ▶ Council will notify affected ratepayers that it has decided not to collect the rates.
- ▶ No application for the remission of uneconomic balances will be necessary in order to qualify for the remission.
- ▶ The authority to consider and approve remissions will be delegated to the Corporate Services Manager.
- ▶ This policy is made under section 54 of the Local Government (Rating) Act 2002.

## Remission on General Rates - land used and/or occupied by community, sporting and other organisations

### Objective of the policy:

To support the provision of sporting, cultural, and recreational activities for the residents and ratepayers of the district, through the financial assistance to such non-profit community organisations by the granting of general rates remissions.

### Conditions and Criteria

1. A rating unit that is owned or used by any society or association that has formerly been granted a 50% remission through prior resolution of the Council, shall now fall within the "Land 50% non-rateable" category of Schedule 1, Part 2, of the Act.
2. Any rating unit that has been granted a 100% remission of the rates prior to the establishment of this policy shall continue to receive such until such time that the organisation or the rating unit becomes ineligible. The total amount(s) of remission for any one organisation in any one rating year shall be no more than \$5,000.
3. Any application received after 1 July 2003, from a community organisation for a remission of rates shall be considered by the Manager Corporate Services, in terms of either paragraph 1 or 2 above, and shall be treated for rating purposes in line with similar or like organisations. If the new applicant has no similar or like organisation to be gauged against, then the application will be considered on its merits by the Council.
4. Any rating unit that is owned or used by any sporting organisation, for which a club liquor licence is in force, shall have the rating unit apportioned into "divisions" for the various uses within the unit, in terms of commercial, residential, and "remainder" (as appropriate).
  - a) The divisions of the rating unit classified as Commercial and/or Residential shall be rated fully in terms of the applicable rating sector. The remainder of the rating unit will be rated as if in the Rural sector, irrespective of the area.
  - b) Where the rating unit is liable for more than the one charge for any service provided (eg water supply, sewage disposal, refuse collection), then only one set of such service charges shall be charged;
  - c) The rating unit will be liable for only one full set of uniform charges, whether or not these are apportioned over the divisions of the unit.

*The above shall apply to any rating unit that has in the past had apportionments made for this very purpose, or to any new application from an organisation that has a rating unit with a similar use or uses.*
5. The practice of the Karamea Aerodrome being rated at twice the Rural 14 rate for the property shall continue, unless otherwise revoked by a resolution of the Council.

rates remission policy:  
- policy on remission on General Rates



## Promotion and Development rate and charge - land used and/ or occupied by community, sporting, emergency service, specialised welfare and other organisations

### Objective:

To support

- ▶ the provision of sporting, cultural, and recreational activities for the residents and ratepayers of the district,
- ▶ the provision of emergency services, and
- ▶ the provision of welfare activities supporting returned services personnel through the financial assistance by the granting of remission on the promotion & development rate and charge.

### Conditions and Criteria

Council will in fully remit the Promotion & Development rate and uniform charge on those organisations (sporting, cultural, recreational) that qualify for any general rate remission, as well as those organisations that provide emergency services (NZ Fire Service, NZ Rural Fire Service, Police), and any organisation that provides welfare for returned services personnel.

If a property is not fully utilised for the provision of these activities, then Council will make the necessary apportionment for the implementation of the remission, based on the value accorded each portion of the rating unit used for the activity.

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## Remission for rates and charges in times of extenuating circumstances

### Objective

To provide relief from general and/or targeted rates on properties affected by circumstances beyond the normal status of everyday life.

### Conditions and Criteria

In times of extreme circumstances when a natural disaster or other phenomenon beyond the “control of man” affects the normal day-to-day activities of any ratepayer or affects (or changes) the use of any land for an extended period, Council may remit all or part of any general or targeted rate for a specified time, each case to be considered “on merit”.

remission policy:  
- remission for rates & charges in times of extenuating circumstances







# water & sanitary service assessment summary

*This was in the 2006 Long Term Plan and the document has not been updated with any significant changes since. The Local Government Act 2002 requires this to be updated from time to time (Part 7, Section 125-129). An update to this document will be undertaken in due course.*

