



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
- Rates Remission Policy
- Policy for Rates Relief on Maori Freehold Land
- Consultation Policy





CONSULTATION

The significance of a matter will also guide the local authority's decisions concerning the extent and nature of the consultation to be undertaken with the persons likely to be affected or interested in the decision or matter.

The Council must comply with the principles of consultation set out in Section 82 of the Local Government Act 2002 in such a manner that the Council considers, at its discretion, to be appropriate. In determining what is appropriate the Council must have regard to various matters including the nature and significance of the decision or matter (including its likely impact from the perspective of the persons who will or may be affected by the decision).

The more significant a matter from the perspective of the persons who may be affected by the decision, the more likely the Council will need to consult with them on their views. There have been limited changes to the policy with the exception of changes reflected in the table on page page.

PUBLIC INFORMATION

The significance of a decision will assist in determining the extent and detail of information to be provided by the local authority when consulting with or reporting to the community.

The principles of consultation (Section 82) include the principle that persons interested in decisions should be provided with reasonable access to relevant information, and should be given clear information concerning the purpose of the consultation. In addition, persons who present views to the Council should be provided information concerning both the relevant decisions and the reasons for those decisions. In determining how to comply with these, and the other principles of consultation, the Council will take into account the nature and significance of the decision.

If a decision is significantly inconsistent with, or will have consequences significantly inconsistent with a plan or policy of the Council, the Council must, when making the decision, identify the inconsistency, give reasons for it and any intention of the Council to amend the policy or plan to accommodate the inconsistency (Section 80).

In reporting to the community in its Annual Report, the Council must give reasons for any significant variance between actual service provision and expected service provision. It must also describe any significant acquisitions or replacement of assets, giving reasons for them. It must explain any significant variation between the projected acquisitions and replacements in the LTCCP and those actually made. The report must also, in relation to each Council controlled organisation, report on the extent to which the Council's significant policies and objectives in regard to ownership and control of the organisation have been implemented or attained during the year.

INCLUSION IN LTCCP AND USE OF SPECIAL CONSULTATIVE PROCESS

Significance may also determine whether a decision on a matter must be explicitly included in the LTCCP, and in a statement of proposal which has been considered under a special consultative procedure, before the decision can be made (Section 97).

A Council must provide for a decision in its LTCCP and in a statement of proposal if the decision would:

POLICY ON SIGNIFICANCE



- significantly alter the intended level of service provision for any significant activity (including a decision to commence or cease such activity)
- significantly affect the capacity of the Council, or the cost to the Council, in relation to any activity in the LTCCP

The Council must use the special consultative procedure in relation to any proposal for an alteration in the mode by which a significant activity is undertaken (Section 88).

In addition, the policy on significance identifies the assets the Council considers to be strategic assets. Any decision to transfer ownership or control of a strategic asset, or a decision to construct, replace or abandon a strategic asset cannot be made unless it has first been included in the LTCCP, and in a statement of proposal relating to the LTCCP.

GENERAL APPROACH

The Council will consider each proposal or decision on a case by case basis to determine whether the decision is significant. In determining this issue, the Council will apply the criteria and procedures and consider the thresholds set out in this policy and will also consider each of the following:

- the likely impact/consequences of the decision or proposal on the current and future social, economic, environmental, and cultural well-being of the community
- the parties who are likely to be particularly affected by or interested in the decision or proposal
- the likely impact/consequences of the decision or proposal from the perspective of those parties
- the financial and non-financial costs and implications of the decision or proposal having regard to the Council's capacity to perform its role

The more significant or material the impact or consequences of the decision or proposal, the higher the standard of compliance required with Part 6 of the Act, and the more likely the matter will be 'significant'.

Responses to the questions set out below may be used to assist in determining the degree of significance of an issue, proposal, decisions or other matter and consequential required level of compliance with Sections 77, 78, 80, 81 and 82. If the answer is yes to any of the following questions then the issue, proposal, decisions or other matter has significance. The greater the number of yes answers, the greater the degree of significance.

Does the issue, proposal, decisions or other matter:

- (a) affect all or a large portion of the community in a far-reaching way?
- (b) have a potential impact or consequence on the affected persons (being a number of persons) that is substantial?
- (c) have financial implications on the Council's resources that would be substantial?
- (d) generate (or would be expected to generate) a high degree of controversy?
- (e) fail to flow logically or consequentially from a decision in the Long Term Council Community Plan?





SIGNIFICANT ISSUES, PROPOSALS, DECISIONS AND OTHER MATTERS

GENERAL APPROACH

1. Significant issues, proposals, decisions or other matters will be included in the Long Term Council Community Plan wherever possible. Where this is not practical they will be included wherever possible in the Annual Plan produced in the years between the Long Term Council Community Plan or where required by the Act in an amendment to the Long Term Council Community Plan.
2. Significant decisions will only be made outside the above processes where there are compelling reasons for it not being practical for them to be included in the Long Term Council Community Plan or Annual Plan.
3. Council will not proceed with a decision that is considered significant without consideration of a detailed statement evidencing compliance with Sections 77, 78, 80, 81 and 82.

Prior to delegating a decision on any specific matter to officers or committees, the Council as a whole will consider the significance of the matter being delegated.

THRESHOLDS, CRITERIA AND PROCEDURES

Thresholds

Application of the thresholds is not necessarily conclusive. A matter which does not meet any particular financial threshold may still be significant if the criteria below suggest that it is.

When undertaking a process to determine which issue, proposal, decision or other matter is significant Council will recognise the following thresholds in determining significance:

- Issues, proposals, decisions, assets, or other matters for which Council will:
 - incur operational expenditure exceeding 10% of its annual budget for that year
 - incur capital expenditure exceeding 5% of the total value of Councils assets, or where spent on a strategic asset or strategic asset as a whole as defined in the LGA 2002, or in this policy, exceeds 25% of that assets value
- Any transfer of ownership or control, or the disposal or abandonment, of a strategic asset as a whole as defined by the LGA 2002 or listed in this policy;

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- The sale of Council's shareholding in any Council controlled trading organisation, or Council controlled organisation;
- A decision that will, directly or indirectly, severely affect the capacity (including financial capacity) of Council to carry out any activity identified in the Long Term Council Community Plan;
- Entry into any partnership with the private sector to carry out a **significant activity**.

CRITERIA

If a decision or proposal satisfies one or more of the following criteria, the matter is likely to have a high degree of significance:

- the decision or proposal affects all or a large portion of the community in a way that is not inconsequential;
- the impact or consequences of the decision or proposal on the affected persons (being a number of persons) will be substantial;
- the financial implications of the decision on the Council's overall resources are substantial.

Matters which do not satisfy these criteria may have a high degree of significance where it is known that the decision will nevertheless generate a high degree of controversy.

PROCEDURES

Every agenda will include a statement of "Significance Consideration"

Every report to Council must include a statement:

- (i) indicating that the issue of significance has been considered;
- (ii) including a recommendation, where necessary, assessing the significance of an issue, a proposal, decisions or other matter if a decision to be made is considered to be significant, the report will also include a statement:
- (iii) addressing what has been done to ensure compliance with Sections 77, 78, 80, 81 and 82 of the Local Government Act 2002 as applicable.

STRATEGIC ASSETS

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.

GENERAL COMMENTS

Council is required pursuant to Section 90(2) of the Local Government Act to list all strategic assets as defined in Section 5 of the act and set out under 'Legislative Framework' of this policy. The strategic assets register set out below is not exhaustive but includes those which are considered significant in ensuring the Council's capacity to achieve or promote any important outcome.

It is important to note that Council manages a number of strategic assets as a whole. This is because the asset class as a whole delivers the service. Strategic decisions, therefore only concern the whole asset class and not the individual components, unless that component substantially affects the ability of Council to deliver the service. It is the principle of the provision of the services, not the individual roads, individual toilet blocks, individual halls, etc, that makes these assets groups strategic.

POLICY ON SIGNIFICANCE



Activity/Group of Activities	Asset	Strategic Issues			
		Economic District Growth	Social Quality of Life	Cultural	Environment
Investments	100% shareholding in Buller Holdings 50% ownership of Westport Airport	•	•		
Water Supply	The water supply network as a whole including reservoirs, treatments plants, pump stations and reticulation	•	•	•	
Community Services	The Library network as a whole, including the District Library and the Community Libraries	•	•	•	
	The reserves lands as a whole including land held under the Reserves Act and land used for parks, domains, Village Greens, cemeteries, sports fields and recreational areas	•	•	•	•
	The lands and buildings a whole used for the administration of the district	•	•		
	The land and buildings as a whole owned by the Council for its pensioner housing provision	•			
	Provision of theatre and cinema facilities	•	•	•	
	The land and buildings comprising community halls	•	•		
	Provision of sports and recreation facilities. See note below.	•	•		
Roading	The Buller District roading network as a whole	•	•	•	•
Solid Waste	The Buller solid waste network as a whole including transfer stations and landfills	•	•		•
Land Drainage	The land drainage systems as a whole including stormwater pipe network, the open river system, waterways, wetlands and retention basins	•	•	•	•
Wastewater	The wastewater collection, treatment and disposal system as a whole including the sewers, pump stations and the treatment works	•	•	•	•
Harbour	All infrastructure assets associated with the Westport Harbour and its operations				





POLICY ON SIGNIFICANCE

NOTE:

Council has decided to transfer the recently built sports and recreation facility and the Harbour in Westport to the Holding Company. Significant assets removed from the Council's assets in the Prospective Statement of Financial Position include the Solid Energy Centre and all associated sport, recreational and office equipment. Relative to the Harbour, net assets totalling \$2,283k, including all infrastructural assets (land, buildings, machines, furniture, vehicles and tools) were removed from the Council Prospective Statement of Financial Position.