The Buller District Council is required in terms of S125 of the Local Government Act 2002 to assess water and sanitary services within its district. An assessment must contain the following information:

**(a) A description of the means by which -**

- (i) Drinking water is obtained by residents of, and communities within, the district including the extent to which -
  - (A) Water supply is provided within the district by the territorial authority and any other person; and
  - (B) The water is potable; and
- (ii) Sewage is disposed of within the district, including the extent to which reticulated sewerage and sewage treatment services are provided within the district by the territorial authority and any other persons; and
- (iii) Stormwater is disposed of within the district, including the extent to which drainage works are provided within the district by the territorial authority and any other person; and

**(b) An assessment of any risks to the community relating to the absence in any area of either a water supply or a reticulated wastewater service or both; and**

**(c) An assessment of -**

- (i) The quality and adequacy of supply of drinking water available within the district for each community; and
- (ii) The quality and quantity of wastewater discharged from reticulated sewerage or a sewage treatment system; and

**(d) A statement of current and estimated future demands for water services within its district and a statement of any issues relating to;**

- (i) The quality and adequacy of supply of drinking water for each community; and
- (ii) The health and environmental impacts of discharges of stormwater and sewage (whether treated or untreated) arising from the current and future demands for water services within its district and a statement of any issues relating to -

**(e) A statement of the options available to meet the current and future demands identified under paragraph (d) and assessment of the suitability of each option for the district and for each community within it; and**

**(f) A statement of the territorial authority's intended role in meeting the current and future demands identified under paragraph (d); and**

**(g) The territorial authority's proposals for meeting the current and future demands identified under paragraph (d), including proposals for any new or replacement infrastructure.**



The water and sanitary services assessment is an assessment of the facilities relating to:

- ▶ Water Supply
- ▶ Sewerage
- ▶ Stormwater
- ▶ Public Toilets
- ▶ Cemeteries

The purpose of the assessment is to provide Council with an indication of the services provided for in the district. The legislation is specific about the process and the scope that must be undertaken. It will provide Council and the community with the information to plan for and to prioritise improved levels of service. This will be undertaken by revision of this assessment and also over time by inclusion of upgrade programmes identified in this assessment being included in the Council's Long Term Community Plan.

The assessment shows that of the water supplies that are within the Buller District only the Westport supply complies with the Drinking Water Standards. With the review of these standards the Westport supply will also require upgrading. Some of the community water supplies are too small to be able to afford an upgrade to meet the requirements of the standards even after allowing for a subsidy to help in the construction. This is because of the need to fund depreciation on the improved supplies and the ongoing maintenance costs. Consultation with the community will be required to determine the level of expenditure that is affordable.

The bulk of the district is served by septic tanks that for the rural areas are not giving any concerns on their performance. Some of the townships are however starting to experience problems with soakage for effluent disposal. In these areas their needs to be consultation with the community to determine how extensive the problems are and to consider options of treated sewage systems.

The district is reasonably well served with stormwater disposal systems and although there is isolated flooding of roadways, houses are only threatened with inundation following extreme events.

The Council intends undertaking an investigation with the Department of Conservation and Transit New Zealand to determine the need for further public toilets at tourist areas and important rest areas for the travelling public.

There is sufficient capacity in cemeteries within the district for the next fifty years with the exception of Karamea. The Karamea Cemetery Trustees are in discussion with an adjoining landowner to purchase more land that would then provide adequate facilities for this area also.

A summary of the findings of the report are as follows:

## Water Supplies

### Karamea

There are a number of private supplies serving this area that range from bore water, rain water collection and the Karamea River. None of these supplies meet the current New Zealand Drinking Water standards and have risks associated with them. All the bore water that was tested demonstrated compliance with microbiological standards, and those supplies that are supplying water to visitors generally do have some form of disinfection.

### Little Wanganui

The extension of the water supply to the township area has been previously discussed with the community and did not find favour because of the costs. This option can be further discussed as part of the wider need to provide a safe drinking water. There are options available to provide treatment to the subdivision water supply and also to those who rely on rainwater. The subdivision supply has supply limitations during summer months that have resulted in water restrictions being enforced.

### Seddonville

It would be impractical and too costly to the community to introduce a full water treatment plant and water reticulation to individual dwellings within Seddonville. The Seddonville township water bores can be made safer by securing and ensuring a secure wellhead so that contamination cannot occur from overland flow. A further degree of protection could be obtained by adapting a UV disinfection system for drinking water in the same way that this can be used for treating tank water.

### Mokihinui

The township needs an upgraded water supply. A number of options need to be explored from simply providing a point of supply treatment to rain water tank supplies to a community supply that meets the drinking water standards.

## Ngakawau/Hector

The Hector-Ngakawau community needs a quality water supply and upgrade to meet the drinking water standards. The community is growing and there will be additional pressure should commercial activities establish to tap into the tourist trade.

Financial assistance from the Drinking Water Assistance Programme fund has been approved to allow for the upgrade to proceed.

## Granity

Residents on the five supplies do not wish to upgrade their supplies due to the high cost of filtration and disinfection for each water supply. They state that they have consumed the water for many years and built an immunity system. This can be backed up by the fact that there are no known infectious disease notifications in these areas that has been derived from their water supplies. The cost of providing one community-based water supply for all of Granity needs to be further investigated with the community. It is likely that such a scheme would be too expensive for the population to fund. The area is a narrow strip of ribbon development. The alternative to a community scheme is to keep the status-quo with residents given the option to either boil all water for potable purposes or install their own filter UV light (Point of Use POU or Point of Entry POE device).

All commercial premises, ie backpackers/hotels, cafes, supplying potable water to tourists must have a form of water treatment. This is the most likely entry of contamination to the public.

The South Granity water supply installed originally by State Advances is now administered by the Council following requests by the community.

## Granity School

The water supply is likely to be acceptable if the UV light is used to disinfect the water. The supply needs to have a back up of parts to ensure that the treatment of the water is undertaken at all times.

## Waimangaroa

Water quality complying with the NZ drinking water standard could be achieved with the introduction of a disinfection system, filtration, turbidity reduction and pH correction.

Financial assistance from the Drinking Water Assistance Programme fund has been approved to allow for the upgrade to proceed.

## Birchfield

The township already has a resident operated reticulated water supply. Providing a water supply that complies with the NZ drinking water standards will need to be consulted with the community.

## Westport

The Westport water supply has been investigated by Opus International Consultants and Council has agreed to upgrade the treatment and operation of this supply to meet Drinking Water Standards.

The upgrades will be undertaken over a ten year period.

## Punakaiki Township

The current level of service is satisfactory in terms of quality of supply. The supply will require additional storage or a alternative supply to meet future demands and to serve the Dolomite Point area should this be required.

Financial assistance from the Drinking Water Assistance Programme fund has been approved to allow for the upgrade to proceed.

## Reefton

The Reefton water supply is currently being upgraded. The reservoir has been lined and a roof installed.

The treatment building is under construction and once completed the water treatment plant will be fitted. This will allow the water to be filtered, disinfected by UV and there will be Ph adjustment. A standalone generator is included in the upgrade.

Funding from the Drinking Water Programme was obtained to allow this upgrade to occur.

## Mawheraiti

The township already has resident operated reticulated water supply. Providing a water supply that complies with the NZ drinking water standards needs to be consulted with the community.



### Inangahua Junction

The Community supply needs further investigation and testing. The bore head needs to be made secure and the water disinfected and if necessary have pH correction. The school water treatment system is well maintained and in good condition, and is considered to be safe.

### Bayhouse Café Private Supply

The storage tanks of the Bay House Café are fully enclosed and with the treatment provided the water at this facility is considered to be safe.

### Charleston Motor Camp Private Supply

There is potential for this rainwater collection to become contaminated and point of supply treatment as discussed at the end of this section should be considered.

### HOLCIM Cement Company Private Supply

The water is monitored, tested and treated 24 hours a day supervised by a trained water technician, this supply is considered appropriate for this site.

### Punakaiki Tourist Centre Private Supply

A single water treatment process should be put in place before the water supply is reticulated to the various locations. Although depending on analysis of this water a point of supply treatment following filtering may be all that is required to make this water acceptable. If a community scheme was chosen then it would be appropriate for the system to be monitored and maintained by the Department of Conservation while the cost should be passed on to the other users.