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 wellbeing 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 wellbeing 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.

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) an outline of how the local authority will assess, monitor, and report on the extent to which community outcomes are furthered by any provision of funding or other resources or a partnership with the private sector





POLICY ON PARTNERSHIPS 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 Council Community 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.

POLICY ON PARTNERSHIPS WITH THE PRIVATE SECTOR



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.





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:

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

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 source

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 group 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**.

It should be noted that two funding columns have been reflected in the policy. The first column shows the current funding mechanism whereas the second column reflects the changes in funding if a new rating review model is adopted.

REVENUE AND FINANCING POLICY



Activity	Activity: What is the community getting	Rationale for Service	Community Outcome	Period of Benefit	Actions or Inactions that contribute to activity	Benefit		Funding Mechanism Effective: 2009/2010	Funding Mechanism Proposed Effective: 01 July 2012
						General Benefits	Private Benefits		
Democracy	Elected Representatives Community Planning and Consultation	Statutory requirement LGQ 2002 Local Electoral Act 2001 and regulations The need for the ICB is created by the Inangahua Community Governance Structure for effective leadership, advocacy and accountable stewardship of the Council's assets and resources	All	Ongoing	None	All can be involved in democratic representation Social cohesion and community focus Liaison with central government Equal access for all	Inangahua community benefits through separate board of 4 members plus Councillor	Operating 100% General rates Capital No capital spend	Operating 100% General rate District and Ward costs Based on Capital Value No capital spend
Libraries	Library service Information 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.	Education Identity	Ongoing Long term: - Library books - Library buildings		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	Operating 90% General rates 10% Fees Capital Loans Special Funds Grants	Operating 90% General rates 10% Fees Ward cost based on capital land value Reefton library costs attributed directly to Inangahua Ward Capital Loans Special Funds Grants





REVENUE AND FINANCING POLICY

Activity	Activity: What is the community getting	Rationale for Service	Community Outcome	Period of Benefit	Actions or Inactions that contribute to activity	Benefit		Funding Mechanism Effective: 2009/2010	Funding Mechanism Proposed Effective: 01 July 2012
						General Benefits	Private Benefits		
District Promotion and Development	Grants	District Promotion and Development Agencies and Businesses Local Business	Provides for economic and social wellbeing	Ongoing	None	Improved economic benefit of district	Local business	Operating 40% General rates 60% Targeted rate based on capital value from 2009/2010 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 See page 154 for classification criteria \$100 - Tier 1 \$300 - Tier 2 \$600 - Tier 3 All home-based businesses who advertise/registered with tourism organisations - \$150 Capital No capital spend	Operating 40% General rates 60% Targeted rate based on capital value from 2009/2010 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 See page 154 for classification criteria \$100 - Tier 1 \$300 - Tier 2 \$600 - Tier 3 All home-based businesses who advertise/registered with tourism organisations - \$150 Capital No capital spend
Recreation Facilities	Swimming Pool at Reefton	Users of facilities benefit from personal fitness and competition	Health Education Identity	Ongoing		Community benefits in providing options for people to exercise and relieve the pressure on the health system	Users of pool	Operating 100% General rates Capital Capital expenditure funded by loan	Operating 100% from General rates Based on Capital Value District Cost - 50% Ward Cost - 50% Capital Capital expenditure funded by loan

REVENUE AND FINANCING POLICY



Activity	Activity: What is the community getting	Rationale for Service	Community Outcome	Period of Benefit	Actions or Inactions that contribute to activity	Benefit		Funding Mechanism Effective: 2009/2010	Funding Mechanism Proposed Effective: 01 July 2012
						General Benefits	Private Benefits		
Recreation Facilities	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		Ongoing		<p>Community benefits in providing options for people to exercise and relieve the pressure on the health system.</p> <p>Enhanced health and well-being of community.</p> <p>Opportunities for recreation and leisure.</p> <p>Controlled safe environment for younger community.</p>	Users of gym, pool and sports recreational facilities.	<p>Operating It is the intention to transfer the Solid Energy Centre to the Holding Group. Council will be paying a service fee to the Holding Company funded from general rates.</p> <p>Capital No capital spend as it will under the governance of the holding company.</p>	<p>Operating It is the intention to transfer the Solid Energy Centre to the Holding Group. Council will be paying a service fee to the Holding Company funded from general rates.</p> <p>Capital No capital spend as it will under the governance of the holding company.</p>
Theatre	Live performance Movies	<p>Theatre groups who use the theatre for performances</p> <p>Movie goers</p> <p>School groups who use the theatre for performances</p>	Identity	<p>Ongoing</p> <p>Long Term: - Theatre Venue</p>		<p>Facility that can be used by all and enhances cultural well-being of district.</p> <p>Overall public benefit.</p>	<p>Groups who need a venue for live performances.</p> <p>Residents who want to watch movies.</p>	<p>Operating Fees - user pays 40%</p> <p>General rates 60%</p> <p>Capital Loans Special Funds Grants</p>	<p>Operating Fees - user pays 40%</p> <p>General rates 60%</p> <p>District and Ward cost based on capital value</p> <p>Capital Loans Special Funds Grants External Contributions</p>