### Punakaiki Rocks Hotel Private Supply

The water treatment system is well maintained and in good condition, and is therefore considered to be low risk.

### Maruia Area School Private Supply

The water treatment system is well maintained and in good condition, therefore the supply is considered to be low risk.

## Sewerage

### Westport

The waste water treatment plant was commissioned in May 2007. The reticulation of the Orowaiti area was completed in March 2009.

### Reefton

Reefton township waste water is piped to oxidation ponds in the Willowbank Road area. The ponds were commissioned in 2006.

### Oparara Subdivision Private Plant

After advanced secondary treatment by the packed bed reactor, the treated effluent is irrigated into an 8000-m<sup>2</sup>-disposal field in a reserve set aside as part of the subdivision. The system will require monitoring to meet its resource consent, and the West Coast Regional Council will be responsible for this role.

### Little Wanganui Subdivision

The developers of the Little Wanganui Subdivision installed the system in the 1970's using asbestos cement pipes. Subsequent checks using video equipment have shown that parts of the system have been constructed poorly and sections of mains will need to be re-graded. The oxidation ponds were designed for a larger population than is currently being served and therefore have surplus capacity. Monitoring of the quality of the outfall shows that the ponds are meeting the conditions of the Resource Consent.

### Rest of District Septic Tank Systems

The current individual wastewater treatment systems involving septic tank and soak holes is adequate for the disposal of effluent in most areas. As individual systems are upgraded their new design, incorporating an in-line filter system, will improve the operation of these systems. The construction of a community wastewater treatment system should be periodically reviewed particularly in those areas where ground soakage has been of concern. Areas such as Ngakawau/Hector, Granity and Waimangaroa should investigate such options.

### HOLCIM Cement Company Private Scheme

The wastewater system of the Holcim site was upgraded in 2004 and is of a high standard. The treatment plant is monitored and any risk of discharge is considered to be low. The current wastewater treatment system at the Holcim site is adequate for the disposal of effluent from its works site and its residential properties.

### Punakaiki Tourist Centre

The wastewater system at the Punakaiki Tourist Centre site was upgraded in 2004 and is of a high standard. The treatment plant is monitored and any risk of discharge is considered to be low.

### Punakaiki Rocks Hotel

The current wastewater treatment system at the Punakaiki Rocks Hotel is appropriate for this facility.





# summary of waste management plan

*In 2008 the New Zealand Government passed the Waste Minimization Act. (WMA)*

*Under the WMA every territorial authority (TA) must adopt a Waste Management & Minimisation Plan. (WMMP).*

In accordance with section 50 of the WMA Buller District Council must complete a waste assessment and must review its operative WMMP by 1 July 2012.

Buller District Council current Solid Waste Management Plan was prepared under the provisions of the Local Government Act Amendment No 4 1996 and became operative on the 11th of October 2002.

As required by the Waste Minimization Act 2008 Buller District Council has completed a Waste Assessment and as a result of the assessment the Plan documents a strategy for the management of waste in the Buller District.

It is intended to aid Council in forecasting the likely waste stream components/sources and the financial and technical resources required to appropriately manage these in the future as required by the Waste Minimisation Act 2008.

The proposed Draft Plan has been peer reviewed by the Ministry for the Environment and is currently being reviewed as required by the Medical Officer for Health.

## Scope of the Plan

The scope of a WMMP is given in the WMA, section 43 which states that:

*A WMMP must provide for the following:*

- (a) objectives and policies for achieving effective and efficient waste management and minimisation within the territorial authority's district;
- (b) methods for achieving effective and efficient waste management and minimisation within the territorial authority's district, including:
  - (i) collection, recovery, recycling, treatment, and disposal services for the district to meet its current and future waste management and minimisation needs (whether provided by the territorial authority or otherwise); and
  - (ii) any waste management and minimisation facilities provided, or to be provided, by the territorial authority; and
  - (iii) any waste management and minimisation activities, including any educational or public awareness activities, provided, or to be provided, by the territorial authority.
- (c) how implementing the plan is to be funded.

## Adopting the Plan

As required by the Waste Minimisation Act 2008 Buller District Council has completed a Waste Assessment. As a result of this assessment Buller District Council is currently working on a Draft Waste Minimisation Plan which must be adopted and become operational in July 2012 .