REVENUE AND FINANCING POLICY

Activity	Activity: What is the community getting	Rationale for Service	Community Outcome	Period of Benefit	Actions or Inactions that contribute to activity	Benefit		Funding Mechanism Effective: 2009/2010	Funding Mechanism Proposed Effective: 01 July 2012
						General Benefits	Private Benefits		
Reefton Service Centre	Council Services	Reefton residents who require access to services	Identity	Ongoing Long Term: - building			Reefton residents and visitors to the area	Operating 100% General Rates Capital Special Funds	Operating 100% General Rates Capital Value Cost attributed directly to ward Capital Special Funds
Reefton Post Office	Postal Services	Reefton residents who require access to services	Identify	Ongoing Long Term: - building			Reefton residents and visitors to the area	Operating 100% Fees Capital Special Funds	Operating 100% Fees Capital Special Funds
Community Development and Support	Provision of grants	Volunteer organisations and individuals who want funding due to financial pressures	Identify Health Education	Ongoing			Grants paid to organisations benefit the whole community through improved facilities and cultural opportunities	Operating 100% General Rates Capital No capital spend	Operating 100% General Rates District cost Capital 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.	Ongoing				The Vision 2010 projects are designed to support local community initiatives to improve community facilities and projects that benefit residents	Capital 50% funded from General Rates 50% funded from external contributions	Capital 50% funded from General Rates 50% funded from external contributions

REVENUE AND FINANCING POLICY



Activity	Activity: What is the community getting	Rationale for Service	Community Outcome	Period of Benefit	Actions or Inactions that contribute to activity	Benefit		Funding Mechanism Effective: 2009/2010	Funding Mechanism Proposed Effective: 01 July 2012
						General Benefits	Private Benefits		
Community Development and Support	Development of Cultural Hub	<p>Council is looking to help revitalise the town centre environment through the creation of a cultural hub.</p> <p>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.</p> <p>Having a hub within our Westport District assists in creating a feeling of vibrancy, activity and excitement.</p>	Economy Identity	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.		<p>Capital 50% Funded by loan</p> <p>50% Funded by External contributions account for 50%</p>	<p>Capital 50% Funded by loan</p> <p>50% Funded by External contributions account for 50%</p>





REVENUE AND FINANCING POLICY

Activity	Activity: What is the community getting	Rationale for Service	Community Outcome	Period of Benefit	Actions or Inactions that contribute to activity	Benefit		Funding Mechanism Effective: 2009/2010	Funding Mechanism Proposed Effective: 01 July 2012
						General Benefits	Private Benefits		
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. The activity in achieving 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.	Environment	<p>Ongoing</p> <p>Long Term: - District Plan</p>		<p>Entire district - Regulations Monitoring benefits</p> <p>Contributes to the sustainable management and development of the district resources and of benefit to district as a whole</p>		<p>Operating 100% General Rates</p> <p>Capital No capital spend</p>	<p>Operating 100% General Rates</p> <p>Based on Land Value</p> <p>District Cost</p> <p>Capital No capital spend</p>
Resource Management Consents	Resource Consents	<p>Legislation - RMA</p> <p>Resource Consent Applicants</p> <p>Monitoring enforcement of land use.</p>	Safety Environment	<p>Ongoing</p>	<p>Exacerbator - Non compliance to conditions</p> <p>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.</p> <p>Environment safeguards</p>	<p>Entire district - Regulations Monitoring benefits.</p>	<p>Applicants for Resource Consents</p>	<p>Operating 100% Fees</p> <p>Capital No capital spend</p>	<p>Operating 100% Fees/Charges</p> <p>District Cost based on Land Value</p> <p>Capital No capital spend</p>

REVENUE AND FINANCING POLICY



Activity	Activity: What is the community getting	Rationale for Service	Community Outcome	Period of Benefit	Actions or Inactions that contribute to activity	Benefit		Funding Mechanism Effective: 2009/2010	Funding Mechanism Proposed Effective: 01 July 2012
						General Benefits	Private Benefits		
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	Safety Economy	Ongoing		Benefit to the entire district of having buildings that comply with regulations. Public health and wellbeing	Individuals who are building	Operating 10% General Rates 90% Fees Capital No capital spend	Operating 10% General Rates 90% Fees District Cost based on Land Value Capital 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.	Safety	Ongoing Long Term: - Dog pounds?	Exacerbator - those that don't license their dogs	Entire district - Complaint service - Public safety	Those with dogs cause the problems. Individuals will have delegated exercise areas for dogs.	Operating 15% General Rates 85% Fees Capital Capital expenditure funded by loans	Operating 15% General Rates 85% Fees District Cost based on Capital Value Capital Capital spend funded by loans
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.	Safety	Ongoing	Exacerbator - Stock that dirty the road	Entire district - Complaint service - Public safety	Those with stock cause the problems	Operating 60% General Rates 40% Fees Capital No capital spend	Operating 60% General Rates 40% Fees District Cost based on a mixture of Land and Capital Value Capital No capital spend





REVENUE AND FINANCING POLICY

Activity	Activity: What is the community getting	Rationale for Service	Community Outcome	Period of Benefit	Actions or Inactions that contribute to activity	Benefit		Funding Mechanism Effective: 2009/2010	Funding Mechanism Proposed Effective: 01 July 2012
						General Benefits	Private Benefits		
Environmental Health - Food Premises	Licensing of premises	<p>Legislation</p> <ul style="list-style-type: none"> - Food Hygiene Regulations 1974 - Health Act 1956 <p>The activity ensures the enforcement of safety legislation to protect members of our community from potential risk.</p>	Health Safety Environment	Ongoing		<p>Entire district benefits from health and safety in business meeting standards.</p> <p>The community as a whole benefits through control of infectious diseases and monitoring of environmental standards. The community includes local residents and visitors to the district.</p>	<p>Individuals who require certification of their businesses</p>	<p>Operating 80% General Rates 20% Fees</p> <p>Certain fees are set by statute</p> <p>Capital No capital spend</p>	<p>Operating 80% General Rates 20% Fees</p> <p>Certain fees are set by statute which limit recovery of costs.</p> <p>District Cost based on Capital Value</p> <p>Capital No capital spend</p>
Environmental Health - Liquor Licensing	Licensing of Premises	<p>Sale of Liquor Act 1989</p> <p>Gambling Act</p> <p>The activity ensures the enforcement of safety legislation to protect members of our community from potential harm.</p>	Health Safety	Ongoing		<p>Entire district - Regulated opening times / venues</p> <p>Public health and safety</p>	<p>Individuals who require certification of their businesses</p>	<p>Operating 25% General Rates 75% Fees</p> <p>Capital No capital spend</p>	<p>Operating 25% General Rates 75% Fees</p> <p>District Cost based on Capital Value</p> <p>Capital No capital spend</p>

REVENUE AND FINANCING POLICY



Activity	Activity: What is the community getting	Rationale for Service	Community Outcome	Period of Benefit	Actions or Inactions that contribute to activity	Benefit		Funding Mechanism Effective: 2009/2010	Funding Mechanism Proposed Effective: 01 July 2012
						General Benefits	Private Benefits		
Environmental Health - Noise	Noise complaints serviced	This is driven by legislation via. Resource Management Act (RMA) that 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.	Health Safety	Ongoing		Health benefits from reduced noise levels	Promotion of a pleasant environment for the community. No hazards from excessive noise levels	Operating 95% General Rates 5% Fees Capital No capital spend	Operating 95% General Rates 5% Fees District Cost based on Capital Value Capital 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.	Safety	Ongoing Long Term: - vehicles	Exacerbator - those responsible for starting fire	Entire district as fire is contained / prevented	Fire Permits	Operating 100% General Rates Fire attendance on cost recovery Capital Loan	Operating 100% General Rates Fire attendance on cost recovery District Cost based on Land Value Capital Loan
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.	Safety	Ongoing Long Term		Provides certainty and assurance to public Council prepared to meet impact of natural disaster		Operating 95% General Rates 5% Fees Capital No capital spend	Operating 95% General Rates 5% Fees District Cost based on Capital Value Capital No capital spend





REVENUE AND FINANCING POLICY

Activity	Activity: What is the community getting	Rationale for Service	Community Outcome	Period of Benefit	Actions or Inactions that contribute to activity	Benefit		Funding Mechanism Effective: 2009/2010	Funding Mechanism Proposed Effective: 01 July 2012
						General Benefits	Private Benefits		
Reserves	Parks Sports grounds Reserves Playgrounds Beach areas	Provides the community with recreation facilities and relaxation areas and create a pleasant environment for the community.	Health Identity Environment	Ongoing Long Term: - Land - Playground equipment		Use of parks is public Beauty and image of Buller district is enhanced Enhanced health and wellbeing	Promotion of a pleasant environment for the community. No hazards from excessive noise levels	Operating 95% General Rates 5% Fees Capital Loans or Special Funds	Operating 95% General Rates 5% Fees District Cost based on Capital Value Capital Loans or Special Funds
Public Toilets	Toilet facilities	The provision of toilet facilities promotes the health and wellbeing of the district and environment.	Health Safety	Ongoing Long Term: - buildings		Public - non-exclusivity Health and wellbeing of community	Individuals using facilities	Operating 100% General Rates Capital Loans or Special Funds	Operating 100% General Rates District Cost based on Capital Value Capital Loans or Special Funds
Cemeteries	Internment facilities Recreation reserve Records enquiry service	Burial and Cremation Act 1974	Health Safety	Ongoing Long Term: - land		Used by all as park Availability of heritage records	Benefit for family of person interned	Operating 75% General Rates 25% Fees Capital Loans or Special Funds	Operating 75% General Rates 25% Fees District Cost based on Capital Value Capital Loans or Special Funds