Once adopted under section 51 of the Waste Minimisation Act 2008 it becomes a working document that is required to be monitored, evaluated and reviewed every six years.

## Vision for the Future

Council's vision for the future is to encourage waste reduction, reuse and recycling to support the health of the community and environment we live in and encourage the sustainable use of our natural resources.

## Facilities

It is considered that the new current Resource Recovery Parks and the facilities currently in place at Westport and Reefton have the capacity and will be sufficient to serve the needs of the district in the future.

The landfill located at Karamea consented until 2034 will be adequate for that district particularly as the community further embraces recycling. This landfill is manned and is operated in a controlled manner.

The landfill located at Maruia is consented until 2021.

## Funding

The Council will in its provision of waste management and minimisation services:

Maintain a user pays charging system to provide cost recovery as well as incentives and disincentives to promote the objectives of the Councils Waste Management & Minimisation Plan.

Fund the services from targeted rates, user charges, the waste disposal levy or general rates.

The levy money can only be spent upon matter to promote or achieve waste minimisation and has been committed to the provision and payment of weigh bridges installed at Westport and Reefton.

## The Proposed Plan

The proposed Draft Plan provides vision, goals, objectives and specific strategies which will encourage waste minimisation and a decrease in residual waste disposal in order to:

- (a) Protect the environment from harm; and
- (b) Provide environmental, social, economic and cultural benefits.

The Waste Minimisation and Management Plan (WMMP) describes the current situation including the existing facilities and services, as well as the key material streams.

It has clearly indicated four specific areas where the Council can improve the current service provided and move towards better compliance with the specific requirements of the WMA in descending order of importance being;

- ▶ Reduction
- ▶ Reuse
- ▶ Recycling
- ▶ Recovery
- ▶ Treatment

And the subsequent collection, transportation and disposal in a manner not likely to cause nuisance.

1. Council needs to change its collection method to a more cost effective system that places greater emphasis and recycling of product
2. Consider making the disposal of organic waste (greenwaste) either free or minimal to encourage greater volume disposed at approved facilities.
3. Create an opportunity for the disposal of approved cleanfill.
4. Enhance education programs to be more encompassing and wider reaching of a broader range of recyclable and reusable product.

## Goals

The New Zealand Waste Strategy (NZWS) 2010 sets the following two goals;

- Goal 1:** Reducing the harmful effects of waste; and
- Goal 2:** Improving the efficiency of resource use.

The aim of these two goals is to provide local government, business (including the waste industry) and communities on where to focus their efforts in order to deliver environmental, social and economic benefits to all New Zealanders.

This draft plan adopts these as its goals and proposes to achieve them by the following .

We believe we can achieve this by introducing cost effective domestic/commercial collection systems that emphasize recycling as opposed to residual waste, that encompass as much of our district as is possible.

We will work with our private commercial/domestic customers and encourage them to aspire to changing the emphasis of their operations towards recycled product as opposed to current total residual product.

We will work towards placing greater resources towards working with the community/ schools to raise waste awareness and recycling/reuse opportunities and product stewardship schemes.

We will continue to seek opportunities to increase recycled materials from the current residual waste stream.

We will work towards either free or reduced cost for the disposal of greenwaste to encourage greater volumes at our facilities that can then be diverted for use in the treatment of sewer sludge.

Revised e-waste disposal. (work with RCN e cycle Government funded Agency)

We will continue to monitor our current method of dealing with hazardous waste disposal and revise the method of process should the need arise.