REVENUE AND FINANCING POLICY



Activity	Activity: What is the community getting	Rationale for Service	Community Outcome	Period of Benefit	Actions or Inactions that contribute to activity	Benefit		Funding Mechanism Effective: 2009/2010	Funding Mechanism Proposed Effective: 01 July 2012
						General Benefits	Private Benefits		
Property - Community	Community halls Service centre - Westport	Community and civic buildings provide for a diverse range of community activities	Safety Health Identity	Ongoing Long Term: - buildings		All benefit from public buildings	Groups using halls	Operating 95% General Rates 5% Fees Capital Loans or Special Funds	Operating 95% General Rates 5% Fees District Cost based on Capital Value Capital Loans or Special Funds
Elderly Persons Housing	Pensioner housing	Provision of housing for the elderly assists our elderly members to maintain their independence and remain in the community	Safety Health Identity	Ongoing Long Term: - buildings		Retaining the elderly within the community which retains the character and mix	Tenants renting	Operating 100% Fees Capital Loans or Special Funds	Operating 100% Fees District Cost based on Capital Value Capital Loans or Special Funds
Property - Private	Property Management of leased property	Management of leased land assists in the effective maintenance of Council's assets and facilities	Identity	Ongoing Long Term: - buildings		All benefit from return on investment		Operating 100% Fees Capital Loans or Special Funds	Operating 100% Fees District Cost based on Capital Value Capital Loans or Special Funds





REVENUE AND FINANCING POLICY

Activity	Activity: What is the community getting	Rationale for Service	Community Outcome	Period of Benefit	Actions or Inactions that contribute to activity	Benefit		Funding Mechanism Effective: 2009/2010	Funding Mechanism Proposed Effective: 01 July 2012
						General Benefits	Private Benefits		
Punakaiki Camping Ground	Holiday park accommodation for visitors	Provision of an area for both passive and active recreation and enjoyment	Safety Health Identity	Ongoing Long Term: - buildings		All benefit from extra visitors and economic gain	Customers using the facility	Operating 100% Fees Capital Loans or Special Funds	Operating 100% Fees District Cost based on Capital Value Capital Loans or Special Funds
Roading	Roads Street lighting Footpaths Car parking spaces	Local Government Act 2002 Road Controlling Authority This activity ensures property access and freedom of travel and supports the sustainability of the community.	Safety Economy	Ongoing Long Term: - road construction and renewals		Sustainability of the community	Individuals using the transport network Benefit from access to property and access to facilities Improved safety of roads	Operating 40% General Rates 60% Subsidy Capital General rates	Operating 40% General Rates 60% Subsidy Ward based on Land Value Capital General Rates
Urban Development	Improving street and landscape in towns	More pleasant environment for our communities by use of planting, street treatment and decorative measures	Identity	Ongoing Long Term			Improved environment to residents and tourists	Operating 100% General Rates Capital General rates	Operating 100% General Rates District cost based on Land based Capital General Rates

REVENUE AND FINANCING POLICY



Activity	Activity: What is the community getting	Rationale for Service	Community Outcome	Period of Benefit	Actions or Inactions that contribute to activity	Benefit		Funding Mechanism Effective: 2009/2010	Funding Mechanism Proposed Effective: 01 July 2012
						General Benefits	Private Benefits		
Water Supplies	Supply of water	Community health, safety and development. Provision of water supplies is a core function of Local Government	Health Safety	Ongoing Long Term: - new schemes / renewals	Exacerbator - those producing rubbish or illegally dumping	Supply of water for public toilets. Fire fighting supply.	Residents able to be connected to supply.	Operating 100% Targeted Rates Metered water for major users Capital Financial assistance targeted rate	Operating 100% Targeted Rates Metered water for major users Capital Financial assistance targeted rate
Landfill Operations	Close landfills and rehabilitate Dump rubbish	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 that maintains the districts natural and aesthetic values	Health	Ongoing Long Term		Enhanced landscaped view of landfill	Residents able to dispose of unwanted rubbish	Operating 25% General Rates 75% Fees Capital Loans Special Funds General Rates	Operating Transition to 100% fees over four years ending 2012/2013 Capital Loans Special Funds 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.	Health	Ongoing Long Term		Better environment Public Health	Those using collection service	Operating 100% Targeted Rates Fees - bag sales Capital No capital spend	Operating 100% Targeted Rates Fees - bag sales Capital No capital spend