## Objectives

- ▶ Less residual waste to landfill *reduced environmental and health*
- ▶ Increased recycling volumes to process *increased cost benefit less residual waste*
- ▶ Nil illegal dumping *reduced environment and health risk*
- ▶ Reduced facility opening hours *increased economic benefit*
- ▶ Greater volumes of disposed greenwaste *less environmental damage  
increased reuse in composting*
- ▶ Lower costs to the consumer *economic benefit*
- ▶ Hazardous Waste management *reduced environmental and health*
- ▶ Trade Waste *reduced environmental and health*



## Action Plan

### Strategy 1

- ▶ **Collect meaningful data to form policies and priorities and to meet regulatory requirements**

- ▶ **Desired outcomes**

- Quality information on resource use including waste and diverted material within our community

- ▶ **Measure**

- Ongoing database

Action	Timing	Method	Funding
Continue to enhance information gathered on waste and diverted material	ongoing	Spreadsheet	Annual Plan 2011/12
			Long Term Plan

- ▶ **Action**

- Continue to enhance information gathered on waste and diverted material

### Strategy 2

- ▶ **Facilitate and encourage greater participation in local recycling opportunities**

- ▶ **Desired outcomes**

- Increased amount of waste diverted through recycling

- ▶ **Measure**

- Average pickup rate and weight of recycling increased
- Amount of material recycled through drop off points increased.
- Total amount of material processed shows gradual increase
- Reduced amount of residual rubbish transported out of district.

Action	Timing	Method	Funding
Provide effective and reliable recycling services	ongoing	Work with ECO Central or other processors	Annual Plan 20011/12 Long Term Plan
Expand types of materials collected	Ongoing	Collect glass and cardboard kerbside	Long Term Pla
Encourage greater participation in existing kerbside recycling collection	Ongoing	Change to a wheelie bin collection . Implement an awareness program.	Long Term Plan
Develop and support local solutions for recyclable products	Ongoing	Council grants.	Annual Plan
Promote involvement of Business/industry	Ongoing	Encourage and promote use of existing industry tools	Staff time
Identify recycling options for specific material streams	Ongoing	Target industries and organisations	Staff time

### Strategy 3

- ▶ **Facilitate and encourage greater participation in transportation of greenfill to Resource Recovery Parks**
- ▶ **Desired outcomes**
  - Increased volumes at Resource Recovery Parks
- ▶ **Measure**
  - Average weight of residual rubbish collections reduces
  - Lower percentage of organic material in waste to landfill
  - Decreased fly dumping of green waste.

Action	Timing	Method	Funding
Continue treatment options for bio solids from Waste water treatment plant.	Ongoing	Shred greenwaste received at RRP to use as additive in composting process	Annual Plan
			Long Term Plan
Investigate change in charging method for the depositing of greenwaste at RRP/Landfills	2012/13	Change to charge by vehicle size as opposed to by weight.	Annual Plan
			Long Term Plan
Promote and advise community of end use of greenwaste	Ongoing	Publicity programmes	Annual Plan
			Long Term Plan
Promote availability of opportunity to deposit greenwaste at a minimal charge at RRP.	Ongoing	Publicity programmes	Annual Plan
		Active prosecution of fly dumping	Long Term Plan

### Strategy 4

- ▶ **Provide waste and diverted material services and infrastructure that balance convenience with waste minimisation objectives.**
- ▶ **Desired outcomes**
  - Less materials consumed and less residual rubbish
  - Effectively manage the potential for harm from waste in the environment.
- ▶ **Measure**
  - Less material generated per person
  - Total amount of recycling collected and processed increased
  - reduced quantities of residual rubbish collected

Action	Timing	Method	Funding
Reduce the Council residual rubbish collection to fortnightly using wheelie bins	2012/13	Introduction of wheelie bins. New contract	Long Term Plan
Review the Council residual rubbish collection areas	2012/13	New contract	Long Term Plan
Raise awareness of the potential harm in the use of private landfills on rural properties	2012/13	Liaise with WCRC	Long Term Plan
	Ongoing		
Enhance provisions for prosecuting illegal dumping	ongoing	Staff time	Annual Plan
			Long Term Plan
Work with the community to enhance stewardship of the local environment and reduce illegal dumping/litter	ongoing	Staff time	Staff time
		Support any local/national initiatives .ie keep nz green	Grants
Continue to manage street bin numbers.	Ongoing	Contract and awareness campaigns	Staff time
Change to recycling banks as opposed to straight residual rubbish single bins			Long Term Plan
Investigate options to move towards increased user pays for residual waste disposal	Ongoing	Periodic technology and options review	Staff time

## Strategy 5

- ▶ **Ensure appropriate management of Hazardous waste**
- ▶ **Desired outcomes**
  - Potential for harm to the environment and human health is minimised
- ▶ **Measure**