REVENUE AND FINANCING POLICY

Activity	Activity: What is the community getting	Rationale for Service	Community Outcome	Period of Benefit	Actions or Inactions that contribute to activity	Benefit		Funding Mechanism Effective: 2009/2010	Funding Mechanism Proposed Effective: 01 July 2012
						General Benefits	Private Benefits		
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.	Health	Ongoing Long Term - Transfer Stations		Sustainability of the environment. Enhances social responsibility. Future generations will benefit.		Operating 100% Targeted Rates Capital Targeted Rates Loans	Operating 100% Targeted Rates Capital Targeted Rates Loans
Sewerage	Disposal of sewerage Disposal of trade waste	Necessary for health and quality of life in the community	Health	Ongoing Long Term - New schemes / renewals		Community health and wellbeing Maintains sanitation Recognises cultural sensitivity	Residents able to be connected to sewer Those disposing of trade water	Operating 100% Targeted Rates Trade Waste Fees Capital Loans Targeted Rates	Operating 100% Targeted Rates Trade Waste Fees Capital Loans Targeted Rates
Stormwater	Collect and transport land drainage from property	Protection of property Health and safety as it reduces death of injury from flooding	Health	Ongoing Long Term - New schemes / renewals		Public Health benefit Continuity of access to property	Urban properties benefit due to density of roading and footpaths Drainage protection Open drains in rural area	Operating 100% General Rates Capital Loans or Special Funds	Operating 100% General Rates Ward based Land Value Capital Loans or Special Funds

REVENUE AND FINANCING POLICY



Activity	Activity: What is the community getting	Rationale for Service	Community Outcome	Period of Benefit	Actions or Inactions that contribute to activity	Benefit		Funding Mechanism Effective: 2009/2010	Funding Mechanism Proposed Effective: 01 July 2012
						General Benefits	Private Benefits		
Corporate Services	General staff and administration costs	Execution and support of all Council activities	All	Ongoing Long Term - Office Equipment		Benefits community at large	No individual benefits	Overheads reallocated back to other departments. Internal review needed for operating costs	Overheads reallocated back to other departments. Internal review needed for operating costs
Information Systems	Computer systems	Availability of information to support all Council activities and enable sound decision making.	All	Ongoing Long Term - Computer systems		Benefits community at large	GIS individuals using systems	Overheads reallocated back to other departments. Internal review needed for operating costs Capital: - General Rates	Overheads reallocated back to other departments. Internal review needed for operating costs Capital: - General Rates
Westport Airport	Airport Services Harbour Services	Public Transportation Provision of port services	Economy	Ongoing Long Term		Economic benefit to all Social and heritage value	Commercial / individual users benefit	Operating 100% Fees 50% Funded by Crown Remainder from General Rates Capital Loan	Operating 100% Fees 50% Funded by Crown Remainder from General Rates District Cost based on Capital Value Capital Loan





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 ("Council"). The formalisation of such policies and procedures will enable treasury risks within Buller District Council to be prudently managed. As circumstances change, the policies and procedures outlined in this policy will be modified to ensure that treasury risks within Buller District Council continue to be well managed.

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 25 years.

TREASURY MANAGEMENT POLICY



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 and Re-financing existing debt	Chief Executive Officer	Subject to Council set limits
Approving transactions outside policy	Council	Unlimited (subject to Council resolution)
Approving credit counter-party 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	Every three years with LTCCP
Ensuring compliance with policy	Corporate Services Manager	N/A
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 primary 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 external borrowings will not exceed 15% of total annual revenues
- Debt to total income ratio of not more than 2.5 times
- Liquid ratio of 1:1
- Term of loans is not exceed to a maximum term of 25 years
- Total debt per ratable property is not to exceed \$ 5500

"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)
Interest Rate Risk Management	Forward rate agreements ("FRA's:") on: <ul style="list-style-type: none"> - Bank bills - Government Bonds
	Interest rate swaps including: <ul style="list-style-type: none"> - Forward start swaps (start date <24 months) - Amortising swaps (whereby national principal amount reduces)
	Interest rate options on: <ul style="list-style-type: none"> - 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.

TREASURY MANAGEMENT POLICY



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 – e.g. 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 Council Community Plan. eg Council's shareholding in Buller Holdings Limited
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.
Other Investments	Forestry investments

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.





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 and 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

Credit risk is minimised by limiting investments to registered banks, strongly rated SOE's, and corporates within prescribed limits



5.5 Liquidity Risk

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 organisations 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) bring A- and above.