Action	Timing	Method	Funding
Raise the communities awareness of hazardous waste issues	Ongoing	Awareness campaign tied to Regional collections	Long Term Plan
Encourage Regional participation in periodic collection campaigns	Ongoing	Contract	Long Term Plan Government funding opportunities
Supply information to the community on options for disposal of hazardous materials	Ongoing	Staff time Advocacy	User pays
Lobby for product stewardship schemes	Ongoing	Staff time Advocacy	Staff time
Encourage rural community to participate in product stewardship schemes and recovery programmes	Ongoing	Advocacy	Staff time

## Strategy 6

- ▶ **Use price as a reinforcing tool to reduce the materials generated, to maximize recycling and minimize waste to landfill.**
- ▶ **Desired outcomes**
  - Less materials consumed and less residual rubbish to landfill
  - Effectively manage the potential for harm from waste in the environment
- ▶ **Measure**
  - Less material generated per person
  - Total amount of recycling collected and processed increased
  - Reduced quantities of residual rubbish collected or deposited

Action	Timing	Method	Funding
Support gate pricing policies to encourage separation and diversion	Ongoing	Review funding policies for materials accepted	Annual Plan 2012/13 Long Term Plan
Continue to fund recycling service costs by including recycling servicing costs in waste to landfill charges	Ongoing	Existing funding policy	Annual Plan Long Term Plan
Investigate further moves towards full user pays for residual rubbish service	Ongoing	Consider alternatives	Staff time

### Strategy 7

- ▶ **Manage closed landfills, operational landfills and transfer stations to ensure full compliance with consents and minimize harm.**
- ▶ **Desired outcomes**
  - Potential for harm to the environment and human health minimized
  - Continual improvement in the management of facilities
- ▶ **Measure**
  - Number of non complying consents

Action	Timing	Method	Funding
Continue to monitor all closed landfills	2012/22	Study	Staff time Annual Plan
Proactively manage open and closed landfills and RRP	ongoing	Respond proactively to non-compliance issues. Implement self assessment program	Staff time
Establish a Council controlled cleanfill	2012/22	Bylaw provision	Annual Plan Long Term Plan

### Strategy 8

- ▶ **Facilitate and encourage resource stewardship and opportunities to reduce consumption(use less) and increase environmental sustainability in our communities.**
- ▶ **Desired outcomes**
  - Increased awareness of the importance of wise resource use
  - Communities are well informed about the effects of waste and the opportunities they have to reduce waste
- ▶ **Measure**
  - Number of learning opportunities provided
  - Participation in learning opportunities
  - Reduction in materials generated
  - Reduction in total waste to landfill

Action	Timing	Method	Funding
Encourage and facilitate resource stewardship and waste audits within the community/business	Ongoing	Staff time	Annual Plan Long Term Plan
Develop a solid waste bylaw to support best practice for resource use and reduction of waste to landfill	2012	Bylaw revision	Annual Plan Long Term Plan
Deliver a school education programme on resource use, Minimisation and environment sustainability	Ongoing	Enviroschools program	Annual Plan Long Term Plan
Work with Council, community groups and private industry to support waste minimisation opportunities and promote resource stewardship and environmental sustainability.	Ongoing	Develop a tool kit	Annual Plan Long Term Plan

## Strategy 9

- ▶ **Advocate for stewardship and environmental sustainability to the government, private sector and community.**
- ▶ **Desired outcomes**
  - National stewardship programs and legislation to support wiser resource use
  - Increased awareness of product and producer stewardship mechanisms for achieving waste minimisation.
- ▶ **Measure**
  - Number of product stewardship schemes implemented

Action	Timing	Method	Funding
Maintain active membership of relevant bodies and associations	Ongoing	Memberships	Annual Plan
		Attendance at industry events	Long Term Plan
Advocate to central government, private industry and community to raise awareness of stewardship schemes	Ongoing	Advocate and lobby for national legislation.	Staff time
Advocate and support the establishment of sustainable markets for recyclable product	Ongoing	Advocacy for onshore and local recycling processes	Staff time
Support community groups in advocating for industry and government for more sustainable resource use	Ongoing	Community engagement	Staff time