TREASURY MANAGEMENT POLICY

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%	Promissory Notes (mature within 6 months)	Not Applicable	\$3 million
New Zealand Registered Banks	100%	Call/Deposits/Banks	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/MTN's/FRN's	Long term S&P rating of A+ or better	\$5 million
State Owned Enterprises and District Health Boards	50%	Promissory Notes (mature within 6 months)	Short term S&P rating of A1 or better	\$3 million
			Long term S&P rating of BBB to A+	\$1 million
		Bonds/Medium Term Notes/ Floating Rate Notes	Long term S&P rating of A+ or better	\$2 million
Corporate and other rated issues	50%	Promissory 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/Deposit (mature within 6 months)	Not Applicable	The lesser of \$1 million or a maximum of 4% of total assets of Society

TREASURY MANAGEMENT POLICY



FOLLOWING INVESTMENTS BY COUNCIL RESOLUTION ONLY:				
Authorised Asset Class	Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments	Credit Rating Criteria	Limit for Each Issuer
Common shares, unit trust, investment trusts, convertible notes, warrants, rights contributory shares. Council also has strategic share holding (NZLG Investment Corp)	15%	NZSX50 Gross Index - ASX 200 Index A minimum of 80% must be NZSE 40 or top 50 companies on NZSE 30X or ASX 200 Index Maximum 20% in ASX SCI Index or NZ SCL		The lesser of \$1 million or 15% of total investments
International Equities - Common shares, unit trusts, investment trusts, warrants, rights, contributory shares *Recommended hedging between 0-65% of the International Exposure	15%	New York SE Hong Kong SE London SE Tokyo SE Singapore SE West European SE		The lesser of \$1 million or 15% of total investment

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 Audit Committee has prime responsibility for determining this overall quality. Objective measures are as follows:

7.1 Borrowing

- Adherence to policy
- Unplanned overdraft costs
- Number and cost of processing errors

7.2 Equity Investments

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

7.3 Property Investments

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

7.4 Treasury Investments

- Adherence to policy
- Number and cost of processing errors

TREASURY MANAGEMENT POLICY



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	Acct	CSM	CSM
Investment Reconciliation	Monthly	Acct	CSM	N/A
Bank Reconciliation	Monthly	Acct	CSM	CSM
Review of Investments and Borrowings	Monthly	Acct	CSM	Council

CSM - Corporate Services Manager

Acct - Financial Accountant





POLICY FOR DEVELOPMENT AND 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.





POLICY FOR DEVELOPMENT AND FINANCIAL CONTRIBUTIONS

(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. 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

Council will consider a discussion document to determine whether or not a policy on development contributions should be developed. 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

RATES REMISSION POLICY



1. REMISSION OF RATE PENALTIES

Objective: For Council to act "fairly and reasonably" in the remission of penalties.

The penalty on any instalment which has been paid in full after the penalty date shall be remitted, if the rating unit has not incurred any other penalties in the previous 12 months.

Where a suitable automatic payment arrangement is in place to clear an outstanding rates balance within a certain timeframe (agreed to in writing by both parties), then any penalties incurred during the term of the repayment arrangements may be remitted once all outstanding rates have been cleared, provided the terms of the repayment arrangement have been adhered to.

Any other application for penalty/penalties remission must be made in writing and shall be considered by the Manager Corporate Services on a case-by-case basis.

2. REMISSION FOR LAND USED AND/OR OCCUPIED BY COMMUNITY, SPORTING AND OTHER ORGANISATIONS

Objective: 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 rates remissions.

- 2.1 A rating unit that is owned or used by any society or association that has in the past been granted a 50% remission through prior resolution of Council, shall now fall within the "Land 50% non-rateable" category of Schedule 1, Part 2, of the Local Government (Rating) Act 2002.

Example: Westport Senior Citizens Hall, Reefton Bowling Club and Granity Bowling Club

- 2.2 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.

Example: Reefton Historic Trust Board Properties

- 2.3 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.

- 2.4 Any rating unit that is owned or used by any sporting organisation, for which a club liquor license 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 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.

Example: *Reefton Golf Club and Westport RS Bowling Club*

- 2.5 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

3. REMISSION FOR RESIDENTIAL LAND IN COMMERCIAL OR INDUSTRIAL AREAS

Objective: *To charge the general rates on residential properties in the same differential category on a fair and equitable basis.*

For any residential rating unit that lies within a zoning that accords the unit a higher value than would otherwise be the case if the zoning of the area was residential, then the Council shall accord a value for the unit that is in line with a similarly sized and sited property within the vicinity, and being within a residential zone.

Examples: *Residential properties within the Westport commercial zone*

4. REMISSION OF UNIFORM CHARGES ON NON-CONTIGUOUS LANDS

Objective: *To provide relief from uniform charges on non-contiguous rural lands that are used as a single entity and owned or occupied by the same ratepayer.*

If two or more non-contiguous rating units that are classified as "rural" in terms of Council's rating system, are owned or occupied by the same ratepayer, and are used as the one farm unit, then such units shall be liable for one set of uniform charges and targeted service charges. To qualify only one of the rating units may have residential dwellings.

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.

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:





POLICY FOR RATES RELIEF ON MAORI FREEHOLD LAND

- (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.



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.

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, LTCCP
- 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

